The Gleaner Company Limited

ANNUAL REPORT

ONE HUNDRED & SIXTEENTH ANNUAL REPORT

2012

MULTIMEDIA Approach with

ONE VISION

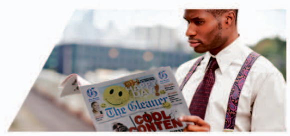

The Gleaner
has something for everyone
The STAR
The Sunday Gleaner
The Gleaner's westernFOCUS
Not Just News, YOUR News.
FIRST LOOK
Post it, Read it, Share it
the WEEKLY STAR
the entertainment paper
The Gleaner's Children's Own
TRACK & POOLS
Financial Gleaner
The Gleaner archivesOnline
VOICE
The Gleaner's youthlink
FLAIR MAGAZINE
The Weekly GLEANER
The Gleaner's Hospitality Jamaica
106 POWER
GO-JAMAICA
Outlook
SUNDAY MAGAZINE
Print
NEWS
Online
Social Media
Radio
Archive
Mobile
Scan this code and download
The Gleaner BlackBerry App
The Gleaner
MultiMedia
ONE VISION

The Gleaner Company Limited

MISSION STATEMENT

The Gleaner Company Limited… committed to being **the source** for accurate and independent information.

COMMITTED TO PROVIDING OUR...



CUSTOMERS

with quality products & service delivered in a courteous, timely & efficient manner.

SHAREHOLDERS

with a profitable return on their investment.

EMPLOYEES

with a work environment that is safe, innovative, dynamic & rewarding.

COMMUNITY

with corporate citizenship that is socially active & environmentally responsible.

SUPPLIERS

with a harmonious & mutually beneficial business relationship.

✓ Information ✓ Credibility ✓ Independence

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Fax: (876) 922-6297

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Stockholders of The Gleaner Company Limited will be held at the registered office of the Company, 7 North Street, Kingston, Jamaica, on Thursday, 2013 May 9 at 10:30 a.m. for the following purposes:

1. To receive the Directors,' Auditors' Reports and Audited Financial Statements for the year ended 2012 December 31 and to consider, and if thought fit, pass the following resolution:-

Resolution 1

RESOLVED THAT the Directors,' Auditors' Reports and the Audited Financial Statements for the year ended 2012 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, The Hon. John Issa, O.J. LL.D., Mr. Earl Maucker and Dr. Carol Archer being eligible, have offered themselves for re-election and to consider, and if thought fit, pass the following resolutions:-

Resolution 2

(a) That the Hon. John Issa, O.J, LL.D be and is hereby re-elected Director of the Company;

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

(c) That Dr. Carol Archer be and is hereby re-elected Director of the Company;

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

Resolution 3

Resolved that the Directors' fees agreed and payable for the year ending 2013 December 31, to all non-executive Directors of the Company be and are hereby approved.

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

Resolution 4

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

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

By Order of the Board

Shena Stubbs-Gibson
Company Secretary

April 8, 2013

Note: In accordance with Section 131 of the Companies Act, 2004, a member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him, and such proxy need not also be a member. A proxy form is included at page 89. When completed the form should be deposited with Company Secretary at the registered office of the Company, 7 North Street, Kingston, Jamaica, not less than 48 hours before the time appointed for the meeting. The proxy form should bear stamp duty of $100.00.

DIRECTORS' PROFILE

1

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

Hon. Oliver F. Clarke
O.J., J.P., B.Sc. (Econ.), F.C.A., LL.D. (Hon.) - Chairman (since April, 1979) and Managing Director (from May, 1976 – January, 2011)

2

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

Mr. Christopher N. Barnes
B.Sc., M.B.A. - Director (since February, 2008) and Managing Director (since February, 2011)

3

He serves as Chairman of SuperClubs International Limited and its subsidiaries. Mr. Issa served as a member of the Senate (from 1983 to 1989) and Chairman of the Jamaica Tourist Board (from 1984 to 1989).

Hon. John J. Issa
O.J., C.D., J.P., B.Sc., LL.D. (Hon.), - Director (from February, 1975 - June, 2003) and Vice Chairman (since July, 2003)

4

He retired from the Land Surveyors Firm of Dear Kindness and Partners Limited. Mr. Dear currently serves as a Director of Margartaville Limited, Margartaville Ocho Rios Limited, Doctors Cave Management Limited, Ice Rasta's Limited; is a Development Consultant for Barnett Estates Limited; and a member of the St. James Parish Development Committee, the Urban Development Corporation and Montego Bay Advisory Committee. He was a Commodore of the Montego Bay Yacht Club and past Chairman of the Montego Bay Civil Centre. He also served as President of the Montego Bay Chamber of Commerce and Industry for two terms spanning over four years.

