Looking Forward Thinking Ahead

176 Years of Service

The Gleaner Company Limited

ANNUAL REPORT 2010

ONE HUNDRED AND FOURTEENTH ANNUAL REPORT

The Gleaner Company Limited

Mission Statement

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

COMMITTED TO PROVIDING OUR

CUSTOMERS	SHAREHOLDERS	EMPLOYEES	COMMUNITY	SUPPLIERS
with quality Products & Service delivered in courteous timely & efficient manner	with a profitable return on their investment	with a work environment that is safe, innovative, dynamic & rewarding	with corporate citizenship that is socially active & environmentally responsible	with a harmonious & mutually beneficial business relationship

✔ INFORMATION ✔ CREDIBILITY ✔ INDEPENDENCE

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LIST OF OFFICERS AND CORPORATE DATA

DIRECTORS

The Hon. O.F. Clarke, O.J., J.P., BSc. (Econ.), LL.D. (Hon.), F.C.A.-Chairman
The Hon. J.J. Issa, O.J., C.D., J.P., BSc., LL.D. (Hon.) - Vice Chairman
C. S. Roberts, J.P., C.A
J.M. Matalon, C.D., BSc. (Hons.) Econ.
D. R. Orane, C.D., J.P., BSc. (Hons.), M.B.A., LL.D. (Hon.)
M. M. Seymour, J.P., BSc. M.B.A., F.L.M.I.
Dr. C. D. Archer, B.A., M.U.R.P., M.Phil, Ph.D.
L. G. Johnston (Mrs.), B.A., M.A.
H.W. Dear, O.D., J.P., C.L.S.
C.N. Barnes, BSc. M.B.A.

HONORARY CHAIRMAN

Prof. The Hon. G. C. Lalor, O.J., C.D., BSc, M.Sc., Ph.D

SENIOR MANAGERS AND OFFICERS

The Hon. Oliver F. Clarke	-	Chairman
Christopher Barnes	-	Managing Director (Appointed 2011 February 1)
Garfield Grandison	-	Editor-in-Chief
John Hudson	-	Company Secretary/Manager-Overseas Business
Rudolph Speid	-	Manager-Group Finance and Procurement
Karin E. Daley-Cooper	-	Manager-Business Development and Marketing
Collin Bourne	-	Manager- Print, Plant and Distribution Operations
Newton James	-	Managing Director – Independent Radio Company Limited
L. Anthony O'Gilvie	-	Manager- Human Resources and Administration
Burchell Gibson	-	Circulation Manager
Robin Williams	-	Manager- Information Technology
Marlene Davis	-	Manager- Media Integration
Ian R. Roxburgh	-	Manager- Special Projects
Roland Booth	-	Managing Director (Acting), Gleaner Online
Jennifer Campbell	-	Managing Editor
Paget deFreitas	-	Editor-Overseas Business
Shena Stubbs	-	Senior Legal Advisor
Dwayne Gordon	-	Editor, Daily/Weekend Star
Mary Dick	-	Training Officer
Nordia Craig	-	Advertising Operations Manager

BRANCH OFFICES

Miss Shernett Robinson	-	Branch Manager Western Bureau
Mrs. Sheila Alexander	-	Director Gleaner Co. (Can.) Inc. Toronto & Gleaner Co. (USA) Ltd. New York
Mr. George Ruddock	-	Acting Managing Director GV Media Group Limited, London

AUDITORS

KPMG
Chartered Accountant
6 Duke Street, Kingston

REGISTRAR FOR THE COMPANY

NCB JAMAICA (NOMINEES) LIMITED
32 Trafalgar Road
Kingston 10

BANKERS

THE BANK OF NOVA SCOTIA
(JAMAICA) LIMITED
Scotia Bank Centre, Kingston, Jamaica

ATTORNEYS

DUNNCOX
48 Duke Street
Kingston

THE BANK OF NOVA SCOTIA LIMITED

London & New York

7 North Street
P.O. Box 40
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, 2011 June 9, at 10:30 a.m. for the following purposes:

1. To receive the Directors' and Auditors' Reports and Audited Financial Statements for the year ended 2010 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 2010 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 Mrs. Lisa Johnston, Messrs. Joseph Matalon, and Morin Seymour being eligible, have offered themselves for re-election.

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

   Resolution 2

   (a) That Mrs. Lisa Johnston be and is hereby re-elected Director of the Company;

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

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

3. To re-elect director who has retired from office in accordance with Article 94 of the Company's Articles of Incorporation. To consider, and if thought fit, pass the following resolution:-

Resolution 3

Resolved that Mr. Earl Maucker be and is hereby re-elected Director of the Company.

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

Resolution 4

Resolved that the Directors' fees agreed and payable for the year ending 2011 December 31, to all non-executive Directors of the Company be and are hereby approved.

5. 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 5

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.

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

By Order of the Board

John O. Hudson
Company Secretary

2011 April 14

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 91.

Directors' Profiles

Hon. Oliver F. Clarke

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

Chairman (From April, 1979) and
Managing Director (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, Independent Radio Company Limited and PALS Jamaica 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.

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 Ltd.

He holds directorships on a number of other boards including 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), a post to which 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.

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 and Director of Pegasus Hotels of Jamaica Limited. Other Boards on which he serves include GraceKennedy Limited and 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 S. Roberts

J.P., C.A.

Financial Manager/ Director
(February, 1975 to June, 2003)
Deputy Managing Director
(July 2003 to March 2005)

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

Dr. Douglas R. Orane

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

Director (From May, 1988)

He is Chairman and the Chief Executive Officer 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 N. Barnes
B.Sc., M.B.A
Managing Director.
Managing Director (February, 2011)
(Deputy Managing Director from February 2008)

He was appointed Managing Director in February 2011 having served as Deputy Managing Director since February 2008. He serves on the Boards of Ocho Rios Beach Limited, Caribbean News Agency Limited, Caribbean Media Corporation, Independent Radio Company Limited, The Gleaner Co. (USA) Ltd., The Gleaner Co. (Can.) Inc. and Gleaner Online Limited. He also serves as Vice Chairman Media Association of Jamaica and as a member of PSOJ's Economic Policy Committee. 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.

Mr. Morin M. Seymour
J.P, B.Sc., M.B.A., F.L.M.I

Director (From April, 2000)

He is the 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.

Mrs. Lisa Johnston
B.A., M.A..

Director (From April, 2000)

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

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. Prior to her appointment as Dean, she served as Head of the 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 the 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 the 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 currently serves as Chairman of Windear Limited and as a Director of Margaritaville Limited. Mr. Dear is Director and Development Consultant of Barnett Estates Limited and Chairman of Somerton All Age and Infant School. He retired from the Land Surveyors Firm of Dear Kindness and Partners Limited. He was a Commodore of the Montego Bay Yacht Club and a past Chairman of the Montego Bay Civil Centre.

HONORARY CHAIRMAN
Prof. The Hon. Gerald C. Lalor
O.J. CD., B.Sc., M.Sc., Ph.D.

Honorary Chairman (From December 15, 2005) and Director (March,1990 - December 8, 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 organisations. 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.

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
Circulation Manager

Garfield Grandison
Editor-In-Chief

John Hudson
Company Secretary and Manager, Overseas Business

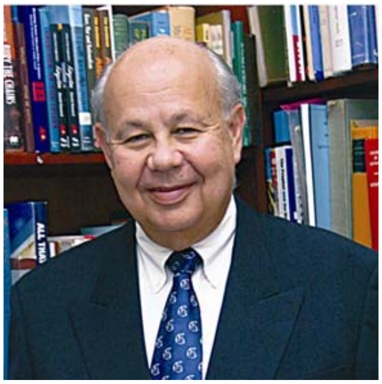
Newton James
Managing Director, Independent Radio Company Limited

Anthony O'Gilvie
Manager, Human Resources and Administration

Ian Roxburgh
Manager - Special Projects

Rudolph Speid
Manager - Group Finance and Procurement

Robin Williams
Technology Manager



Hon. Oliver F. Clarke, O.J. Hon. LLD

The board is pleased with your company's financial performance in spite of the prevailing, challenging economic environment. This success is attributed to a greater focus on efficiency gains for cost containment, and successfully executing the strategic agenda to deliver maximum value to the shareholders.

Management and staff, under the guidance of the board have implemented the necessary initiatives to better align its resources to the new paradigm shifts.

The challenges in the country, both economically and socially, are numerous. It is a mandate for The Gleaner Company Ltd. to be the source for information, a conduit for opinions and thought influencing changes of national importance, and the leader in providing the most innovative media solutions timely delivered on whichever platform required.

Globally, the world of information is changing rapidly and we are changing with it too. Information flow is more instantaneous, in multiple formats and significantly more interactive than it was a decade ago. The cost of entry for new players into this market is significantly reduced by technological advancement, resulting in greater competition. In this new environment, people are increasingly looking for credible and trusted sources, presented with greatest accuracy, to help them filter through and extract the most important issues affecting them. Credibility is synonymous with The Gleaner and it is this core competency which firmly places The Gleaner as the strongest media brand in the country. All of the great Gleaner employees take this responsibility very seriously.

As at January 31, 2011, I retired as Managing Director of the Company and the Board was delighted to appoint Mr. Christopher Barnes as Managing Director effective February 1, 2011. The Board wishes to congratulate him on his appointment and wish him every success.

It is through the efforts of the Management team and the employees that we had a good 2010. Their continued effort assures us of the best possible outcome for 2011.

GOVERNANCE

Directors

The Directors retiring by rotation at this year's Annual General Meeting are: The Hon. Oliver F. Clarke, O.J., L.L.D., Mrs. Lisa Johnston, Mr. Morin Seymour, and Mr. Joseph M. Matalon, C.D. All, being eligible, offer themselves for re-election.

Mr. Earl Maucker was appointed a member of the Board of Directors effective April 14, 2011. Mr. Maucker has extensive experience in the newspaper industry and is a great addition to the team.

In accordance with Article 94 of the Company's Articles of Incorporation, Mr. Maucker retires as a Director at the next Annual General Meeting and will be considered for reappointment.

Audit Committee

This Committee chaired by Board member Mr. Christopher Roberts has as its other members Directors The Hon. John Issa, O.J., L.L.D., Mr. Winston Dear, O.D., Mrs. Lisa Johnston and Mr. Christopher Barnes. It continues to carry out its mandate of monitoring and keeping under review the scope of the Company's audit and the integrity of its financial reporting.

Auditors

The retiring auditors are KPMG, and they have expressed their willingness to continue in office.

Dividends

The following Interim Ordinary Dividends were paid during 2010:-

Dividends Declared	Amount (cents/stock unit)	Record Date	Payment Date	Amount Paid
1st Interim Revenue	5	29.01.10	08.02.10	$60.5M
2nd Interim Revenue	2	17.09.10	11.10.10	$24.2M

No final dividend is recommended for the year.

ON BEHALF OF THE BOARD OF DIRECTORS

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

Christopher N. Barnes B.Sc. M.B.A.

We have closed out 2010 with much to celebrate having been successful in keeping a tight rein on our costs allowing your company to report fairly good financial results boosted by pension fund related income.

The profit of the Group from continuing operations for 2010 improved by over $270 Million when compared to 2009. Trading profit for 2010 was $211M and showed an improvement of $3M over 2009.

The company's year-end balance sheet remains strong, shows a healthy working capital base and remains virtually debt free.

We fought to the wire with our sales efforts, which helped to partially offset earlier revenue shortfalls. Our sales, customer service and production staff again demonstrated the fighting spirit which saw us rewarded with the AAAJ Media of the Year designation.

We have shown that we are not afraid to try new things by entering into a strategic partnership with a new media player who has launched an innovative indoor digital media solution, pursuing projects which leverage our valuable archives and, partnering with our major advertising clients to produce new and exciting publications.

Online we redesigned our flagship www.jamaica-gleaner.com to enhance user experience, and continued our aggressive push on breaking news updates, use of social media, and development of audio-visual multimedia content. Our online properties are well positioned in an environment which is becoming ripe for online marketing.

Editorially, we continue to justify our top spot in readership surveys and perceptions of media credibility, with a virtual sweep of the PAJ awards by our journalists in everything from reporting, through page design, to development of multimedia content. Our mix of veteran and new journalism professionals represents a healthy pipeline of news and other content to come.

Our editorial staff was outstanding in its coverage of the Manatt, Phelps, Phillips issue, played a major role in influencing action on a spiralling murder rate with its controversial daily front page murder statistics, and provided exceptional coverage of the joint police/military operations in West Kingston.

In entertainment and popular culture we saw our Star publication growing from strength to strength in a year where the publication was restored as the only afternoon tabloid in Jamaica.

Operationally, we successfully refurbished our equipment which, in addition to the increased vigilance of our press crews, contributed to improved print quality and an associated reduction in waste.

Operationally, we successfully refurbished our equipment which, in addition to the increased vigilance of our press crews, contributed to improved print quality and an associated reduction in waste.

Our company and, indeed, our nation were impacted by Tropical Storms Tomas and Nicole, and the limited State of Emergency. At The Gleaner, during those tense moments, our staff maintained smooth operations of the company in order to keep the nation informed.

The Gleaner's commitment to corporate social responsibility continues in many ways including support of PALS, other NGOs, and the company's heavy advocacy of all things educational and aimed at improving literacy.

This year culminated in the milestone approval for the winding up of our Pension Scheme and the commencement of distribution of surplus funds to its members. This was a welcomed conclusion to a long, but necessary, process designed to protect the best interest of the plan's members. The newly-established Defined Contribution Pension Fund, with matching company contribution represents another good retirement investment option for our employees.

It has been a busy year!

Focus for 2011

2011 will bring much opportunity for The Gleaner Company, however, with equal or greater challenge. The team will have to pull together to dig deeper than it has before to produce the much improved results which our shareholders expect. We must continue to embrace change and adapt accordingly.