Mr. H. Winston Dear
O.D., J.P., C.L.S. - Director (since April, 2004)

DIRECTORS' PROFILE

5

He is Executive Director of the Kingston Restoration Company Limited, President of the Jamaica American Friendship Association and a member of other boards, including PALS Jamaica Limited, 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 of the Joseph C. Cornwall Centre for Metropolitan Studies at Rutgers, the State University of New Jersey. In 2004, he received the Prestigious Alumnus Award from the Graziadio School of Business and Management, Pepperdine University, California. On November 26, 2006 he was awarded the Silver Medal Award for Urban Regeneration by the Kingston and St. Andrew Corporation.

Mr. Morin M. Seymour
C.D., J.P., B.Sc., M.B.A., F.L.M.I. - Director (since April, 2000)

6

He serves as a member of other boards including Independent Radio Company Limited, JN General Insurance Company Limited (JNGI) and JN Finance Limited. Mr. Roberts is a Chartered Accountant and a Justice of the Peace.

Mr. Christopher S. Roberts
J.P., C.A. – Director (since February, 1975)

7

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

Mrs. Lisa Johnston
B.A., M.A., - Director (since April, 2000)

8

He is Chairman of GraceKennedy Limited and a member of other boards. He served as President of the Private Sector Organisation of Jamaica from December 1992 to December 1994 and as Vice President from December 2001 to February 2003. Dr. 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.

Dr. Douglas R. Orane
C.D., J.P., B.Sc. (Hons.), M.B.A., LL.D. (Hon.) - Director (since May, 1988)

9 She was appointed Dean of the Faculty of the Built Environment at the University of Technology, January 2006 and Associate Professor in 2009. 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 Resource Conservation Authority (Deputy Chair), Urban Development Corporation Subcommittee on Planning and Development, South East Regional Health Authority (Deputy Chair), National Chest Hospital (Chair), Council for the University of Technology, Jamaica, National Investment Bank of Jamaica, and Water Resources Authority.

Dr. Carol D. Archer
B.A., M.A., M.U.R.P., M.Phil, Ph.D. – Director (since December, 2001)

10 A scientist by profession, he is a former Pro-Vice Chancellor of the University of the West Indies and Principal of its Mona Campus, and is at present, Director General Emeritus and Chairman of the board of directors 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.

Prof. The Hon. Gerald C. Lalor
O.J. C.D., B.Sc., M.Sc., Ph.D. - Honorary Chairman (since December, 2005) and Director (from March, 1990 – December, 2005)

11 He is Chairman of the ICD Group Limited and its subsidiary British Caribbean Insurance Company Limited. He also serves as Chairman of the Kingston Live Entertainment Group (KLE), which was recently listed on the Jamaica Junior Stock Exchange.

He holds directorships on a number of other boards including Scotia Group Jamaica Limited, West Indies Home Contractors Limited, WIHCON Properties Limited, CGM Gallagher Group 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 the 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. Joseph M. Matalon
C.D., B.Sc. (Hons.) Econ. - Director (since October, 1987)

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

Mr. Earl M. Maucker
B.A. – Director (since April 2011)

SENIOR MANAGERS

Christopher Barnes
Managing Director

Collin Bourne
Manager - Print, Plant & Distribution Operations

Karin Cooper
Manager - Business Development & Marketing

Burchell Gibson
Circulation Manager

Rudolph Speid
Manager - Group Finance & Procurement

SENIOR MANAGERS

Garfield Grandison
Editor-In-Chief

Newton James
Managing Director - Independent Radio Company Limited

Shena Stubbs-Gibson
Company Secretary / Senior Legal Advisor

Anthony O'Gilvie
Manager - Human Resources & Administration

Robin Williams
Manager - Online & Information Technology

CHAIRMAN'S AND MANAGING DIRECTOR'S REPORTS DECEMBER 31, 2012

CHAIRMAN'S REPORT

2012 ushered in the celebration of 50 years of independence. As a nation we paused to reflect on our achievements and indeed our shortcomings in all areas of national development. For greater than 175 years The Gleaner has stood with, by, and for Jamaica. The support of our loyal employees, readers, advertisers and investors for the past 50 years, has helped us to remain an important pillar of a thriving democracy and prepares us for the challenges of the next 50 years.

In 2012 your board sought to continue its guidance of management on the necessary transition to multimedia and, more specifically, the further development of the company's digital products as complements to the flagship print offerings. Newsroom integration, which is paramount and underpins the company's multimedia strategy, continued with the great enthusiasm of our Editor-in-Chief and his team. This thrust also benefitted from the guidance of our newest board member who, as editor, led the transition for his well known South Florida newspaper company.

Your board throughout the year also supported the editor's thrust to raise important national issues and stimulate the debates necessary to advance development in each area.