It will be important to focus on our core operation's performance which is of pivotal importance. We must undertake a careful review of our processes to eliminate waste and work with passion to improve efficiency.

We will need to prospect for new sources of revenue, employ out-of-the-box thinking, display more initiative, and go the extra mile to deliver what our stakeholders (readers, advertisers, community, and the country at large) expect of us. We will continue to provide the ultimate customer service experience.

Editorially, we will reinforce our market leadership position, promote literacy/education, job creation, crime reduction and the espousal of good family values. Finally, we need to continue to keep our government transparent and hold it to its promises in the preservation of our democracy; the main objective of a free press.

We must thank our Board of Directors for their good governance and the enthusiasm with which they engage the management team on the company's affairs.

We cannot close without pausing to reflect on those in the immediate and extended Gleaner family who left us during 2010, as well as thank our families for their support which allowed us to perform at the highest level possible.

Finally, a hearty thank you goes out to all the wonderful Gleaner Company managers, staff and shareholders across the island and overseas, who helped, in each their own way, to contribute to this year's accomplishments. The Gleaner spirit soars!!

ON BEHALF OF THE MANAGEMENT TEAM

C.N. Barnes, BSc., M.B.A.
Managing Director

The Gleaner Company interacts with students from the primary, secondary, and tertiary levels through the National Reading Competition and the Reading Fair which follows. Each parish is represented at the different levels facilitating a wide cross-section of Jamaican students.

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.

GSAT Workbook Project
This project continues successfully. All five titles in the series will be revised in 2011. Each book will come with answers to the various exercises and tests presented.

Economic Stimulation
The Gleaner Company again partnered with the KSAC and other organisations to host 'Christmas in the City: Downtown Kingston Comes Alive' on December 15. The objective was to stimulate economic activity in Downtown Kingston in response to the reduction in business activity. The event was a success and The Gleaner has approached the parish councils across the island to initiate similar projects for their towns in 2011.

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

INDUSTRIAL RELATIONS

Collective Bargaining
Collective bargaining took place with the Bustamante Industrial Trade Union (BITU) and the Union of Technical, Administration & Supervisory Personnel (UTASP), to renew wage and fringe benefits agreements to be effective March 1 and April 15, 2010.

After several conciliation meetings at the Ministry of Labour, a two-year agreement was concluded on May 19, 2010, with the BITU on behalf of our hourly-paid employees.

The current basic wages were increased by 7.5% in the first year and a further 4.5% in the second year, along with certain improvements in fringe benefits.

After several meetings at the local level, two-year agreements, effective March 1 and April, 2010, were signed with UTASP with similar terms.

Non-unionised employees also benefited from increased salaries and improved fringe benefits.

Of the 412 employees in your company, 148 are unionized.

Long Service Recognition
In appreciation for and recognition of their service to the company, 42 employees received awards at the annual Long Service awards Luncheon, held on September 21, 2010. Messrs. Algon Brown and Robert Jackson, both of the Prepress Department, received awards for serving the company for 40 years.

Pension Income

The company's defined benefits pension fund was discontinued on July 15, 2010. The surplus in the Fund was used firstly to enhance member benefits and the balance thereafter divided equally between the company and members of the fund. The Company received the appropriate approvals from the Financial Services Commission for the winding up of the Pension Fund and distribution of the surplus. The effect of this is that members benefited from 54% of the surplus and the company 46%. The company's portion of the surplus is $1.3B; and is shown on the balance sheet as pension receivable.

The company's Income Statements reflect a pension income of $494M (surplus of $1.3B less $783M previously shown as Employee benefit asset).

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

Shareholder Returns

Shareholders received two (2) dividend payments for the year totalling 7 cents per stock unit as against 5.5 cents for 2009, an increase of 21.4%. The associated cost was $85M (2009: $67M).

	2010	2009
Ordinary share in issue @ 50 cents	1,211,243,827	1,211,243,827
Closing market price per share	1.65 cents	1.16 cents
Market capitalisation	1,998,552,314	1,405,042,839
Dividend paid per share	7.0 cents	5.5 cents
Gleaner shareholders return	4%	5%
Benchmark:		
The Jamaica Stock Exchange Index	8%	-3%

Equity

The group equity showed an improvement at December 31, 2010 ending at $2.5B compared to $2B in 2009.

Non-Current Liabilities

Non-Current liabilities increased by $219M due to an increase in the value of employee benefit obligation, specifically medical benefits provided for all staff on retirement, and deferred taxation liabilities accrued on unrealised surplus due to the Parent Company.

The Group's long-term liabilities portfolio was $40.5M (2009: $40M), this is comprised of a mortgage loan of a subsidiary company and leasing arrangements involving the parent company's motor vehicle fleet. The mortgage loan was repaid in March 2011.

Working capital	**2010 $M**	**2009 $M**	**% Change**
Total current assets	2,431	1,282	90
Total current liabilities	498	679	27
Working capital	**1,933**	**603**	**160**

Working capital increased by 160% due to amounts to be received from pension surplus during 2011. Without this surplus receivable working capital would have increased by 9%.

Reconciliation of Trading Profit to Profit from Continuing Operations
Trading profit remained flat during 2010 (see Table below):

	December 2010 $M	December 2009 $M
Trading profit	**211.3**	**208.7**
Gain/(loss) on operation of Gleaner Company Limited Employees Investment Trust	1.6	(59.0)
Pension income/(employee benefit asset)	469.7	(47.9)
Restructuring cost	(62.1)	(100.0)
Profit from Continuing operations before taxation	**620.5**	**1.8**

Risk Management
Our company monitors the operating results of business segments separately 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 making.

Our key risks are exchange rate, inflation rate and the Group's dependence on imported raw materials for its production process. Finance cost, Finance income and Income tax are managed on an individual transaction basis.

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

The company was able to maintain its Trading profit this year through the continuation of its drive towards efficiency in many stages of its operations.

For the future, the company's HR agenda will include ensuring capabilities development through training at all levels to better equip employees for the requirements of the job.

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 with continued implementation of cost saving strategies and seeking growth of our Revenue streams.

SUBSIDIARY COMPANIES

Overseas Companies

The overseas companies continue to perform profitably for 2010, despite the recessions in North America and the United Kingdom.

Our aim for 2011 continues to be connecting with and engaging on topical issues with the Diaspora and to grow circulation and advertising revenue in the respective markets.

Independent Radio Company Limited (IRC) – Power 106 FM, and Music 99 FM

2010 was a challenging year for radio as advertisers tightened spend in the current economic environment.

The stations have managed to keep operating cost during the year at 11% below budget and there has been significant improvement in the company's receivables.

There have been increased outside broadcasting activities with an average of thirty-five monthly broadcast. Many of these broadcasts focus on special national events and in-house projects such as road safety, parish focus and community activities.

Perkins Online continues to be the number one talk show on radio in the country with leadership positions in 13 of the 14 parishes, while Independent Talk remains the number one morning talk radio programme. Dear Pastor has shown significant growth in listenership with the number one position among talk radio listeners in the 18-24 age group, and number two in the 25-35 age group.

The stations continue to create and market unique products which target specific business sectors. Power 106 FM continues to dominate day-time and night-time talk shows with substantial participation from listeners in the Diaspora through **www.go-jamaica.com**. Music 99FM continues to occupy the niche space for smooth texture music popular at home, in offices, and businesses retail outlets. Feed back from listeners describes Music 99FM as the station with good clean music for the entire family.

Gleaner Online Limited

Gleaner Online, which celebrated its 14th year of operation on February 16, 2011, continues to be the leading online news media network in English speaking Caribbean.

The Gleaner Company's major websites include: -

1) jamaica-gleaner.com
2) jamaica-star.com
3) go-jamaica.com
4) voice-online.co.uk

The page views for the Gleaner, Star and Go Jamaica websites grew by 19%, 5% and 17% respectively in 2010 while unique visits grew by 33%, 22% and 27% respectively.

In 2010, we continued our use of social media (e.g. Facebook, Twitter) and emails to deliver breaking news updates to what is a fast growing segment of users.

The year also saw a greater focus on producing multimedia content to complement our online offering. Our comments, features and blog pages are also doing well and allow for greater reader interactivity.

In October, 2010, the Gleaner also launched its Blackberry short-cut application, which provides quick access to the mobile Gleaner website found at **http://m.jamaica-gleaner.com**.

Property Companies
The property companies recorded another profitable year in 2010. Despite a decline in combined profit from $7M to $4M due to a soft rental market

Your Company through a 100% subsidiary company, Selectco Publications Limited, owns 33 1/3% of a property company, 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.

MARKET RESEARCH

Market research is used as a proactive tool to help the company optimise its offerings by bringing research into all marketing efforts, integrating it into the long and short-term marketing strategies and by involving the operational staff. Research findings are used to give a holistic view of the current situation and an insight into the future of the business.

The Gleaner Company commissions an annual market research survey to measure the strength of its print and online publications. This is carried out by Johnson Survey Research Limited between March and April each year.

The 2010 market research results for our major publications are as follows:

Publications	Readership Result 2010 (000s)	Readership Result 2009 (000s)	Increase/(Decrease)
The Sunday Gleaner	745	640	16%
The Gleaner	509	432	18%
The Star	884	653	35%
Youthlink	258	137	88%
Children's Own	1, 073	1, 115	(4%)

The Sunday Gleaner continues to dominate the newspaper market on Sundays with readership growth of 16%, while The Gleaner grew by 18%. Most notably, the Tuesday and Thursday Gleaners both grew by 14% and 22% respectively. The readership of The Star and Youthlink grew tremendously over last year with The Star growing by 35% and Youthlink by 88%.

Your Sunday Gleaner remains the champion of all publications, extending its lead over the nearest competitors by a more than three-to-one margin. Our Daily Gleaner has seen growth in readership. Interest in the Saturday Gleaner especially has increased largely on the introduction of important features such as the Rural Express. Our Star publication still is the major player in tabloid readership.

Among our readers The Gleaner remains:

- The most credible and truthful newspaper among readers.
- The preferred source for advertising information.
- The newspaper that associates most with readers' lifestyles.
- The newspaper readers turn to when making purchasing decisions.

Jamaica-gleaner.com remains the most visited local newspaper website in Jamaica while Go-jamaica.com is the third most visited local newspaper website, followed by Jamaica-star.com in fourth place.

Each year a series of breakfasts and meetings are held at which Advertising Agencies and Direct Clients are presented with the new survey results and provided with an update on The Gleaner Company's activities. Valuable feedback is received from this group of customers.

EDITORIAL COVERAGE

With the Gleaner and Star Publication, 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 Children's Own, Youth Link and annual products such as Top of the Class and Education 2020.

Your news team's coverage of Parliament, the extradition of Christopher 'Dudus' Coke, the Tivoli Incursion and other national events was exceptional. We investigated and broke major stories of corruption and negligence. We reported on major tragedies such as the earthquake in Haiti with high sensitivity (this won the prestigious Fairplay Award). We creatively and accurately told stories of triumphs of the ordinary Jamaicans that warmed the hearts of many readers.

With the global recession affecting Jamaicans at home and abroad, we embarked on a self-help project SURVIVING IN 2010. In this series we explored cost saving mechanisms employed by the productive sector, helped readers to shift their diets to local produce through our continuous focus on agriculture and more generally helped them to stretch the dollar.

Your Editorial Department also made a deliberate effort to increase coverage of rural Jamaica and Jamaicans through the Rural Express vehicle. This drove an increase of readership in targeted parishes.

Your Managing Editor Jenni Campbell was elected president of the Press Association of Jamaica in 2010 and immediately took on major issues affecting press freedom, the training of journalists and the lifting of standards in the profession.

Our Editors' Forum series is celebrating its 10^{th} anniversary in 2011. We rolled out a special series on addressing the major ills affecting our country even as we continue to highlight issues of interest for specialist groups on topical matters and help to guide healthy public debate.

During the year your Editorial Department started the process to achieve full integration of our radio, print and online newsrooms. This will only strengthen the Gleaner Company brand as its products remain current and the most credible source for information.

Our news team ended the year on a very high note with eleven of our team members winning journalism awards from the Press Association of Jamaica, the Pan-American Health Organisation and the Fairplay Awards.

In 2010, no lawsuits were filed against the company, however, three existing libel matters were closed off, two by way of settlement and the other struck out by the court. This has been a remarkable accomplishment on the part of the company to have not had one lawsuit in the year and comes against the background of a more aggressive stance to heading off potential law suits.

In 2010 the process to reform the libel laws of Jamaica continued with two meetings of The Joint Select Committee of Parliament reviewing the Hugh Small Committee Report of 2008. The committee eventually approved several of the recommendations made by the said Small Committee.

While cognizant of the progress made thus far, your company is of the view that Parliament did not go far enough with the recommendations that were approved and feel that the most important amendments, which are designed to ensure greater press freedom and strengthen the ability to root out corruption, have not been approved. We will however continue in 2011 to advocate for greater amendments to the law.

OTHER PUBLICATIONS AND SERVICES

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 and work has begun on the tenth edition.

Black Pages

The 2010-2011 Black Pages Directory published by our Canadian Company was once again produced successfully and profitably. The 156 page directory is a resource guide created to help users find products and services within Canada's Black and Caribbean communities in the Greater Toronto area. The directory is also available online at **www.blackpages.ca.**

Gleaner Archives

The Gleaner Archives is an online database containing more than 970,000 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.

Readers can subscribe to the Gleaner archives by visiting the website **www.gleanerarchives.com** or The Gleaner Company's Library at 7 North Street, Kingston.

GLEANER EVENTS

The Gleaner's Children's Own Spelling Bee

The programme started in 1958 and has been conducted by The Gleaner Company in Jamaica for the past 51 years. The 2010 champion, Owayne Rodney, represented Jamaica in the Scripps National Spelling Bee in Washington DC in that year. He tied for 33rd place from a field of 273 spellers.

The 2011 Gleaner Children's Own Spelling Bee Champion is Hanif Brown of Ardenne High School. He will compete in the Scripps National Spelling Bee in Maryland, USA in 2011.

Spelling Bee GSAT Scholarship Recipients Luncheon
On July 6, 2010 three Spelling Bee Parish Champions (Camara Webber of Cornwall, Hanif Brown of Surrey, and Jenelle Hinds of Middlesex) were presented with The Gleaner's Children's Own Spelling Bee GSAT County Scholarships.

The Gleaner's Top Billing Advertisers in 2010
The Marketing Counselors Limited was the Top Billing advertiser with The Gleaner Company in 2010. Representatives of Advertising Agencies, direct and indirect clients and other guests were present at an event held on February 7, 2011 to recognise our top billing for 2010.

The listing of recipients was as follows:

AWARD	RECIPIENT
The Highest Volume of Business (Agency) in The Gleaner's online products	OGM Integrated Communications
The Highest Volume of Business (Direct Client) in The Gleaner's online products	The Victoria Mutual Building Society
Best Growth Performance (Print)	PRO Communications Ltd.
The Third Highest Volume of Business (Print)	OGM Communications Ltd.
The Second Highest Volume of Business (Print)	Advertising & Marketing Ltd.
The Gleaner's Top Billing Award (Print)	The Marketing Counselors Ltd.

Newspaper in Education: As part of your company's continued support of the education sector, our Newspaper in Education initiative continues to supplement the learning materials of students across the island.

CSEC Seminars
The Gleaner provides face-to-face assistance to students and teachers through Youthlink-sponsored CSEC seminars in Kingston, St. James and Westmoreland each year. Markers of the Caribbean examinations teach them strategies to earn the best grades on the examination, giving them the highest level of exposure to and the best opportunity to succeed at the examination. Thousands of students and scores of teachers have benefited from this programme so far.

The Gleaner Honour Awards is an annual programme that recognises individuals and organisations which have contributed significantly to improving Jamaica's quality of life.
For the second consecutive year, the format of the awards consisted of smaller lunches in October and one Gala Luncheon in November. This format facilitates greater interaction between the award recipients and the guests and, adding depth to the coverage given to the awards.

Dr. the Hon. Christopher Tufton, received the Man of the Year award for 2010. The category winners were:

CATEGORY	RECIPIENT	REASON
Arts & Culture	Edna Manley College of The Visual & Performing Arts	For its role in the tertiary-level training of Jamaican professionals in the area of Arts and Culture.
Sports	Hon. Michael Fennell, OJ	For your extensive contribution to Sports administration locally and internationally

CATEGORY	RECIPIENT	REASON
Business (co-recipients)	The Private Sector Organisation of Jamaica and the Jamaica Chamber of Commerce	For their impact on the business sector in Jamaica through their various initiatives and advocacy
Science & Technology	Prof. Wayne McLaughlin	For your work in producing scientific research results that have benefited agricultural production in Jamaica and the Caribbean.
Special Award	The NCU's Team Xormis	The World Champion at the International Microsoft Imagine Cup Competition in 2010.
Health & Wellness	Andrews Memorial Hospital	For its role in the improvement of health care infrastructure
Education	UTECH – (Entrepreneurship & Outreach programmes)	For its role in the equipping of graduates with entrepreneurial skills necessary for national development and its extensive outreach activities.
Public Service	Dr. The Hon. Christopher Tufton, BSc., MSc., DBA	For his leadership role in economic expansion and potential job creation
Special Award	Jamaica Social Investment Fund	For its consistent contribution to community development
Entertainment	Jamaica Jazz & Blues Festival	For its role in maintaining Jamaica's reputation for international-class entertainment events and its impact on job-creation
Voluntary Service	Hon. Raby Danvers 'Danny' Williams, OJ, Hon. LLD.	For his exemplary contribution over the years to voluntary activity culminating in the effectiveness of his efforts in reviving the physical and educational capacity of Jamaica College.
Special Lifetime Award	Prof. Barrington Chevannes	His contribution to policies related to Caribbean culture and identity, male gender issues, social integration, crime, and violence.

SPONSORSHIPS

Awards Programmes:
The Governor General's Achievement Award, co-sponsored by The Gleaner Company in association with the Jamaica National Building Society and other Building Societies gives recognition to the ordinary Jamaican who is an 'unsung hero' in his/her community. The Youth Awards continue to be given to persons under 35 years old who embody the principles of excellence in various fields of endeavour.

Three county functions were held across the island. The presentation of the pins to the award recipients for 2010 was done by Her Excellency, the Honourable Lady Allen on November 16, 2010.

Other awards programmes sponsored by The Gleaner Company included the NCB Nation-Builders Award, First Global Vision Awards, the JIM Manager of the Year Awards and the Youth View Awards.

PALS Jamaica 2010
Major activities in 2010 for PALS included training of Jamaica Constabulary Force District Constables who are placed in schools; offering counselling, grief management and alternative dispute resolution services to students and community residents who experienced the incursion by security forces in West Kingston; Peace Day – celebrated in Homestead, St. Catherine, where an agreement to broker peace between two major gangs was effected; workshops for youth in skills training programmes.

PALS received major financial support from a particular private-sector company which believes in the organisation's work. This resulted in support for operations as well as curricular materials. Funds were also received from a long-time sponsor to underwrite the work in West Kingston.

PALS also continued to serve on various Ministry of Education committees addressing safety and security in schools as well as the at-risk student population.

Entertainment Events

The Gleaner's inaugural sponsorship of the Jamaica Jazz and Blues Festival was successful. The festival was held on January 24 – 31 at Greenfield Stadium in Trelawny. Gleaner activities included reader promotions including Youthlink photo op with Joss Stone, copies of The Gleaner distributed to patrons, Go-Jamaica photo gallery of patrons announced at the show, in-paper ticket giveaways, the hosting of a successful Gleaner 'Taste of Jazz' event in Kingston on the Thursday prior to the festival, a Gleaner ad in the festival magazine and a Gleaner ad on the LCD screens at the show.

Restaurant Week, organised by SSCO in association with The Gleaner, was another successfully conducted promotion in 2010. The event offers discounted dining in restaurants over one week in November of each year and has become an important part of Jamaica's entertainment calendar. The Gleaner uses this event to provide additional benefits to its readers and to host several business associates and valued clients during that period.

Other entertainment events sponsored by the company included the Shaggy & Friends Dare to Care Concert, Dancing Dynamites, Osmosis, Miss Jamaica World, the Ity and Fancy Cat Show, Take Me Away, ATI and Dream Weekend.

Education and Youth Programmes

The Gleaner Company interacts with students from the primary, secondary, and tertiary levels through the National Reading Competition and the Reading Fair which follows. Each parish is represented at the different levels facilitating a wide cross-section of Jamaican students.

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.

GSAT Workbook Project

This project continues successfully. All five titles in the series will be revised in 2011. Each book will come with answers to the various exercises and tests presented.

Economic Stimulation

The Gleaner Company again partnered with the KSAC and other organisations to host 'Christmas in the City: Downtown Kingston Comes Alive' on December 15. The objective was to stimulate economic activity in Downtown Kingston in response to the reduction in business activity. The event was a success and The Gleaner has approached the parish councils across the island to initiate similar projects for their towns in 2011.

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

INDUSTRIAL RELATIONS

Collective Bargaining

Collective bargaining took place with the Bustamante Industrial Trade Union (BITU) and the Union of Technical, Administration & Supervisory Personnel (UTASP), to renew wage and fringe benefits agreements to be effective March 1 and April 15, 2010.

After several conciliation meetings at the Ministry of Labour, a two-year agreement was concluded on May 19, 2010, with the BITU on behalf of our hourly-paid employees.

The current basic wages were increased by 7.5% in the first year and a further 4.5% in the second year, along with certain improvements in fringe benefits.

After several meetings at the local level, two-year agreements, effective March 1 and April, 2010, were signed with UTASP with similar terms.

Non-unionised employees also benefited from increased salaries and improved fringe benefits.

Of the 412 employees in your company, 148 are unionized.

Long Service Recognition

In appreciation for and recognition of their service to the company, 42 employees received awards at the annual Long Service awards Luncheon, held on September 21, 2010. Messrs. Algon Brown and Robert Jackson, both of the Prepress Department, received awards for serving the company for 40 years.

Pensioners

The Gleaner Company continues to honour its pensioners, annually, with a luncheon held on February 16, 2010.

Employee Satisfaction Survey

In an effort to improve staff morale and employee engagement, an employee satisfaction survey was commissioned in May. The results continue to help us to improve on our staff relations.

Editorial

The Gleaner Company received eleven of nineteen Press Association of Jamaica Awards for 2010

President's Award for Investigative Journalism:
Tyrone Reid, for his piece ***'Deadly Water'***.

Best Cover Design (awarded to paginators and subeditors):
Raymond Simpson, for his Youthlink design titled ***'Retro Style'***.

The Carl Wint award for Human Interest Feature Stories: Daraine Luton, The Gleaner, for his article ***'Haiti's Hell'***.

Young Journalist of the Year (shared): Nadisha Hunter.

Editorial (cont.)

Junior Dowie Award for Sports Photography: Ricardo Makyn, for his photograph captioned ***'Good Save'***.
Aston Rhoden Award for News Photography: Ricardo Makyn, for his photograph captioned ***'Beer Madness'***.

Excellence in Online Journalism: Kyle MacPherson, for the series ***'Inna de Yard'***.

Hector Bernard/Theodore Sealy Award for Print News (shared): Gary Spaulding, for his articles on the events leading up to the extradition of Christopher Coke.

Livingston McLaren Award for Cartoons: Lascelles May, The Gleaner, for his Christopher Coke-Manatt series.

Editorial (cont.)

Raymond Sharpe/Hugh Crosskill Award for Sports Reporting:
Andre Lowe, for his coverage of the 2010 Commonwealth Games and ***'The Bolt Series'***.

Morris Cargill Award for Opinion Journalism: Martin Henry.

Advertising

The Gleaner Company was the AAAJ *'Media of the Year' for the 13th time in 2009*

1989 AAAJ Awards

2009 AAAJ Awards

Corporate Social Responsibility

The Gleaner Honour Awards

The Gleaner Children Own Spelling Bee winner, Hanif Brown.

The Governor General Achievement Awards

The Gleaner staff members also become involved in the company outreach activity through their involvement in fund-raisers such as the Jamaica Cancer Society Relay for Life, depicted here.

Partner in the Sigma Corporate Run

The Gleaner Pensioner Luncheon

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INDEPENDENT AUDITORS' REPORT

To the Members of
THE GLEANER COMPANY LIMITED

Report on the Financial Statements

Report on the Financial Statements

We have audited the financial statements of The Gleaner Company Limited ("the company") and the consolidated financial statements of the company and its subsidiaries ("the group"), set out on pages 31 to 87, which comprise the group's and company's statement of financial position as at December 31, 2010, the group's and company's statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the company as at December 31, 2010, and of the group's and company's financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

KPMG

Chartered Accountants
Kingston, Jamaica

March 15, 2011

BALANCE SHEET December 31, 2010

	NOTES	GROUP 2010 $'000	GROUP 2009 $'000	COMPANY 2010 $'000	COMPANY 2009 $'000
Assets:					
Property, plant and equipment	6	903,407	870,550	799,535	755,762
Intangible asset	7	7,638	8,616	7,638	8,616
Employee benefit asset	8(a)	-	782,900	-	782,900
Long-term receivables	9	42,910	70,947	42,035	70,058
Interests in subsidiaries	10	-	-	44,289	14,482
Interests in associates	11	150	150	-	-
Investments	12	228,171	137,064	223,547	124,393
Deferred tax assets	13	9,335	13,696	-	-
Total non-current assets		1,191,611	1,883,923	1,117,044	1,756,211
Cash and cash equivalents	14	125,936	70,923	70,814	14,192
Securities purchased under resale agreements	15	252,896	135,046	184,052	81,823
Trade and other receivables	16	556,147	819,450	567,433	837,211
Prepayments		32,050	34,339	31,544	33,396
Taxation recoverable		98,568	89,923	87,717	81,106
Inventories and goods-in-transit	17	88,063	132,028	79,136	126,506
Pension receivable	18	1,277,300	-	1,277,300	-
Total current assets		2,430,960	1,281,709	2,297,996	1,174,234
Total assets		**3,622,571**	**3,165,632**	**3,415,040**	**2,930,445**
Equity:					
Share capital	19	605,622	605,622	605,622	605,622
Reserves	20	1,851,333	1,417,546	1,829,833	1,419,666
Total equity attributable to equity holders of the parent		2,456,955	2,023,168	2,435,455	2,025,288
Non-controlling interest		-	15,292	-	-
Total equity		**2,456,955**	**2,038,460**	**2,435,455**	**2,025,288**
Liabilities:					
Long-term liabilities	21	40,534	40,105	10,292	9,295
Employee benefit obligation	8(b)	120,900	96,200	120,900	96,200
Deferred tax liabilities	13	506,501	312,353	506,182	312,005
Total non-current liabilities		667,935	448,658	637,374	417,500
Bank overdraft	22	9,076	15,744	7,519	15,744
Trade and other payables	23	436,421	606,998	295,007	434,583
Taxation		197	4,681	-	-
Current portion of long-term liabilities	21	6,626	7,213	6,038	6,555
Deferred income	24	45,361	43,878	33,647	30,775
Total current liabilities		497,681	678,514	342,211	487,657
Total liabilities		**1,165,616**	**1,127,172**	**979,585**	**905,157**
Total equity and liabilities		**3,622,571**	**3,165,632**	**3,415,040**	**2,930,445**

The financial statements on pages 31 to 87 were approved for issue by the Board of Directors on March 15, 2011 and signed on its behalf by:

_________________________ Chairman
Hon. O. F. Clarke, O.J

_________________________ Managing Director
Christopher Barnes

The accompanying notes form an integral part of the financial statements.