The board is satisfied that management and staff have taken the necessary steps throughout the year to deploy the company's resources in order to extract the maximum benefit possible in the environment. While the current economic condition of the country constrains the ability of your company to fully exploit the advantages of its suite of products, your board is confident that the team will position the company to reap the full benefit of any economic turnaround.

On behalf of the Gleaner board of directors, I would like to thank all shareholders for the confidence placed in the board in 2012 and look forward to serving you even better in 2013 as The Gleaner continues to play its role in recording history, keeping Jamaica informed, stimulating the right discussions and holding public officers to account. The media may have changed but our core beliefs remain the same.

MANAGING DIRECTOR'S REPORT

Your company started the year in a very interesting time for our country. We had a newly elected government assuming office in an economic environment characterized by a debt to GDP ratio near 140% and the discernible absence of an IMF standby agreement. Consumer market activity reflected a nation in the doldrums, and this is where your company's challenge began.

In response, we rallied every resource at our disposal to navigate the challenges to produce the results accompanying this message.

We continued to invest significantly in our digital properties to remain on the cutting edge of an ever evolving media market. At the end of 2012 we boasted a formidable line up of online products, including our e-paper, video gallery, mobile news applications, diGjamaica website, and our press-release platform: gofirstlook.com. The Gleaner now has the widest media platform offering available in Jamaica, with global reach and serving an increasingly sophisticated advertising market.

We continued our newsroom integration thrust to align limited resources better to serve all of our platforms. Our newsroom employees stepped outside of their comfort zones to acquire new skills and take on the challenges of a multimedia world.

We pushed editorially the issues important to Jamaica. Most notably, your company took the lead in focusing the nation, under its new government, on the challenges faced as a debt laden country and highlighting the great risk of not having a plan known to all stakeholders to address those challenges. Among many other things, we stimulated discourse on issues of violence plaguing our women and children, and the lack of growth economically in our first fifty years of independence. We invested more in our news gathering this year, and made extensive use of our rich archived material, to give Jamaica the best possible coverage of activities around the Jamaica50 celebrations and the Summer Olympics. Most fittingly, we were awarded 12 of 22 Press Association of Jamaica Awards for our efforts.

Our team in business development rallied to sell our products aggressively and to raise our service levels to all of our clients. Our marketing team laid the foundation for an exciting year for the ubiquitous Gleaner brand. Our events, partnerships and sponsorships ensured that your company's brands were always on display.

Operationally, continued focus on efficiency resulted in overall cost containment in spite of increases in payroll expenses, utility costs and other foreign exchange dependent cost inputs such as newsprint. Notably, we invested heavily in projects to curtail electricity and newsprint consumption both of which impact our operating costs significantly.

The local challenges affecting our core business similarly affected our radio subsidiary Independent Radio Company. Already impacted by a softer advertising market, this company, in 2012, had to overcome the challenge of sudden disruption with the death of Wilmoth Perkins, host of the popular, Perkins on Line show, and the resignation of Reverend Ronald Thwaites, host of the equally popular Independent Talk, to take up a cabinet post. The company acted swiftly to plug the considerable holes left and in the process added new revenue generating shows and embarked on integration and transmission upgrades with a view to increasing profitability.

Your company's other subsidiaries continue to perform creditably in spite of the environments in which they exist, and your management and board maintain a keen eye on these operations. Our investment committee also ensured your company's financial investments were enjoying maximum returns.

The Gleaner continues to place great importance on being a good corporate citizen. In spite of the prevailing environment, your company continued its unwavering support for all things educational, it's long standing Corporate Social Responsibility (CSR) commitments, and other charitable considerations. We also continued to highlight through our coverage, and through our events, other organizations and individuals who contribute significantly to national development. The Gleaner cares!

A year later, the country is only now beginning to show signs of setting upon a path to address its economic problems. Any success along this path will be achievable only after what is sure to be a very difficult period characterised by austerity measures and a hostile tax environment.

Reflecting the resilience of this nation's people, your company, through the commitment of every single one of our great staff members past, present and future, will do what is necessary to ensure that we remain relevant to every life we touch, and stay true to our mantra of being where life unfolds. This is the least we can do to honour the great support this company enjoys from its stakeholders.

Multimedia, One Vision

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

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

The Gleaner Company Limited (established in 1834) with assets valued at $3.5B at December 31, 2012 (2011:$2.3B), boasts products and services spanning newspaper, radio and a suite of digital products. Your company operates one business segment, Media services, which includes its newspaper and online operations in Jamaica, the United Kingdom, Canada and the United States of America, and its two radio stations in Jamaica. Your company's other activities include the publication and production of books, as well as contract printing.

FINANCIAL RESULTS OVERVIEW

The Group Financial Accounts for the twelve months ended December 31, 2012 show a profit for the year after taxation of $133M (2011: $118M). Included in this profit was a tax credit of $45M applicable for the year, due in part to changes in the corporate tax rates announced by the government during the year.