	NOTES	GROUP 2010 $'000	GROUP 2009 $'000	COMPANY 2010 $'000	COMPANY 2009 $'000
Continuing operations					
Revenue	25	3,187,725	3,274,179	2,679,201	2,703,373
Cost of sales		(1,704,122)	(1,620,797)	(1,418,114)	(1,392,444)
Gross profit		1,483,603	1,653,382	1,261,087	1,310,929
Other operating income		210,029	176,513	265,042	231,289
		1,693,632	1,829,895	1,526,129	1,542,218
Distribution costs		(473,595)	(538,757)	(450,650)	(510,159)
Administrative expenses		(583,054)	(708,728)	(464,559)	(530,822)
Other operating expenses		(511,616)	(538,646)	(501,458)	(508,656)
Pension costs		(4,188)	(93)	(2,676)	(93)
		(1,572,453)	(1,786,224)	(1,419,343)	(1,549,730)
Gain on disposal of subsidiary		-	-	-	351,317
Employee benefit asset	8(a) (iv)	494,400	(39,000)	494,400	(39,000)
Employee benefit obligation	8(b) (iii)	(26,200)	(8,900)	(26,200)	(8,900)
		468,200	(47,900)	468,200	(47,900)
Profit/(loss) from continuing operations	26	**589,379**	**(4,229)**	**574,986**	**295,905**
Finance income		39,785	19,665	35,682	42,704
Finance cost		(8,629)	(13,614)	(8,790)	(10,113)
Net finance income	27	31,156	6,051	26,892	32,591
Profit from continuing operations before taxation (charge)/credit		**620,535**	**1,822**	**601,878**	**328,496**
Taxation (charge)/credit	28	(189,836)	158,552	(185,504)	153,853
Profit from continuing operations		**430,699**	**160,374**	**416,374**	**482,349**
Discontinued operations					
Profit from discontinued operation (net of taxation)	29	-	47,806	-	-
Profit for the year		**430,699**	**208,180**	**416,374**	**482,349**
Attributable to:					
Parent company stockholders		431,845	224,007		
Non-controlling interest		(1,146)	(15,827)		
		430,699	208,180		
Dealt with in the financial statements of:					
Parent company		416,374	482,349		
Subsidiary companies		15,471	(258,342)		
		431,845	224,007		
Earnings per stock unit:					
Based on stock units in issue	30	35.65¢	18.49¢		
Excluding stock units in GCLEIT		37.56¢	19.61¢		
Earnings per stock unit from continuing operations:					
Based on stock units in issue	30	35.65¢	14.55¢		
Excluding stock units in GCLEIT		37.56¢	15.43¢		

The accompanying notes form an integral part of the financial statements.

	Notes	2010 $'000	2009 $'000
Profit for the year		430,699	208,180
Other comprehensive income/(expense)			
Change in fair value of available-for-sale investments		13,250	4,081
Surplus on revaluation of land and buildings		69,980	100,873
Currency translation differences on foreign subsidiaries		9,733	(99,653)
Taxation on other comprehensive income/(expense)	28(c)	(8,673)	(162,174)
Other comprehensive income/(expense) for the year, net of taxation		84,290	(156,873)
Total comprehensive income for the year		514,989	51,307
Dealt with in the financial statements of:			
Parent company		489,823	418,905
Subsidiary companies		25,166	(367,598)
		514,989	51,307

The accompanying notes form an integral part of the financial statements.

	Notes	2010 $'000	2009 $'000
Profit for the year		416,374	482,349
Other comprehensive income/(expense)			
Change in fair value of available-for-sale investments		12,142	4,023
Surplus on revaluation of land and buildings		69,980	84,790
Taxation on other comprehensive income	28(c)	(8,673)	(152,257)
Other comprehensive income/(expense) for the year, net of taxation		73,449	(63,444)
Total comprehensive income for the year		489,823	418,905

The accompanying notes form an integral part of the financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY December 31, 2010

	Share capital $'000	Capital reserves $'000	Fair Value reserves $'000	Reserve for own shares $'000	Retained profits $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Balances at January 1, 2009	605,622	840,880	58,001	(197,226)	705,721	2,012,998	31,119	2,044,117
Total comprehensive income/(expense) for the year								
Profit/(loss) for the year	-	-	-	-	224,007	224,007	(15,827)	208,180
Other comprehensive income/(expense) for the year								
Change in fair value of investments	-	-	(52,109)	-	-	(52,109)	-	(52,109)
Surplus on revaluation of land and buildings	-	(5,111)	-	-	-	(5,111)	-	(5,111)
Currency translation differences on foreign subsidiaries	-	(99,653)	-	-	-	(99,653)	-	(99,653)
Other comprehensive expense for the year, net of taxation	-	(104,764)	(52,109)	-	-	(156,873)	-	(156,873)
Total comprehensive income/(expense) for the year	-	(104,764)	(52,109)	-	224,007	67,134	(15,827)	51,307
Transactions with owners, recorded directly in equity								
Dividends (note 31)	-	-	-	-	(62,768)	(62,768)	-	(62,768)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	5,804	-	5,804	-	5,804
Total distributions to owners	-	-	-	5,804	(62,768)	(56,964)	-	(56,964)
Balances at December 31, 2009	605,622	736,116	5,892	(191,422)	866,960	2,023,168	15,292	2,038,460
Total comprehensive income/(expense) for the year								
Profit/(loss) for the year	-	-	-	-	431,845	431,845	(1,146)	430,699
Other comprehensive income/(expense) for the year								
Change in fair value of investments	-	-	15,743	-	-	15,743	-	15,743
Surplus on revaluation of land and buildings	-	58,814	-	-	-	58,814	-	58,814
Currency translation differences on foreign subsidiaries	-	9,733	-	-	-	9,733	-	9,733
Other comprehensive income for the year, net of taxation	-	68,547	15,743	-	-	84,290	-	84,290
Total comprehensive income/(expense) for the year	-	68,547	15,743	-	431,845	516,135	(1,146)	514,989
Transactions with owners, recorded directly in equity								
Dividends (note 31)	-	-	-	-	(79,937)	(79,937)	-	(79,937)
Share-based payment transactions (note 32)	-	-	-	-	5,131	5,131	-	5,131
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	8,127	-	8,127	-	8,127
Total distributions to owners	-	-	-	8,127	(74,806)	(66,679)	-	(66,679)
Changes in ownership interest in subsidiaries								
Acquisition of non-controlling interests without a change in control (note 33)	-	-	-	-	(15,669)	(15,669)	(14,146)	(29,815)
Balances at December 31, 2010	605,622	804,663	21,635	(183,295)	1,208,330	2,456,955	-	2,456,955

The accompanying notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY December 31, 2010

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Retained profits $'000	Total equity $'000
Balances at January 1, 2009	605,622	512,387	57,153	497,839	1,673,001
Total comprehensive income/(expense) for the year					
Profit for the year	-	-	-	482,349	482,349
Other comprehensive income/(expense)					
Change in fair value of investments	-	-	(52,167)	-	(52,167)
Surplus on revaluation of land and buildings	-	(11,277)	-	-	(11,277)
Other comprehensive expense for the year, net of taxation	-	(11,277)	(52,167)	-	(63,444)
Total comprehensive income/(expense) for the year	-	(11,277)	(52,167)	482,349	418,905
Transactions with owners, recorded directly in equity					
Dividends (note 31)	-	-	-	(66,618)	(66,618)
Balances at December 31, 2009	605,622	501,110	4,986	913,570	2,025,288
Total comprehensive income for the year					
Profit for the year	-	-	-	416,374	416,374
Other comprehensive income					
Change in fair value of investments	-	-	14,635	-	14,635
Surplus on revaluation of land and buildings	-	58,814	-	-	58,814
Other comprehensive expense for the year, net of taxation	-	58,814	14,635	-	73,449
Total comprehensive income for the year	-	58,814	14,635	416,374	489,823
Transactions with owners, recorded directly in equity					
Dividends (note 31)	-	-	-	(84,787)	(84,787)
Share based payment transactions (note 32)	-	-	-	5,131	5,131
	-	-	-	(79,656)	(79,656)
Balances at December 31, 2010	605,622	559,924	19,621	1,250,288	2,435,455

The accompanying notes form an integral part of the financial statements.

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Cash flows from operating activities				
Profit for the year	430,699	208,180	416,374	482,349
Adjustments to reconcile profit to net cash (used)/provided by operating activities:				
Depreciation	92,699	105,701	72,444	69,145
Amortisation	2,447	2,154	2,447	2,154
Deferred taxation, net	189,836	(161,823)	185,504	(153,853)
Employees benefit asset, net	(469,700)	34,472	(469,700)	45,900
Loss/(gain) on disposal of property, plant and equipment	2,742	(2,187)	(999)	(2,241)
Equity settled share-based payment transaction	5,131	-	5,131	-
Gain on disposal of subsidiary	-	(32,563)	-	(351,317)
Interest income	(39,785)	(19,665)	(35,682)	(42,704)
Interest expense	8,629	13,614	8,790	10,113
Income tax	-	3,271	-	-
	222,698	151,154	184,309	59,547
Tax paid	(13,129)	(5,198)	(6,611)	-
Interest paid	(8,629)	(7,994)	(8,790)	(10,113)
Trade and other receivables	260,014	(447,348)	257,124	(184,846)
Prepayments	2,289	1,403	1,852	(4,506)
Inventories and goods-in-transit	43,965	35,071	47,370	38,036
Securities purchased under agreements for resale	(117,850)	(98,135)	(102,229)	(77,577)
Trade and other payables	(170,577)	107,916	(136,704)	(10,204)
Deferred income	1,483	30,142	-	-
Net cash provided/(used) by operating activities	220,264	(232,989)	236,321	(189,663)
Cash flows from investing activities				
Interest received	42,638	18,416	32,829	42,436
Additions to property, plant and equipment	(58,318)	(83,535)	(46,237)	(52,863)
Proceeds from sale of property, plant and equipment	-	2,880	-	2,880
Proceeds from sale of subsidiary	-	353,967	-	353,967
Investments	(75,364)	(16,715)	(84,519)	(4,965)
Acquisition of subsidiary	-	-	(29,807)	-
Acquisition of intangible asset	(1,469)	(10,770)	(1,469)	(10,770)
Net cash (used)/provided by investing activities	(92,513)	264,243	(129,203)	330,685
Cash flows from financing activities				
Long-term receivable	14,025	14,130	42,035	(83,800)
Long-term liabilities	(158)	(5,968)	481	(5,688)
Dividends paid	(79,937)	(62,768)	(84,787)	(66,618)
Net cash used by financing activities	(66,070)	(54,606)	(42,271)	(156,106)
Net increase/(decrease) in cash and cash equivalents	61,681	(23,352)	64,847	(15,084)
Cash and cash equivalents at beginning of the year	55,179	78,531	(1,552)	13,532
Cash and cash equivalents at end of the year	116,860	55,179	63,295	(1,552)
Comprised of:				
Cash and bank balances	125,936	70,923	70,814	14,192
Bank overdraft	(9,076)	(15,744)	(7,519)	(15,744)
	116,860	55,179	63,295	(1,552)

The accompanying notes form an integral part of the financial statements.

1. Identification

The Gleaner Company Limited ("company" or "parent company") is incorporated under the laws of, and is domiciled in, Jamaica. The principal activities of the company and its subsidiaries [collectively referred to as the "group" (note 2(e)(i)] are the publication and printing of newspapers and radio broadcasting. Its registered office is located at 7 North Street, Kingston.

The company, established in 1897, is the holding company of the following subsidiary companies:

		2010	2009
(a)	Popular Printers Limited and its wholly-owned subsidiaries, Creek Investments Limited, Selectco Publications Limited, Associated Enterprise Limited	100%	100%
	Selectco Publications Limited owns 33 1/3% of the shares in Jamaica Joint Venture Investment Company Limited, and 50% of the shares in A Plus Learning Limited		
(b)	Independent Radio Company Limited	100%	65%
(c)	GV Media Group Limited	100%	100%
(d)	The Gleaner Company (Canada) Inc. and its wholly-owned subsidiary, The Gleaner Company (USA) Limited.	100%	100%

All these companies are incorporated under the laws of Jamaica with the exception of GV Media Group Limited, The Gleaner Company (Canada) Inc. and The Gleaner Company (USA) Limited, which are incorporated in the United Kingdom, Canada and the United States of America, respectively. The parent company's shares are quoted on the Jamaica Stock Exchange.

In the previous year, Selecto Publications Limited obtained control of A Plus Learning Limited, a computer software development company, by acquiring 50% of shares and voting interests in the company. The results of the company are not considered material to these financial statements and have not been consolidated.

In the prior year, the company disposed of its wholly-owned subsidiary, Sangster's Book Stores Limited and its subsidiary, the Book Shop Limited (see note 29).

2. Basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board (IASB), and comply with the provisions of the Jamaican Companies Act.

(b) Basis of measurement:

The financial statements are prepared on the historical cost basis, except for buildings [note 6(c)] and available-for-sale investments (note 12), which are measured at fair value.

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars, which is the company's functional currency.

2. Basis of preparation (continued)

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next financial year are discussed below:

(i) Pension and other post-retirement benefits:

The amounts recognised in the balance sheet and income statement for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

The expected return on plan assets is assumed considering the long-term historical returns, asset allocation and future estimates of long-term investments returns. The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the group's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

(ii) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables, as well as timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

It is possible, based on existing knowledge, that outcomes that are different from these assumptions could require a material adjustment to the carrying amount reflected in future financial statements.