Profit from continuing operations before taxation was approximately $87M (2011: $132M). Included in the 2011 result was interest of $65M earned in 2010 arising from the winding up of the Defined Benefits Pension Fund in July 2010.

REVENUE

In comparing the financial statements for the twelve-month period ended December 31, 2012, with those for the comparative period 2011, the following should be noted: -

(a) Revenue in 2012 period increased by approximately $16M or 0.5% over 2011.

(b) In the 2012 statements, "other operating income" of $156M includes income earned from contract printing, sale of fixed assets and foreign exchange gains.

EXPENSES

Total expenses of $3.33B (2011: $3.34B) decreased by 0.5% in 2012 due to your company's continued efforts to increase efficiency. This was achieved notwithstanding a greater than average increase in costs associated with staff, raw materials, administration and news gathering. Below is a breakdown of your company's major costs for both years:

Total Expenses	2012 $000	2011 $000	% Change
Cost of sales	1,812	1,699	7.0
Distribution cost	489	503	(2.7)
Administrative expenses	613	626	(2.0)
Other operating expenses	391	505	(23.0)
Pension cost	22	9	144
Total	**3,327**	**3,342**	**(0.5)**

Cost of sales increased by 7%, driven by increases in editorial and maintenance costs, while distribution and administrative expenses decreased by 3% and 2% respectively due to reductions in electricity, transportation costs, bad debts and other provisions. Other operating expenses were 22% less than 2011 due to impairment of a subsidiary asset which was written off in 2011.

PENSION RECEIVABLE

Contributions to the company's Defined Benefits Pension Fund were discontinued on July 15, 2010. The surplus in the Fund was used to enhance member benefits and the balance thereafter divided between the Company and members of the Fund. Final payments were made on October 31, 2011 to members of the Fund except for 12 members who have not yet collected their benefits entitlement.

(a) Finance income of $93M in 2012 includes $58M of interest income on pension receivable. $152M of finance income earned in 2011 included interest of $65M attributable to and carried over from 2010.

(b) Pension receivable of $1.1B represents a balance of surplus due to the company arising from the discontinuation of the Fund. Of the total outstanding amount, $143M is expected to be received in more than one year from the reporting date and is classified as long term receivable (See below for movement and balance during 2012).

	Group and Company	
	2012 $M	2011 $M
Surplus brought forward to January (non-current and current pension receivable)	1,429	1,277
Amount paid to company during period	(425)	-
Income earned during the period	58	152
Balance owing to the company	**1,062**	**1,429**

SHAREHOLDER RETURN

	2012	2011
Ordinary shares in issue @ 50 cents	1,211,243,827	1,211,243,827
Closing market price per share ($)	1.40	2.05
Market capitalisation ($B)	1.7	2.5
Dividend paid per share (c)	8.0	28.5
Dividend Yield (%)	5.7	17.3
Benchmark:		
Gleaner Capital Appreciation/(Depreciation (%))	(32)	24
JSE Capital Appreciation/Main Index (%)	(3)	12

EQUITY

Market capitalization of $1.7B (2011:$2.5B) is below the $2.4B book value for 2012 (2011: $2.3B). Net Book Value per share stood at $1.95 as at December 31, 2012 (2011:$1.90).

The group equity of $2.4B showed an increase in value at December 31, 2012 compared to $2.3B in 2011.

DIVIDEND AND STOCK PRICE

2012

Your directors declared a 1st Interim Ordinary Dividend of 5 cents per stock unit which was paid on March 30, 2012 to stockholders on record at March 23, 2012.

A 2nd Interim dividend of 3 cents per stock unit was declared by your directors and was paid on September 28, 2012 to shareholders on record as at September 7, 2012.

Total dividend paid in 2012 was $96.9M. No final dividend is recommended for 2012.

2013

Two interim revenue distributions of 3.5 cents each per stock unit were declared to stockholders on record at the close of business on March 4, 2013. These were paid on March 22, 2013.

Total dividend paid to date for 2013 is $84.8M.

The Company's stock unit price on the Jamaica Stock Exchange at December 31, 2012 was $1.40 per share; the opening price at January 1, 2012 was $2.05 per share.

NON-CURRENT LIABILITIES

Non-current liabilities increased due to the company securing a loan for energy conservation capital projects. Employee benefit obligation increased due to changes in the discount and inflation rate used to calculate this obligation.

Deferred tax was reduced by $200M largely due to payments of $425M from amounts owed by the pension fund to the company and the government's announcement of reduced corporate tax rate to 25% from 33 1/3% effective January 1, 2013.

WORKING CAPITAL

Working capital	2012 $M	2011 $M	% Change
Total current assets	1,943	2,218	(12)
Total current liabilities	(608)	(618)	2
Working capital	**1,335**	**1,600**	**(17)**

Working capital decreased by 16% due mainly to a reduction in the current portion of the pension receivables from $1.25B to $0.9B.

RECONCILIATION OF TRADING PROFIT TO PROFIT FROM CONTINUING OPERATIONS

Trading profit decreased from $179M to $138M during 2012; a reduction of $41M or 23% (See Table below):

	December 2012 $M	December 2011 $M
Trading Profit	**138.4**	**178.7**
Loss/Gain on operation of Gleaner Company Limited Employees Investment Trust	**(7.0)**	**–**
Increase In Employee Benefit obligation	**(8.8)**	**(11.5)**
Restructuring Cost	**(35.0)**	**(35.0)**
Profit from Continuing Operations before Taxation	**87.6**	**132.2**

RISK MANAGEMENT

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

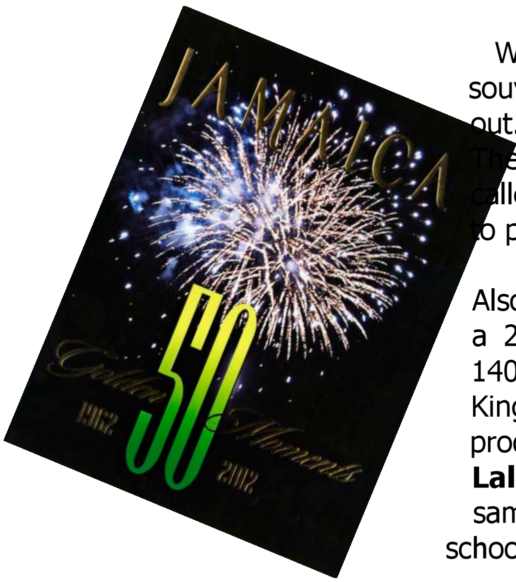
The Audit Committee of the board meets quarterly to assess operational risk, discuss mitigation plans, and makes recommendations to the board for decision.

An Investment Committee meets monthly to discuss investment options, cash management and tax planning and makes recommendations to the board for decision.

EDITORIAL COVERAGE

During the period under review, your editors' forum series ended its 11th year as a platform to explore fundamental issues impacting the nation with stakeholders from various sectors. Rural Jamaica continued to enjoy healthy coverage under the banners of **Rural Express** and **Western Focus**. Our coverage of the **London Olympics** was first rate and our lead reporter received an award for his work.

In the year when Jamaica celebrated its jubilee anniversary as an independent nation, your newsroom embarked on several initiatives to mark this milestone.



We, in association with Ian Randle Publishers, produced a souvenir book entitled **50 Golden Moments** which was sold out. We created and produced a special Jamaica50 edition of The Gleaner on August 6, as well as developed a special series called **The Next 50 Years** that examined issues to be tackled to pave the way for a better Jamaica and its people.

Also during the period under review, your newsroom conducted a 24-hour photo-shoot as part of the activities to mark the 140th anniversary of Kingston as the capital of Jamaica; hosted Kingston stakeholder meetings to plot strategies for city revival; produced a second edition of the popular book **Roving With Lalah**, a compilation of the weekly Gleaner series with the same name; and started a Youth Editors' forum series at high schools across Jamaica.

We continued with the newsroom integration process to ensure a dynamic and trusted information delivery service across print, radio and online platforms. We have introduced new video programmes online including **News in a Minute**; and continued with existing ones, among them, **Jamaica Now,** and the **Parliament Report**. We also had video coverage of other events as they unfolded. These and other videos can be seen at **jamaica-gleaner.com/videos**.

Your morning daily **Gleaner** broadsheet, your afternoon tabloid **The Star**, and your weekend product, **The Sunday Gleaner** have maintained their leadership positions among readers for the period under review. These core products continue to deliver news that is reliable, trusted and in line with our code of ethics and professionalism. All other publications also maintain strong positions in the market.

For their good work, members of the Editorial team won a record 12 of 22 awards for excellence in journalism presented by the Press Association of Jamaica (PAJ).

This was a good year for your newsroom and we recommit to press on with the trend of delivering content of high quality and standards guided by our code of ethics and professionalism as we embark on the challenges of 2013.

Gleaner Newspaper Archive

The Gleaner Archive (**http://gleaner.newspaperarchive.com)** is an on-line database that contains over 1.3 million historical newspaper pages from the Gleaner Newspaper dating back to 1834. The database is searchable by keyword and date, making it easy for subscribers to quickly explore historical content. Subscribers are able to gain a local perspective on historical news, to research family history or to simply read about persons and events of interest. The archive played an even more important role in much of the editorial and commercial features published in 2012 in celebration of the 50th Jubilee.