2. Basis of preparation (continued)

(e) Basis of consolidation:

(i) Subsidiaries are entities controlled by the company. Control exists when the company has the power directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

The consolidated financial statements comprise the financial results of the company and its subsidiaries, including The Gleaner Company Limited Employee Investment Trust, a special purpose entity (SPE), prepared to December 31, 2010. The principal operating subsidiaries are listed in note (1) and are referred to as "subsidiaries" or "subsidiary". The company and its subsidiaries are collectively referred to as the "group". The results of associated companies are also included to the extent explained in note 3(o).

An SPE is consolidated if, based on an evaluation of the substance of its relationship with the group and the SPE's risks and rewards, the group concludes that it controls the SPE.

(ii) Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Ordinary shares held by third parties in the company's subsidiaries are included in non-controlling interests reported in the financial statements.

(f) Standards adopted during the year:

The adoption of the following standards and amendments, which became effective during the year, resulted in changes in accounting policies as follows:

- *Revised IFRS 3 Business Combinations* became effective for annual reporting periods beginning on or after July 1, 2009. The definition of a business combination has been revised and focuses on control. All items of consideration transferred by the acquirer are measured and recognised at fair value as of the acquisition date, including contingent consideration. An acquirer can elect to measure non-controlling interest at fair value at the acquisition date or on a transaction by transaction basis. Also, minority interest is referred to an non-controlling interest in these financial statements. The group had no acquisitions during the year.

- *IAS 27 (Revised) Consolidated and Separate Financial Statements* becomes effective for annual reporting periods beginning on or after July 1, 2009. All transactions with non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore recorded in equity. No goodwill or gains and losses is recognized as a result of such transactions. The adjustments to non-controlling interest are based on a proportionate amount of the net assets of the subsidiary (see note 33).

3. Significant accounting policies

(a) Property, plant and equipment:

(i) Owned assets:

Items of property, plant and equipment are stated at cost, or valuation, less accumulated depreciation and impairment losses [see note 3(m)]. Cost includes expenditures that are directly attributable to the acquisition of the assets.

The cost of self-constructed assets includes the cost of materials and direct labour, plus any other costs directly attributable to bringing the asset to a working condition for its intended use and capitalised borrowing costs.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied with the part will flow to the group and its costs can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

The fair value of building is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction; as determined by a professional appraiser.

(ii) Leased assets:

Leases, the terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leasing arrangements are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses.

(iii) Depreciation:

Property, plant and equipment, with the exception of freehold land on which no depreciation is provided, are depreciated on both the straight-line and reducing-balance methods at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Buildings [see note 6(c)]	-	2½% and 5%
Machinery & equipment	-	10%, 12½%, 20% and 25%
Fixtures and fittings	-	10% and 20%
Motor vehicles & computer equipment	-	20% and 25%
Press	-	5%
Typesetting equipment	-	33%
Leased assets	-	over the period of the leases

The depreciation methods, useful lives and residual values are reassessed at each reporting date.

3. Significant accounting policies (continued)

(b) Intangible asset:

Intangible asset which represents software have a finite useful life of three years and is measured at cost, less accumulated amortisation and accumulated impairment losses.

(c) Employee benefits:

Employee benefits comprising pensions and other post-employment benefit asset and obligation included in the financial statements are actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the group's and the company's post-employment benefit assets and obligations as computed by the actuary. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

(i) Pension obligations:

The group operated both defined-benefit and defined-contribution pension schemes (see note 8); the assets of the schemes are held separately from those of the group. The defined-benefit scheme was discontinued as of July 15, 2010 (see note 18).

(a) Defined benefit scheme:

The group's and company's net obligation in respect of the defined-benefit pension schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine the present value, and the fair value of any scheme assets is deducted.

The discount rate is the yield at balance sheet date on long-term government instruments that have maturity dates approximating the terms of the group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statements on the straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

In calculating the group's and company's obligation in respect of a scheme, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of the scheme's assets, that portion is recognised in profit or loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation results in a benefit to the group and the company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the scheme or reductions in future contributions to the scheme.

3. Significant accounting policies (continued)

(c) Employee benefits (continued):

(i) Pension obligations (continued):

(b) Defined contribution schemes:

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss as incurred.

(ii) Share based payment transactions:

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of the awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(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 balance sheet 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.

3. Significant accounting policies (continued)

(d) 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 agreements for resale, 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 ("AFS").

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.

(ii) Measurement:

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

Subsequent to initial recognition, all AFS 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.

3. Significant accounting policies (continued)

(d) Financial instruments (continued):

(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.

(e) 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.

(f) Trade and other receivables:

These are stated at amortised cost, less impairment losses.

(g) 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 balance sheet 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 balance sheet date.

3. Significant accounting policies (continued)

(g) Taxation (continued):

(ii) Deferred tax (continued)

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.

(h) Inventories:

Inventories are stated at the lower of cost, determined principally on an 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.

(i) Trade and other payables and provisions:

Trade and other payables, including provisions, are stated at amortised cost. A provision is recognised in the balance sheet 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.

(j) 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.

3. **Significant accounting policies (continued)**

(k) 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.

(l) Foreign currencies:

Foreign currency balances outstanding at the balance sheet date are translated at the rates of exchange ruling on that date [US$1 = J$85.86 (2009: J$89.60); £1= J$133.74 (2009: J$143.55); Can$1 = J$85.34 (2009: J$84.57). 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.

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 balance sheet date.

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

(m) 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.

3. Significant accounting policies (continued)

(m) Impairment (continued):

(i) Financial assets (continued):

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 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.

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.

3. Significant accounting policies (continued)

(n) Related party balances and transactions:

A party is related to the company if:

(i) directly or indirectly through one or more intermediaries the party: -
- controls, is controlled by, or is under common control with the company (this included parents, subsidiaries and fellow subsidiaries);
- has an interest in the company that gives it significant influence over the company, or
- has joint control over the company

(ii) the party is an associate of the company;

(iii) the party is a joint venture in which the company is a venturer;

(iv) the party is a member of the key management personnel of the company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) and (iv) above;

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or any company that is related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(o) Associated companies:

Jamaica Joint Venture Company Limited and its subsidiaries are associated companies, which are shown at cost. The company has not adopted the equity method of accounting for investments as the directors of the company do not consider that they exercise significant influence over the financial or operating policies of Jamaica Joint Venture Investment Company Limited and its subsidiaries (see note 11).

(p) Discontinued operations

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with the view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

(q) 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.

3. Significant accounting policies (continued)

(r) New standards and interpretations issued but not yet adopted:

New standards, and interpretations of and amendments to existing standards, that are not yet effective:

At the date of authorisation of the financial statements, certain new standards, and amendments to and interpretations of existing standards, have been issued which are not yet effective and which the group has not early-adopted. The group has assessed the relevance of all such new standards, amendments and interpretations with respect to its operations and has determined that the following may be relevant to its operations and has concluded as follows:

- *Amendment to IAS 32 Financial Instruments: Presentation*, is effective for annual reporting periods beginning February 1, 2010. The amendment requires that rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. The group is assessing the impact, if any, the amendment will have on the 2011 financial statements.

- *IAS 24, Related Party Disclosure, revised* (effective January 1, 2011) introduces changes to the related party disclosure requirements for government-related entities and amends the definition of a related party. The standard also expands the list of transactions that require disclosure. The group is assessing the impact, if any, the amendment will have on the 2011 financial statements.

- *Disclosures–Transfer of Financial Assets (Amendments to IFRS 7)* is effective for accounting periods beginning on or after July 1, 2011. The amendment requires disclosure of information that enable users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities and to evaluate the nature of and risks associated with, the entity's continuing involvement in these derecognized assets. The group is assessing the impact, if any, the amendment will have on the 2012 financial statements.

- *IFRS 9, Financial Instruments (2010).* The revised IFRS supersedes the previous version of IFRS 9 issued in 2009 and is effective for accounting periods beginning on or after January 1, 2013. The standard retains but simplifies the mixed measurement model and establishes two primary categories for financial assets: amortised and fair value. The revised standard now includes guidance on classification and measurement of financial liabilities designated as 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 the 2013 financial statements.

3. Significant accounting policies (continued)

(r) New standards and interpretations issued but not yet effective (continued):

- *Improvements to IFRS 2010* contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2010 or January 1, 2011. The main amendments applicable to the group are as follows:

  – *Business Combinations* is amended to state that contingent consideration arising in a business combination that had been accounted for in accordance with IFRS 3 (2004) that has been settled or otherwise resolved at the effective date of IFRS 3 (2008) continues to be accounted for in accordance with IFRS 3 (2004). IFRS 3 has also been amended to limit the accounting policy choice to measure non-controlling interests (NCI) upon initial recognition either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets to instruments that give rise to a present ownership interest and entitle the holder to a share of net assets in the event of liquidation. IFRS 3 was also amended to provide guidance on unreplaced and voluntary replaced share-based payment awards. The amendments are effective for accounting periods beginning on or after July 1, 2010.

  – *IFRS 7 Financial Instruments: Disclosures* – The standard is amended to add an explicit statement that the interaction between qualitative and quantitative disclosures better enables users to evaluate an entity's exposure to risks arising from financial statements. Existing disclosures relating to maximum exposure to credit risk, financial effect of collateral held as security and other enhancements in respect of a financial instrument have been amended. Certain disclosures relating to carrying amount of financial assets that are not past due or are not impaired as a result of their terms having been renegotiated and description of collateral held as security for financial assets that are past due have been removed. The amendment is effective for accounting periods beginning on or after January 1, 2011.

  – *IAS 1 Presentation of Financial Statements* – IAS 1 is amended to state that for each component of equity a reconciliation from opening to closing balances is required to be presented in the statement of changes in equity, showing separately changes arising from items recognized in profit or loss, in other comprehensive income and from transactions with owners acting in their capacity as owners. The amendment is effective for accounting periods beginning on or after January 1, 2011.

  – *IAS 27 Consolidated and Separate Financial Statements* – The amendments added guidance about disposals of all or part of a foreign operation and about accounting for a loss of significant influence or joint control. The amendments are effective for accounting periods beginning on or after July 1, 2010.

  – *IAS 34 Interim Financial Reporting* – the amendment has resulted in the addition of a number of examples of events or transactions that require disclosure. The amendment is effective for accounting periods beginning on or after January 1, 2011.

  The group is assessing the impact the amendments will have on the 2011 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 consolidated 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.

(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 analysed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. The group's review 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 basis.

More than 98 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.

4. Financial risk management (continued)

(a) Credit risk (continued)

Trade and other receivables (continued)

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 90 days for circulation receivables and 120 days for advertising receivables. Ninety-five 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 16).

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.

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

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Cash and cash equivalents	125,936	70,923	70,814	14,192
Securities purchased under agreements for resale	252,896	135,046	184,052	81,823
Trade and other receivables	556,147	819,450	567,433	837,211
Long-term receivables	70,934	84,958	70,058	84,069
Investments	143,047	49,877	143,047	49,877
	1,148,960	1,160,254	1,035,404	1,067,172

4. **Financial risk management (continued)**

(a) Credit risk (continued)

Exposure to credit risk (continued)

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

	Group		Company	
	Carrying amount		Carrying amount	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Domestic	422,559	398,120	510,562	480,019
Overseas	38,542	29,377	-	-
	461,101	427,497	510,562	480,019

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

	Group	
	Carrying amount	
	2010	2009
	$'000	$'000
Media service	450,712	427,312
Other	10,389	185
	461,101	427,497

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

(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.

4. Financial risk management (continued)

(b) Liquidity risk (continued)

	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

	Group 2009					
	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	47,318	110,954	11,612	1,907	35,255	62,180
Trade and other payables	606,998	606,998	606,998	-	-	-
Bank overdraft	15,744	15,744	15,744	-	-	-
	670,060	733,696	634,354	1,907	35,255	62,180

	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

	Company 2009				
	Carrying amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000
Long - term liabilities	15,850	19,733	6,618	1,776	11,339
Trade and other payables	434,583	434,583	434,583	-	-
Bank overdraft	15,744	15,744	15,744	-	-
	466,177	470,060	456,945	1,776	11,339

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

4. Financial risk management (continued)

(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 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					
	2010			2009		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	1,600	-	-	546	-	-
Trade and other receivables	-	284	124	-	256	171
Securities purchased under resale agreement	2,070	-	-	978	-	-
Trade payables	(534)	(363)	(76)	(1,362)	(542)	(201)
Cash and cash equivalents	6	82	183	116	16	220
Net exposure	3,142	3	231	278	(270)	190

	Company					
	2010			2009		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	1,600	-	-	541	-	-
Trade payables	(534)	(1)	-	(1,362)	(126)	-
Securities purchased under resale agreement	1,954	-	-	866	-	-
Cash and cash equivalents	6	2	-	116	7	-
Net exposure	3,026	1	-	161	(119)	-

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 2009.

4. Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

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

Group 2009						
		Increase			Decrease	
Currency	**% weakening**	**effect on equity $'000**	**effect on profit/loss $'000**	**% strengthening**	**effect on equity $'000**	**effect on profit/loss $'000**
USD	9.00	4,403	(2,161)	3.00	(1,468)	720
GBP	9.00	-	(3,488)	3.00	-	1,163
CAD	9.00	-	1,446	3.00	-	(482)

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)

Company 2009						
		Increase			Decrease	
Currency	**% weakening**	**effect on equity $'000**	**effect on profit/loss $'000**	**% strengthening**	**effect on equity $'000**	**effect on profit/loss $'000**
USD	9.00	4,403	(3,064)	3.00	(1,468)	1,021
GBP	9.00	-	(1,537)	3.00	-	(512)

4. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk

The group minimizes interest rate risk by investing mainly in fixed rate government securities and contrasting 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	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	485,436	184,434	393,020	131,211
Financial liabilities	(47,160)	(47,318)	(16,331)	(15,850)
	438,276	137,116	376,689	115,361
Variable rate instruments				
Financial liabilities	(9,123)	(15,744)	(9,123)	(15,744)

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.

A change of 50 (2009: 300) basis points in interest rates would have increased equity by $2,453 thousand or decreased equity by $2,399 thousand (2009: increase of $37 thousand or a decrease of $60 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2009.

Cash flow sensitivity analysis for variable rate instruments

A change of 200 (2009: 300) basis points in interest rates at the reporting date would have increased/(decreased) profit by $182,460 (2009: $473,280). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2009.

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.

4. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis – equity price risk

Most of the group's equity investments are listed on the Jamaica Stock Exchange. A 20% (2009: 20%) increase or decline in the JSE All Jamaica Composite at the reporting date would have increased/decreased equity by $12,460 thousand (2009: $12,883 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 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 balance sheet 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.

The fair values of current financial assets and liabilities approximate to their carrying amounts shown in the balance sheet 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:

	2010	2009
	%	%
Government of Jamaica instrument	7.51	7.78

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.

4. **Financial risk management (continued)**

(d) Fair values (continued)

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	**Level 2**	**Total**
	$'000	**$'000**	**$'000**
December 31, 2010			
Available-for-sale financial assets	62,298	142,444	204,742
December 31, 2009			
Available-for-sale financial assets	64,415	49,388	113,803

	Company		
	Level 1	**Level 2**	**Total**
	$'000	**$'000**	**$'000**
December 31, 2010			
Available-for-sale financial assets	57,680	142,444	200,124
December 31, 2009			
Available-for-sale financial assets	51,744	49,388	101,132

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

(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 and the group's defined-benefit pension schemes 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	Construction in progress $'000	Total $'000
At cost or valuation									
Balances at December 31, 2008	714,411	282,710	136,035	307,169	137,731	4,890	36,511	-	1,619,457
Additions	2,290	18,825	6,268	18,659	34,553	-	2,940	-	83,535
Disposals	-	(14,282)	(1)	(4,601)	-	-	(4,582)	-	(23,466)
Discontinued operations	(88,131)	(20,235)	(57,385)	(15,442)	-	-	-	-	(181,193)
Surplus on revaluation of land and buildings	77,710	-	-	-	-	-	-	-	77,710
Balances at December 31, 2009	706,280	267,018	84,917	305,785	172,284	4,890	34,869	-	1,576,043
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	754,209	272,162	85,444	315,618	188,840	4,890	34,728	-	1,655,891
At cost	38,256	272,162	85,444	315,618	188,840	4,890	34,728	-	939,938
At valuation	715,953	-	-	-	-	-	-	-	715,953
	754,209	272,162	85,444	315,618	188,840	4,890	34,728	-	1,655,891
Depreciation									
Balances at December 31, 2008	39,369	238,351	67,220	242,549	101,840	4,890	10,855	-	705,074
Charge for the year	28,542	23,674	4,460	33,402	8,855	-	6,768	-	105,701
Eliminated on disposals	-	(14,283)	-	(3,908)	-	-	(4,582)	-	(22,773)
Discontinued operations	(2)	(18,166)	(34,404)	(6,774)	-	-	-	-	(59,346)
Eliminated on revaluation	(23,163)	-	-	-	-	-	-	-	(23,163)
Balances at December 31, 2009	44,746	229,576	37,276	265,269	110,695	4,890	13,041	-	705,493
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	55,108	240,519	41,556	278,193	120,384	4,890	11,834	-	752,484
Carrying amounts									
December 31, 2010	699,101	31,643	43,888	37,425	68,456	-	22,894	-	903,407
December 31, 2009	661,534	37,442	47,641	40,516	61,589	-	21,828	-	870,550
December 31, 2008	675,042	44,359	68,815	64,620	35,891	-	25,656	-	914,383

6. Property, plant and equipment (continued)

(b) Company

	Freehold land and buildings	Machinery and equipment	Fixtures and fittings	Motor vehicles and computer equipment	Press	Typesetting equipment	Leased assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At cost or valuation								
Balances at December 31, 2008	559,066	103,428	41,099	233,022	142,566	4,890	36,067	1,120,138
Additions	2,290	7,335	251	5,913	34,551	-	2,523	52,863
Disposals	-	-	(1)	(4,486)	-	-	(4,582)	(9,069)
Surplus on revaluation of land and buildings	64,710	-	-	-	-	-	-	64,710
Balances at December 31, 2009	626,066	110,763	41,349	234,449	177,117	4,890	34,008	1,228,642
Additions	-	2,557	390	19,447	16,558	-	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	673,866	111,726	41,708	242,671	193,675	4,890	33,396	1,301,932
At cost	38,256	111,726	41,708	242,671	193,675	4,890	33,396	666,322
At valuation	635,610	-	-	-	-	-	-	635,610
	673,866	111,726	41,708	242,671	193,675	4,890	33,396	1,301,932
Depreciation								
Balances at December 31, 2008	20,377	86,575	22,695	185,733	101,840	4,890	10,133	432,243
Charge for the year	22,205	6,780	3,385	21,278	8,855	-	6,642	69,145
Eliminated on disposals	-	-	(1)	(3,845)	-	-	(4,582)	(8,428)
Eliminated on revaluation	(20,080)	-	-	-	-	-	-	(20,080)
Balances at December 31, 2009	22,502	93,355	26,079	203,166	110,695	4,890	12,193	472,880
Charge for the year	23,880	5,948	3,278	23,130	9,689	-	6,519	72,444
Eliminated on disposals	-	(1,594)	(31)	(11,225)	-	-	(7,897)	(20,747)
Eliminated on revaluation	(22,180)	-	-	-	-	-	-	(22,180)
Balances at December 31, 2010	24,202	97,709	29,326	215,071	120,384	4,890	10,815	502,397
Carrying amounts								
December 31, 2010	649,664	14,017	12,382	27,600	73,291	-	22,581	799,535
December 31, 2009	603,564	17,408	15,270	31,283	66,422	-	21,815	755,762
December 31, 2008	538,689	16,853	18,404	47,289	40,726	-	25,934	687,895

(c) Freehold land and buildings:

The Company's building at 7 North Street was revalued at $537M (2009: $500M) and Harbour Street at $10.5M (2009: $9.6M); land and building at East Street and Newport West at $115.3M (2009: $107.6M) and land at John's Lane at $10M (2009: $8.8M) on a fair market value basis in September 2010 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 are valued annually.

6. **Property, plant and equipment (continued)**

(d) Carrying value of revalued assets, if carried at cost:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Land and buildings	16,501	16,372	16,372	16,372

7. **Intangible assets**

				Group and company Software
				$'000
Cost:				
Balance at December 31, 2008	-	-	-	-
Additions	-	-	-	10,770
Balance at December 31, 2009	-	-	-	10,770
Additions	-	-	-	1,469
Balance at December 31, 2010	-	-	-	12,239
Amortisation:				
Balance at December 31, 2008	-	-	-	-
Amortisation				2,154
Balance at December 31, 2009	-	-	-	2,154
Amortisation	-	-	-	2,447
Balance at December 31, 2010	-	-	-	4,601
Carrying amounts:				
December 31, 2010	-	-	-	7,638
December 31, 2009	-	-	-	8,616
December 31, 2008	-	-	-	-

8. **Employee benefit asset/obligation**

The parent company operated a defined-benefit scheme which was 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 actuarial valuation completed as at that date revealed a surplus due to the company of $1,277 thousand (see note 18).

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 subsidiary company during the year amounted to $4,188 thousand (2009: $1,270 thousand) and $2,676 thousand (2009: $Nil), 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 benefit asset/obligation (continued)

The amounts recognised in the balance sheets in respect of employee benefits asset and obligations are as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Employee benefit asset (a)	-	782,900	-	782,900
Employee benefit obligation (post-retirement benefits) (b)	-	(96,200)	-	(96,200)

(a) Employee benefit asset:

(i) Amount recognised in the balance sheets:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Present value of funded obligations [note 8(a)(ii)]	-	(1,007,000)	-	(1,007,000)
Fair value of plans assets [note 8 (a)(iii)]	-	3,676,000	-	3,676,000
Surplus	-	2,669,000	-	2,669,000
Unrecognised actuarial gains	-	(606,500)	-	(606,500)
Amount not recognised due to limitation in economic benefit	-	(1,279,600)	-	(1,279,600)
	-	782,900	-	782,900

(ii) Movements in the present value of funded obligations:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Balance at beginning of year	1,007,000	966,260	1,007,000	947,500
Benefits paid	(27,900)	(61,172)	(27,900)	(60,500)
Service and interest cost	111,700	199,199	111,700	196,100
Contributions	4,000	9,039	4,000	7,400
Gain on curtailment/settlement	-	(30,400)	-	(30,400)
Actuarial gain/(loss)	1,483,400	(42,096)	1,483,400	(53,100)
Payments made in respect of members on wind up	(2,578,200)	(33,830)	(2,578,200)	-
Balance at end of year	-	1,007,000	-	1,007,000

8. **Employees benefit asset/obligation (continued)**

(a) Employee benefit asset (continued):

(iii) Movements in plan assets:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Fair value of plan assets at January 1	3,676,000	3,299,104	3,676,000	3,242,600
Contributions paid	14,300	30,869	14,300	28,000
Expected return on plan assets	278,200	458,407	278,200	451,700
Benefits paid	(27,900)	(61,172)	(27,900)	(60,500)
Actuarial (loss)/gain	(85,400)	16,218	(85,400)	14,200
Refund to employer (see note 18)	(1,277,000)	-	(1,277,000)	-
Payments made in respect of members on wind up	(2,578,200)	(67,426)	(2,578,200)	-
Fair value of plan assets on December 31	-	3,676,000	-	3,676,000

Plan assets consist of the following:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Equities	-	310,300	-	310,300
Bonds	-	429,700	-	429,700
Company's own ordinary shares	-	100,400	-	100,400
Fixed income securities	-	-	-	-
Real estate	-	391,500	-	391,500
Leases	-	13,500	-	13,500
Repurchase agreements/short term deposits	-	2,305,500	-	2,305,500
Other	-	125,100	-	125,100
	-	3,676,000	-	3,676,000

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

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Current service costs	13,200	26,474	13,200	25,600
Interest on obligations	88,300	152,425	88,300	150,200
Expected return on plan assets	(278,200)	(458,407)	(278,200)	(451,700)
Net actuarial gain/(loss) recognised in year	962,300	(33,000)	962,300	(33,000)
Gain on curtailment/settlement	-	(30,400)	-	(30,400)
Change in disallowed assets	(1,279,600)	371,710	(1,279,600)	378,300
Discontinued operations	-	10,198	-	-
Amounts recognised in income statements [note 8(i)]	(494,000)	39,000	(494,000)	39,000
Actual return on plan assets	-	14%	-	14%

8. Employees benefit asset/obligation (continued)

(a) Employee benefit asset (continued):

(v) Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

	2010 %	2009 %
Discount rate	-	16.0
Expected return on plan assets	-	14.0
Future salary increases	-	12.5
Future pension increases	-	10.0

In the prior year, the overall expected long-term rate of return of assets was 14%, assuming a rate of inflation for the long-term of 10% or a real rate of return of 3%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories.

(vi) Historical information

	Group				
	2010 $'000	2009 $'000	2008 $'000	2007 $'000	2006 $'000
Present value of the defined benefit obligation	-	(1,007,000)	(966,260)	(790,846)	(744,573)
Fair value of plan assets	-	3,676,000	3,299,104	3,227,856	2,754,608
Surplus in plan	-	2,669,000	2,332,844	2,437,010	2,010,035
Experience adjustments arising on plan liabilities	-	53,100	(111,971)	71,400	(24,116)
Experience adjustments gain on plan assets	-	14,200	(251,664)	198,800	142,173

	Company				
	2010 $'000	2009 $'000	2008 $'000	2007 $'000	2006 $'000
Present value of the defined benefit obligation	-	(1,007,000)	(947,500)	(775,100)	(730,200)
Fair value of plan assets	-	3,676,000	3,242,600	3,171,600	2,704,300
Surplus in plan	-	2,669,000	2,295,100	2,396,500	1,974,100
Experience adjustments arising on plan liabilities	-	53,100	(114,800)	71,400	(23,000)
Experience adjustments gain on plan assets	-	14,200	(257,900)	198,800	(41,000)

8. Employee benefit asset/obligation (continued)

(b) Post-retirement medical benefits:

(i) Obligation recognised in the balance sheets:

	Group and Company	
	2010	2009
	$'000	$'000
Present value of obligation	104,100	115,000
Unrecognised actuarial gain	24,200	(10,900)
Unrecognised past service cost	(7,400)	(7,900)
	120,900	96,200

(ii) Movements in the present value of obligation:

	Group and Company	
	2010	2009
	$'000	$'000
Balance at beginning of year	115,000	83,900
Actuarial (gain)/loss	(35,100)	22,900
Interest cost	19,300	12,900
Current service cost	6,400	5,400
Benefits paid	(1,500)	(1,800)
Gain on curtailment/settlement	-	(8,300)
Balance at end of year	104,100	115,000

(iii) Expense recognised in the income statements:

	Group and Company	
	2010	2009
	$'000	$'000
Current service costs	6,400	5,400
Interest on obligations	19,300	12,900
Net actuarial gain recognised in year	-	(1,600)
Past service cost	500	500
Gain on curtailment/settlement	-	(8,300)
Amounts recognised in profit or loss	26,200	8,900

8. Employees benefit asset/obligation (continued)

(b) Post-retirement medical benefits (continued):

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

	Group and Company	
	2010	**2009**
	%	%
Discount rate	11.0	16.0
Medical claims growth	10.0	15.0

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 the income statements. 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, 2010	6,800	(5,100)
Effect on the defined benefit obligation as at December 31, 2010	22,900	(17,600)

(vi) Historical information

	Group and Company				
	2010	**2009**	**2008**	**2007**	**2006**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of the defined benefit obligation	104,100	115,000	83,900	70,800	61,100
Experience adjustment on plan liabilities	35,100	22,900	13,000	1,000	8,600

9. Long-term receivables

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
General Consumption Tax (GCT) [see (i) below]	-	284	-	284
Due from Sangster's Book Stores Limited [see (ii) below]	70,934	84,958	70,059	84,069
	70,934	85,242	70,059	84,353
Less current portion [see other receivables (note 16)]	(28,024)	(14,295)	(28,024)	(14,295)
	42,910	70,947	42,035	70,058

(i) In the previous year, this represented GCT paid on purchase of fixed assets, which is recoverable in twenty-four equal monthly instalments from the date of purchase.