Libel Cases & Libel Reform

In 2012, only one lawsuit was filed against the company, however, this suit was settled in January of this year. Of the two suits filed in 2011, one was settled in 2012 and the other one remains active. The reduction in suits against the company comes against the backdrop of more intensified libel training and greater focus on prompt and amicable resolution of complaints from readers. The process to reform the libel laws of Jamaica continued during 2012 with your company writing several letters to, and also meeting with, the Minister of Justice to get the process reactivated. The process had stalled after the administration changed at the end of 2011. The new Minister of Justice has been very receptive and has committed to have the Bill reintroduced before the end of the 2012 – 2013 legislative year with certain changes requested by stakeholders, including the media.

BUSINESS DEVELOPMENT AND MARKETING

2012 was an exciting year for Business Development and Marketing. The team was challenged to increase the effectiveness and impact of the activities in which it was involved, in an effort to maintain our valuable partnerships. Through several collaborations and creative executions, we were able to enhance our products' brand presence, introduce new products, and re-inforce the perception of The Gleaner as one of the most popular and respected brands nationally. These activities were further enhanced by the commemoration of Jamaica's 50th anniversary which provided additional opportunities for us to increase our presence and that of our advertising and promotional partners.

Andy Thorburn (right) CEO of Digicel receives the company's 'Golden Award' from Christopher Barnes (left), The Gleaner's Managing Director. Prof the Hon Gerald Lalor, Chairman of The Gleaner Honour Awards Selection Committee (centre) joins in the presentation.

EVENTS AND SPONSORSHIPS

Your company in 2012 placed major effort in expanding brand presence, recognising excellence and maintaining valuable partnerships.

The Gleaner Honour Awards is an annual programme that recognises individuals and organisations which have "contributed significantly to improving Jamaica's quality of life".

The occasion of Jamaica's 50th Anniversary in 2012 was used to recognise corporate contribution to national growth. This programme complemented the company's year-long exploration of developmental issues and solutions through its **"The Next 50 Years"** feature. This year's awards function took the form of a Gala Dinner for which tickets were sold and sponsorship secured.

The Hon. Usain Bolt (right) receives his 'Global Jamaican Award' from Christopher Barnes, The Gleaner's Managing Director (left), and Prof the Hon Gerald Lalor, Chairman of The Gleaner Honour Awards Committee

The 2012 programme identified eighteen (18) members of corporate Jamaica that have been supporting important areas through their direct and indirect involvement. These short-listed nominees were profiled in The Gleaner in the period leading up to the awards. From these nominees, the following category winners were announced at the awards function:

Arts & Culture
PAN JAMAICAN INVESTMENT TRUST

Sports
SUPREME VENTURES LTD.

Entertainment
PALACE AMUSEMENT COMPANY (1921) LTD.

Science & Technology
DIGICEL JAMAICA LTD.

Education
GRACEKENNEDY LTD.

Public Service
LASCO DISTRIBUTORS

Voluntary Service
JAMAICA NATIONAL BUILDING SOCIETY

Health & Wellness
SAGICOR INVESTMENTS LTD.

From among the category winners, **THE GLEANER'S 'GOLDEN AWARD'**, which replaced the 'Man of the Year' award for 2012, was presented to ***DIGICEL JAMAICA LTD*** for its role in transforming the Jamaican landscape through information technology. **THE GLEANER'S 'GLOBAL JAMAICAN AWARD,'** the individual award, recognising a living Jamaican who has had the most significant impact on global life was presented to ***THE HON. USAIN ST. LEO BOLT, OJ, (HON) LLD.***

The Gleaner's Jamaica50 Activities

The Gleaner's Birthday Game advertisement

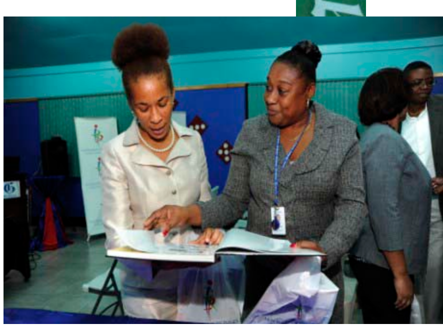
The Gleaner's Jamaica50 Birthday Game, an 8-Week Gleaner competition, sponsored by KIG, concluded on Friday, August 10 with the Grand Prize Draw for a Ford Focus 2012 motor car and a second prize of $50,000. The game ran simultaneously in The Gleaner and The Star each week and attracted approximately 30,000 entries.

Birthday Game Winners receive their prizes from The Gleaner Company and KIG Industrial Garage.

The PSOJ/Gleaner 50UnderFifty Awards – The Gleaner in partnership with the PSOJ, and main sponsors FLOW and NCB, recognised fifty Jamaican leaders who were under fifty years old through ***The PSOJ/Gleaner 50UnderFifty Awards*** held on November 29, 2012. This very successful project sought to highlight the depth and strength of leaders ready to take Jamaica into the next 50 years.