(ii) This represents the balance on a loan due from 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 shall accrue at 2% above the annual prime lending rate of The Bank of Nova Scotia of Jamaica limited.

10. Interests in subsidiaries

	Company	
	2010	2009
	$'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	43,175	13,368
	44,289	14,482

11. Interests in associates

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Jamaica Joint Venture Investment Co. Ltd. [see notes 2(e)(i) and 3(o)]	150	150	-	-

12. Investments

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Available-for-sale financial assets:				
Quoted equities	62,298	64,415	57,680	51,744
Unquoted equities	22,826	22,772	22,820	22,772
Government of Jamaica securities	142,444	49,388	142,444	49,388
Loans and receivables				
Debenture	603	489	603	489
	228,171	137,064	223,547	124,393

13. Deferred taxation

Deferred taxation is attributable to the following:

(a) Group:

	Assets		Liabilities		Net	
	2010	2009	2010	2009	2010	2009
	$'000	$'000	$'000	$'000	$'000	$'000
Inventories	-	-	(2,063)	(3,104)	(2,063)	(3,104)
Property, plant and equipment	5,917	3,526	(152,220)	(144,161)	(146,303)	(140,635)
Trade and other receivables	(148)	(14)	(32,831)	(31,880)	(32,979)	(31,894)
Trade and other payables	(891)	3,998	14,600	7,404	13,709	11,402
Employee benefit asset	-	-	-	(260,967)	-	(260,967)
Employee benefit obligation	-	-	40,300	32,067	40,300	32,067
Pension receivable	-	-	(425,767)	-	(425,767)	-
Tax losses	4,483	6,186	46,488	90,781	50,971	96,967
Investments	-	-	-	(2,493)	-	(2,493)
Other	(26)	-	4,992	-	4,966	-
Net assets/(liabilities)	9,335	13,696	(506,501)	(312,353)	(497,166)	(298,657)

(i) Net deferred tax is recognised in the group balance sheet as follows:

	2010	2009
	$'000	$'000
Deferred tax liability in company	(506,182)	(312,005)
Deferred tax liability in subsidiaries	(319)	(348)
	(506,501)	(312,353)
Deferred tax asset in certain subsidiaries	9,335	13,696
Net deferred tax liabilities	(497,166)	(298,657)

13. **Deferred taxation (continued)**

(a) Group (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	(3,104)	1,041	-	(2,063)
Property, plant and equipment	(140,637)	5,502	(11,166)	(146,301)
Employee benefit asset	(260,967)	260,967	-	-
Employee benefit obligation	32,067	8,233	-	40,300
Pension receivables	-	(425,767)	-	(425,767)
Trade and other receivables	(38,969)	(1,079)	-	(40,048)
Trade and other payables	11,753	(1,058)	-	10,695
Tax losses	103,693	(42,161)	-	61,532
Investments	(2,493)	-	2,493	-
Other	-	4,486	-	4,486
	(298,657)	(189,836)	(8,673)	(497,166)

(b) Company:

	2010 $'000	2009 $'000
Inventories	(2,063)	(3,104)
Property, plant and equipment	(152,220)	(144,164)
Employee benefit asset	-	(260,967)
Employee benefit obligation	40,300	32,067
Pension receivables	(425,767)	-
Trade and other receivables	(32,831)	(31,880)
Trade and other payables	14,919	7,755
Investments	-	(2,493)
Tax losses	46,993	90,781
Other	4,487	-
Net liabilities	(506,182)	(312,005)

13. Deferred taxation (continued)

(b) Company (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	(3,104)	1,041	-	(2,063)
Property, plant and equipment	(144,164)	3,110	(11,166)	(152,220)
Employee benefit asset	(260,967)	260,967	-	-
Employee benefit obligation	32,067	8,233	-	40,300
Pension receivable	-	(425,767)	-	(425,767)
Trade and other receivables	(31,880)	(951)	-	(32,831)
Trade and other payables	7,755	7,164	-	14,919
Investments	(2,493)	-	2,493	-
Tax losses	90,781	(43,788)	-	46,993
Other	-	4,487	-	4,487
	(312,005)	(185,504)	(8,673)	(506,182)

14. Cash and cash equivalents

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Bank and cash balances	58,981	70,522	3,859	13,791
Call deposit	431	401	431	401
Certificate of deposits	66,524	-	66,524	-
	125,936	70,923	70,814	14,192

15. Securities purchased under resale agreements

The group and the company purchase 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 and the company, 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 and the company obtain as collateral may themselves be sold under repurchase agreements.

Assigned collateral, with a fair value of $267,208 thousand (2009: $135,529 thousand) for the group, was held for securities purchased under agreements for resale.

16. Trade and other receivables

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Trade receivables due from related parties [see (ii) below]	-	-	459,451	544,014
Other trade receivables (see below)	546,255	532,702	388,152	386,750
Other receivables [see (i) below]	67,770	383,003	38,211	347,187
Current portion of long term receivables (see note 9)	28,024	14,295	28,024	14,295
	642,049	930,000	913,838	1,292,246
Less allowance from doubtful debts	(85,902)	(110,550)	(346,405)	(455,035)
	556,147	819,450	567,433	837,211

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Allowance for doubtful debts is made in respect of the following:				
Trade receivables due from related parties [see (ii) below]	-	-	288,525	382,354
Other trade receivables [see (iii) below]	85,153	105,402	57,880	68,391
Other receivables	749	5,148	-	4,290
	85,902	110,550	346,405	455,035

Note: Other receivables include $Nil (2009:$ 318,904 thousand) due in respect of sale of a subsidiary (note 29).

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

	Group Gross 2010 $'000	Group Impairment 2010 $'000	Group Gross 2009 $'000	Group Impairment 2009 $'000
Not past due	253,405	1,536	219,228	3,447
Past due 0 – 30 days	145,208	-	161,265	4,303
Past due 31 – 60 days	41,552	2,520	37,217	7,400
Past due 61 – 120 days	53,356	28,363	38,242	18,731
More than one year	52,734	52,734	76,750	71,521
	546,255	85,153	532,702	105,402

16. Trade and other receivables (continued)

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

	Company			
	Gross 2010 $'000	Impairment 2010 $'000	Gross 2009 $'000	Impairment 2009 $'000
Not past due	163,851	-	150,387	1,502
Past due 0 – 30 days	114,943	-	132,768	4,347
Past due 31 – 60 days	32,607	2,520	28,787	7,452
Past due 61 – 120 days	40,804	19,413	12,426	4,479
More than one year	35,947	35,947	62,382	50,611
	388,152	57,880	386,750	68,391

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

	Company	
	2010 $'000	2009 $'000
Balance at January 1	382,354	443,283
Amounts written-off, net of recoveries	(93,829)	(60,929)
Balance as at December 31	288,525	382,354

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

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Balance at January 1	105,402	96,556	68,391	54,460
Impairment loss recognised	7,215	15,463	-	13,931
Amounts written-off	(27,464)	(6,617)	(10,511)	-
Balance as at December 31	85,153	105,402	57,880	68,391

17. Inventories and goods-in-transit

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Newsprint	53,583	89,762	53,583	89,762
Books, stationery and general supplies	10,475	6,766	1,548	1,244
Goods-in-transit	4,849	2,995	4,849	2,995
Consumable stores	19,156	32,505	19,156	32,505
	88,063	132,028	79,136	126,506

Inventories are stated net of a provision for obsolescence of $6,190,294 (2009: $9,313,421) for the group and company.

18. Pension receivable

The amount represents surplus due to the company arising from the discontinuation of the defined benefit pension scheme by the trustees (see note 8). The trustees have not yet agreed on the assets which will be transferred by the fund to the company, in settlement of this surplus.

19. Share capital and share premium

	Group and Company	
	2010	2008
	$'000	$'000
Share capital issued and fully paid		
1,211,243,827 ordinary shares of no par value	605,622	605,622

At December 31, 2010, the authorised share capital comprised 1,216,000,000 ordinary shares (2009: 1,216,000,000). All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share 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	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'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	722,961	713,270	643,290
Deferred taxation on revalued land and buildings	(163,366)	(152,200)	(159,033)	(147,867)
Reserve arising from consolidation of of subsidiaries (net of goodwill) and debt	93,496	93,496	-	-
Exchange difference on opening investment in subsidiaries	33,076	23,343	-	-
	756,147	687,600	554,237	495,423
Total capital reserves	804,663	736,116	559,924	501,110
Reserve for own shares (i)	(183,295)	(191,422)	-	-
Fair value reserve (ii)	21,635	5,892	19,621	4,986
Revenue				
Retained profits	1,208,330	866,960	1,250,288	913,570
	1,851,333	1,417,546	1,829,833	1,419,666

(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 IFRS 2. The reserve comprises the cost of the company's shares held by the group through the GCLEIT. At December 31, 2010, the group held 61,691,682 (2009: 69,478,643) of the company's shares (note 30).

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

21. Long-term liabilities

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Mortgage [see (a) below]	30,704	31,126	-	-
Finance lease obligations [see (b) below]	16,456	16,192	16,330	15,850
	47,160	47,318	16,330	15,850
Less: current portion	(6,626)	(7,213)	(6,038)	(6,555)
	40,534	40,105	10,292	9,295

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

(b) Finance lease obligations:

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Due from balance sheet date as follows:				
Within one year	6,109	6,830	6,109	6,619
Within two to five years	14,932	13,245	14,806	13,114
Total future minimum lease payments	21,041	20,075	20,915	19,733
Less: future interest charges	(4,585)	(3,883)	(4,585)	(3,883)
Present value of minimum lease payments	16,456	16,192	16,330	15,850

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 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Trade payables	75,174	259,953	47,331	126,170
Other payables	361,247	347,045	247,676	308,413
	436,421	606,998	295,007	434,583

24. Deferred income

This represents subscription revenue received in advance.

25. Revenue

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

	Group			
	Continuing operations		Discontinued operations	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000 *(10 months)*
Rendering of services	2,028,351	2,157,655	-	-
Sale of goods	1,052,996	1,055,320	-	845,919
Other	106,378	61,204	-	-
	3,187,725	3,274,179	-	845,919

	Company	
	2010 $'000	2009 $'000
Rendering of services	1,665,363	1,689,166
Sale of goods	994,774	989,936
Other	19,064	24,271
	2,679,201	2,703,373

26. Profit/(loss) from continuing operations

Profit/(loss) from continuing operations is stated after charging:

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Directors' emoluments:				
Fees	5,035	3,797	3,356	2,926
Management remuneration (included in staff costs)	44,223	35,123	28,733	28,333
Staff costs (note 38)	1,021,722	1,059,362	878,397	888,619
Redundancy costs (note 38)	-	101,095	-	98,846
Auditors' remuneration	10,518	11,728	5,600	5,600
Depreciation	92,696	97,213	72,444	69,145

27. Net finance income

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Continuing operations				
Interest income on loans	5,454	2,099	5,454	30,875
Interest income on available-for-sale financial assets	1,832	4,959	1,832	4,959
Interest income on bank deposits	974	982	974	982
Interest income on other investments	27,011	8,173	22,908	2,436
Dividend income on available-for-sale financial assets	4,514	3,452	4,514	3,452
Finance income	39,785	19,665	35,682	42,704
Finance costs	(8,629)	(13,614)	(8,790)	(10,113)
	31,156	6,051	26,892	32,591
Discontinued operations				
Finance income	-	2,221	-	-
Finance costs	-	(5,431)	-	-
	-	(3,210)	-	-

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	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
(i) Current tax expense:				
Income tax at 33⅓%	-	3,271	-	-
(ii) Deferred tax expense:				
Origination and reversal of timing difference (note 13)	(189,836)	(161,823)	(185,504)	153,853
Total taxation (expense)/credit recognised	(189,836)	158,552	(185,504)	153,853

28. Taxation (continued)

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

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Profit from continuing operations before taxation	620,536	1,822	601,878	328,496
Income tax at 33⅓%	206,845	607	200,626	109,499
Capital losses	-	22,658	-	22,658
Difference between depreciation and tax capital allowance	9,834	(77,620)	11,242	(77,458)
Finance lease payments	(2,429)	(842)	(2,429)	(842)
Other	(24,414)	(103,355)	(23,935)	(207,710)
Actual taxation charge/(credit)	189,836	(158,552)	185,504	(153,853)

(c) Taxation recognised in other comprehensive income/(expense):

Group

	2010 Before tax $'000	2010 Tax benefit $'000	2010 Net of tax $'000	2009 Before tax $'000	2009 Tax expense/ (benefit) $'000	2009 Net of tax $'000
Change in fair value of investments	13,250	2,493	15,743	4,081	(56,190)	(52,109)
Revaluation of land and buildings	69,980	(11,166)	58,814	100,873	(105,984)	(5,111)
Currency translation differences on foreign subsidiaries	9,733	-	9,733	(99,653)	-	(99,653)
	92,963	(8,673)	84,290	5,301	(162,174)	(156,873)

Company

	2010 Before tax $'000	2010 Tax/expense (benefit) $'000	2010 Net of tax $'000	2009 Before tax $'000	2009 Tax expense/ (benefit) $'000	2009 Net of tax $'000
Change in fair value of investments	12,142	2,493	14,635	4,023	(56,190)	(52,167)
Revaluation of land and buildings	69,980	(11,166)	58,814	84,790	(96,067)	(11,277)
	82,122	(8,673)	73,449	88,813	(152,257)	(63,444)

(d) Taxation losses:

As at December 31, 2010, the group has taxation losses, subject to agreement by the Commissioner of Taxpayer Audit and Assessment of approximately $140,053 thousand (2009: $15,074 thousand) available for relief against future taxable profits. A deferred tax asset of approximately $19,807 thousand (2009: $5 thousand) in respect of taxation losses of certain subsidiaries has not been recognised by the group as management considers its realisation within the foreseeable future to be uncertain.