The Gleaner's 'Celebrating 50' Independence publication and the flag distributed as an insert.

A number of ***Special Supplements*** related to the celebration of Jamaica50 were also incorporated into our plans. These included **'Jamaican Giants'** (highlighting Jamaican businesses which have become stalwarts in our economy); **'Then and Now'** (a comparative photographic review of advertisers who placed ads in 1962 and 2012);


The Gleaner's Sylyn Brown-Hamilton (right) takes a guest through the 'Jamaica: 50 Golden Moments' book at the Corporate Presentation.


Minister Natalie Neita-Headley (2nd right) and Mayor Angella Brown-Burke (3rd right), were just two of the dignitaries who were hosted by The Gleaner Company as the exhibition toured the island.

'Independence Cookbook' (foods that are characteristically Jamaican) and **'Celebrating 50'** (a special independence publication which included the distribution of Jamaican flags to our readers).

Your company's Jamaica50 activities which were spearheaded by a special cross-departmental committee, also extended to the intensive promotion of The **Gleaner's *'Jamaica: 50 Golden Moments, 1962 – 2012'*** commemorative book, The **'Journey of Champions'** archival exhibition, and the sale of Jamaica50 shirts. Each of these projects was a revenue-generating activity.

Advertising Top Billing and Advertisers Appreciation Awards

Through its Advertising Top Billing and Advertisers Appreciation Awards on February 19, 2013, The Gleaner recognised our outstanding clients for 2012.

OGM Integrated Communications received the Top Billing Award for our print products, followed by The Marketing Counselors Limited, and Advertising and Marketing Limited. Advertising and Marketing also received the award for being 'The Most Compliant Agency'.

Receiving awards for The Gleaner's online products were Prism Communications (the highest volume of agency business) and The Scotiabank Group (the highest volume of business from a direct client).

OTHER KEY SPONSORSHIPS AND EVENTS

Guests navigate their way through The Gleaner's ePaper inside The Gleaner's Booth at Sumfest in July.

Through our sponsorship of ***Reggae Sumfest***, The Gleaner, for the first time, hosted a booth at the 3-night festival. Activities included the interactive promotion of The Gleaner's online properties (The Gleaner and Star BlackBerry Apps, E-paper, and the FirstLook website); the sale and promotion of The Gleaner's Jamaica50 Book and t-shirts; promoting The Gleaner's Birthday Game; showcasing The Gleaner's Journey of Champions Olympics exhibition; the distribution of 2,000 copies of The Gleaner each night and photos taken and looped from a screen at the front of the booth to entertain patrons.

'Miss Kitty,' a Restaurant Week Ambassador, is delighted at the sight of her dinner during Restaurant Week 2012.

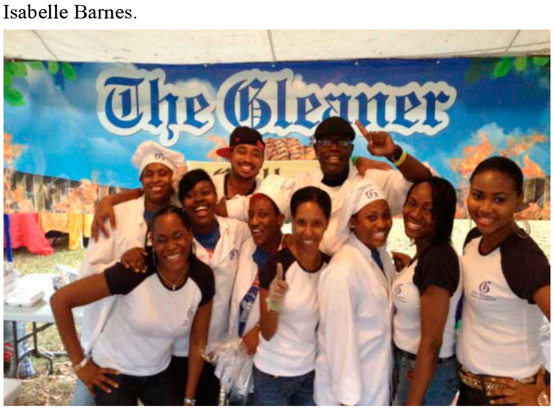
It's "Cheers!" all-round at the Grog Shoppe Restaurant at Devon House as The Gleaner continued to host special dinners for its clients in the pre-Restaurant Week period.

Restaurant Week 2012- This successful partnership between SSCO Limited and The Gleaner continued in November, 2012, and saw an increase in participating restaurants (including one from the UK) and sponsors. 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 event provides great content for Gleaner readers and clients and The Gleaner hosts several business associates and valued clients for dinner during the period. Among the support provided by The Gleaner was the hosting of the official Restaurant Week website, event promotion through social media, and providing gift subscriptions of The Gleaner's e-Paper to competition winners. Commemorative plaques were given to restaurants that participated in the event.

Through our association with ***Jamaica Jazz and Blues 2012*** (one of Jamaica's largest annual entertainment events), The Gleaner continued to host **'a Taste of Jazz'** in Kingston. Live music from groups such as Raging Fyah, Noddy Virtue, Ruth Royes, Stone Dub, and Total Five entertained our audience, interspersed by games and other promotional activities. Other Jamaica Jazz and Blues Festival activities included a Youthlink Promotion, and an on-site Golden Ticket Competition; photo-ops for winners with artistes, discounted ticket sales, and the distribution of purchased copies of The Gleaner to patrons of the festival using personnel in Gleaner-branded shirts.