29. Discontinued operations

On December 22, 2009, the Group entered into an agreement to sell its shares in Sangster's Book Stores Limited which comprises the group's books and stationery segment. The segment was not a discontinued operation or classified as held for sale as at December 31, 2008 and the comparative income statement has been restated to show the discontinued operation separately from continuing operations for the year then ended. The transfer of full ownership of the shares was completed on January 4, 2010.

	2010 $'000	2009 $'000 *(10 months)*
Results of discontinued operations		
Revenue	-	845,919
Cost of sales	-	(631,000)
Gross profit	-	214,919
Other operating income	-	11,567
	-	226,486
Distribution costs	-	(85,939)
Administrative expenses	-	(113,217)
	-	(199,156)
Profit from operations	-	27,330
Finance income	-	2,221
Finance costs	-	(5,431)
Net finance costs	-	(3,210)
Profit before taxation	-	24,120
Taxation charge	-	(8,875)
Profit from operations	-	15,245
Profit from operations	-	15,245
Gain on sale of discontinued operation	-	32,563
	-	47,808
Cash flows used by discontinued operation		
Net cash provided by operating activities	-	(24,887)
Net cash provided by investing activities	-	1,289
Net cash provided by financing activities	-	221
Net cash used by discontinued operation	-	(23,377)

29. Discontinued operations (continued)

	2010 $'000	2009 $'000 *(10 months)*
Effect of disposal on the financial position of the Group		
Property, plant and equipment	-	121,847
Employee benefit asset	-	33,596
Long-term receivables	-	720
Cash and cash equivalents	-	13,443
Securities purchased under resale agreements	-	37,536
Trade and other receivables	-	134,924
Inventories and goods-in-transit	-	303,091
Trade and other payables	-	(205,102)
Deferred tax liability	-	(33,588)
Bank overdraft	-	(14,631)
Taxation recoverable	-	13,637
Due to parent company	-	(84,069)
Net assets and liabilities	-	321,404
Consideration received, satisfied in cash	-	52,500
Consideration receivable, to be settled in cash	-	318,904
Cash and cash equivalent disposed of	-	(13,443)
	-	357,961
Net proceeds	-	353,967
Net assets and liabilities	-	(321,404)
Gain on sale of discontinued operation	-	32,563
Earnings per stock unit from discontinued operations:		
Based on stock units in issue	-	3.94¢
Excluding stock units in GCLEIT	-	4.18¢

30. 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 $431,845 thousand (2009: $224,007 thousand) by 1,211,143,827, being the number of stock units in issue at December 31, 2010 (2009: 1,211,243,827), as well as by 1,149,452,145 (2009: 1,141,665,184), being stock units less those held by the GCLEIT (note 20).

31. Dividends paid (gross)

An interim revenue distribution of 5 cents per stock unit was paid on February 8, 2010, to shareholders on record at close of business on January 29, 2010.

A second interim revenue distribution of 2 cents per stock was paid on October 11, 2010, to shareholders on record at the close of business on September 17, 2010.

	Company	
	2010 $'000	2009 $'000
Ordinary dividends:		
First interim paid in respect of 2010: 5.0¢ (2009: 3.5¢)		
per stock unit – gross	60,562	42,393
Second interim paid in respect of 2010: 2.0¢ (2009: 2.0¢)		
per stock unit – gross	24,225	24,225
	84,787	66,618

	Group	
	2010 $'000	2009 $'000
Gleaner's first interim paid in respect of 2010: 5.0¢ (2009: 3.5¢)		
per stock unit - gross	60,562	42,393
Gleaner's second interim paid in respect of 2010: 2.0¢ (2009: 2.0¢)		
per stock unit - gross	24,225	24,225
	84,787	66,618
Dividends paid to GCLEIT	(4,850)	(3,850)
	79,937	62,768

32. 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.

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

	Weighted average exercise price	No. of options
Outstanding at January 1	1.51	6,135,000
Granted during the year	1.19	15,645,000
Exercised during the year	1.35	(10,920,000)
Outstanding at December 31	1.19	10,860,000

32. Share-based payment arrangement (continued)

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 2009		Option 2010 Staff	Option 2010 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	0.80	1.80
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, 2010 amounted to $5,131,000 (2009:$Nil).

33. 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 100percent. 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

34. Segment reporting

The group has two reportable segments, one of which was discontinued during the year. Segment information is presented in respect of the group's strategic business segment. 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.

34. Segment reporting (continued)

These are:

(a) Media service – includes the print and electronic media businesses

(b) Books and stationery – comprises books and stationery supplies.

(c) Other– includes management services, publication of books and those that do not meet any of the quantitative thresholds for determining reportable segments in 2010 or 2009.

Information regarding results of each reportable segment is included below. 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 evaluation the results of certain segments relative to other entities that operate within these industries.

(a) Business segments:

The main business segments of the Group comprise:

	Continuing operations						Discontinuing operations	
	Media service		Other		Total		Books and stationery	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000 *(10 months)*
External revenues	3,136,802	3,250,306	50,923	23,873	3,187,725	3,274,179	-	845,919
Segment profit/(loss) before taxation	644,970	13,227	(4,255)	(11,405)	640,715	1,822	-	24,120
Finance income	36,809	15,332	2,976	4,333	39,785	19,665	-	2,221
Finance costs	(8,595)	(13,608)	(34)	(6)	(8,269)	(13,614)	-	(5,431)
Depreciation and amortisation	92,697	99,365	2	12	92,699	99,377	-	8,488
Reportable segment assets	3,496,258	3,053,466	126,313	112,166	3,622,571	3,165,632	-	-
Reportable segment liabilities	1,154,873	1,030,563	10,743	96,609	1,165,616	1,127,172	-	-
Capital expenditure		50,985		-		50,985	-	-

(b) Geographical segments:

	Jamaica		Overseas*		Total	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Revenue from external customers	2,982,535	2,961,890	205,190	312,289	3,187,725	3,274,179
Non current segment assets	893,384	879,152	17,811	164	911,195	879,316

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

35. 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 benefit 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(c)(iv)].

The key management personnel compensations are as follows: -

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Short-term employee benefits	187,031	192,848	187,031	192,848
Post- employment benefits	8,010	5,600	8,010	5,600
	195,041	198,448	195,041	198,448

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

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Trade and other receivables:				
Subsidiaries	-	-	125,457	129,479
Trade and other payables:				
Subsidiaries	-	-	(2,009)	(3,092)

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

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Revenue:				
Subsidiaries	-	-	12,641	26,837
Other operating income:				
Subsidiaries	-	-	67,571	10,454
Cost of sales:				
Subsidiaries	-	-	-	3,828
Administration expenses:				
Subsidiaries	-	-	26,126	16,042
Other operating expenses:				
Subsidiaries	-	-	109,618	149,967
Finance income:				
Subsidiaries	-	-	-	28,776

36. Lease commitments

Unexpired lease commitments at December 31 expire as follows:

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Within one year	9,787	5,580	3,410	3,410
Subsequent years	14,616	22,321	13,638	13,638
	24,403	27,901	17,048	17,048

37. Authorised capital expenditure

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Capital expenditure authorised and contracted for	38,256	50,985	38,256	50,985

38. Staff costs

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Salaries and wages	656,886	786,249	528,099	631,697
Statutory payroll	64,703	61,396	60,749	57,800
Other staff costs	300,133	211,717	289,549	199,122
Redundancy costs	-	101,095	-	98,846
	1,021,722	1,160,457	878,397	987,465

39. 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, 2010, is a reasonable provision for the purpose of covering all reasonable and probable judgements and costs for libel actions against the group.

40. Contingent liabilities

(i) There are contingent liabilities of $2M (2009: $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.

	2010 $'000	2009 $'000	2008 $'000 (Restated)	2007 $'000	2006 $'000
Turnover	3,187,725	3,274,179	3,246,297	4,248,873	3,620,522
Group (loss)/profit before taxation	620,535	1,822	(451,266)	193,139	425,167
Taxation credit/(charge)	(189,836)	158,552	8,886	(94,935)	(151,512)
Profit from discontinued operations	-	47,806	(2,308)	-	-
Minority interest	1,146	15,827	(5,451)	(3,499)	(17,488)
(Loss)/profit attributable to Gleaner Stockholders	431,845	224,007	(450,139)	94,705	256,167
Ordinary Stockholders' funds:					
Share capital	605,622	605,622	605,622	605,622	605,622
Reserves	1,851,333	1,417,546	1,407,376	1,791,689	1,621,974
	2,456,955	2,023,168	2,012,998	2,397,311	2,227,596
Non-controlling interest	-	15,292	31,119	27,171	23,672
Long term liabilities	40,534	40,105	44,636	74,180	37,263
Employee benefit obligation	120,900	96,200	89,100	71,300	60,600
Deferred tax liabilities	506,501	312,353	337,624	388,274	367,138
Total funds employed	3,124,890	2,487,118	2,515,477	2,958,236	2,716,269
Represented by:					
Long-term receivable	42,910	70,947	1,278	1,788	1,408
Other non-current assets and investments	1,148,701	1,812,976	1,850,678	2,276,950	2,207,920
Working capital	1,933,279	603,195	663,521	679,498	506,941
	3,124,890	2,487,118	2,515,477	2,958,236	2,716,269
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]	35.65¢	18.49¢	(37.16)¢	7.82¢	21.15¢
Stockholders' fund per stock unit [see note (i) below]	202.85¢	167.03¢	166.19¢	197.92¢	183.91¢
Dividends per stock unit [see note (ii) below]	6.95¢	5.49¢	6.99¢	7.0¢	7.0¢
Exchange rates ruling at the balance sheet dates were:					
UK one Pound to J$1	133.74	143.55	116.84	140.21	128.93
US$1 to J$1	85.86	89.60	80.47	70.18	66.92
Can$1 to J$1	85.34	84.57	65.54	105.52	56.56

(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 1,149,452,145 stock units in issue, net of stock units held by GCLEIT at December 31, 2010 (2009: 1,141,765,184).

DECLARATION OF NUMBER OF STOCK UNITS OWN BY DIRECTORS/OFFICERS

Names	Personal Shareholdings	Shareholding in which Directors/Officer has a controlling interest
Oliver F. Clarke	65,317,720	344,033,885
Gerald C. Lalor	13,165	
John J. Issa	-	23,374,832
Christopher S. Roberts	4,934,412	
Joseph M. Matalon	-	1,210,648
H. Winston R. Dear	-	
Carol D. Archer	58,320	
Douglas R. Orane	823,381	
Morin M. Seymour	300,000	
Lisa G. McGregor-Johnston	3,732	
Christopher Barnes	1,175,000	
Collin R. Bourne	2,133,428	
Marlene Davis	202,609	
Garfield Grandison	75,652	
Burchell Gibson	-	
John Hudson	2,376,820	
Newton James	1,008,367	
L. Anthony O'Gilvie	1,379,331	
Ian R. Roxburgh	2,122,762	
Karin E. Daley-Cooper	1,001,700	
Rudolph A. Speid	472,245	

LIST OF 10 LARGEST BLOCKS OF STOCK UNITS

1.	Financial and Advisory Services Limited	344,033,885
2.	Pan Caribbean Financial Services A/c 1388842	105,625,619
3.	The Gleaner Company Limited Employees' Investment Trust	69,573,926
4.	Oliver F. Clarke	65,317,720
5.	Jamaica National Building Society	46,425,529
6.	Gleaner Company Superannuation Fund	35,603,356
7.	Medsalco Limited	34,191,867
8.	National Insurance Fund	30,883,010
9.	Life of Jamaica PIF Pooled Equity Fund	28,198,117
10.	West Indies Trust Co. Ltd. A/C J1726	24,066,982

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 **9th** day of **June, 2011** and at any adjournment thereof.

Signature(s) ....

Signed this .... day of .... 2011.................................

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.

The Gleaner
Company Limited

The Gleaner
www.jamaica.gleaner.com

The Sunday Gleaner

The STAR
www.jamaica-star.com

THE WEEKEND STAR

GO-JAMAICA

Outlook
SUNDAY MAGAZINE

The Gleaner's Children's Own

The Gleaner's youthlink magazine

FinancialGleaner

The Gleaner's westernFOCUS

The Gleaner's HospitalityJamaica

FLAIRMAGAZINE

TRACK & POOLS

The Gleaner archivesOnline
www.gleanerarchives.com

The Weekly GLEANER
THE TOP CARIBBEAN NEWSPAPER

THE VOICE

the WEEKLY STAR
the entertainment paper

93 MUSIC FM
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106 POWER
The Digital Sound
Where all views can contend