Celine Dion (left) at Jamaica Jazz and Blues with (right to left) The Gleaner's Dr. Carol Archer, Mr. Christopher Barnes, and Mrs Isabelle Barnes.

'Total 5' was among the groups that performed at The Gleaner's Taste of Jazz 2012.



The Gleaner's award-winning team at the All-Jamaica Grill-Off Competition in June.

The Gleaner extended its participation in the annual **Appleton All-Jamaica Grill-Off** by entering a team in the grilling competition. This event attracts multiple team entries vying for the top spot in grilling in a family oriented atmosphere comprising hundreds of patrons. The Gleaner team secured 2nd and 3rd place results in two categories, conducted give-aways and promoted The Gleaner BlackBerry App, The Gleaner Archive, as well as its small business advertising package.

Through a partnership with Sportsmax, The Gleaner also had the privilege of brand association with **Rumble on Jamrock,** an international WBA Featherweight Championship boxing event at which Nicholas 'The Axeman' Walters became the first Jamaican boxer to win an international title at home. This presented to the company another unique opportunity for Gleaner brand presence among sporting and entertainment enthusiasts.

Other top entertainment events sponsored by the company included the hugely-popular Flames Production's **Rebel Salute**; and party series (**Osmosis, ATI and Dream Weekend**); Television Shows (**Dancing Dynamites, the Ity and Fancy Cat Show, and Digicel Rising Stars**); and culinary festivals.

MULTI-MEDIA PROMOTIONS

Roland Booth of Gleaner Online (right) presents one of the prizes at the Sigma Fun Run.

The company made an aggressive push for increased presence of its online platforms in 2012. A number of The Gleaner's events and sponsorships were used to showcase our online products to different audiences. The highlight of our sponsorship-driven promotion of our online products in 2012, however, was the showcasing of The Gleaner's online platforms at **Reggae Sumfest** in July, with videos showing our mobile and online products, an interactive e-Paper screen, and live photo updates. The promotions continued in January 2013, with a successful staging of a social media lounge at **2013 Jazz and Blues** as well as showcasing our digital products at **The Gleaner Honour Awards** function. At The Gleaner's **2012 Advertising Awards** in February 2013, the BlackBerry Applications, **FirstLook** website, **ePaper**, and our online videos were demonstrated to our guests at the function. Other sponsorship activities included the **Sigma Corporate Run** and the **NCB Tennis Tournament**.

Prize-winners at The Gleaner's ePaper-sponsored NCB Capital Markets Tennis Tournament

DigJamaica.com, our new Jamaican information database website, has also been receiving strong promotional support in print, online and on radio.

ECONOMIC AND SOCIAL DEVELOPMENT

The company's social responsibility efforts continued to extend beyond the traditional areas to involve the stimulation of economic activity in a period of national economic challenges. It is important that small and medium-sized businesses be given the opportunity to succeed because they both employ our human and other resources and provide important linkages in the economy. We therefore continued the publication of the weekly **'Small Business Page'** to provide a financial buffer for small business owners who found it difficult to afford open-market advertising rates.

The Gleaner's renewed sponsorship of the **NCB Nation-Builders Awards Programme**, expos and its support of organisations such as the Private Sector Organisation of Jamaica (PSOJ), Jamaica Chamber of Commerce (JCC) and The Jamaica Stock Exchange (JSE), are also a part of this programme.

Our continued support of the development of Downtown Kingston through the KSAC **'Downtown Comes Alive'** project in December, was supported by our year-long sponsorship of Kingston's 140th Anniversary as a city. Included in this was a free concert on July 28 organised by The Gleaner Company in the heart of Downtown Kingston at which thousands of patrons were in attendance.

We believe in promoting the importance of leadership, community development, personal and professional excellence and volunteerism. Our sponsorship of awards programmes in 2012, therefore, reflected this philosophy. The **Governor General's Achievement Awards** and the **JIM Manager of the Year Award** both of which continue to receive our sponsorship and planning support, are just two examples of this kind of support.

EDUCATION AND CORPORATE SOCIAL RESPONSIBILITY

Support of Education and Youth-development at all levels is one of the pillars of The Gleaner Company's social outreach efforts.

The 2013 Gleaner Spelling Bee champion Christian Allen (2nd left), is flanked by 2nd place finisher Stephen Nelson (left), 3rd place speller Chaunte Blackwood (2nd right), and their coach Rev. Glen Archer (right).

The Gleaner's Children's Own Spelling Bee, started in 1958 is one of several educational programmes conducted by The Gleaner Company which are geared at promoting discipline, confidence, and other social and intellectual skills among young persons. The 2012-2013 Gleaner **Children's Own Spelling Bee Champion** is **Christian Allen** of Ardenne High School.

Three new elements were added to the programme this year: A new digital component was added to the programme - the Interactive Spelling Bee where the public was invited to log on to The Gleaner's Facebook page to accurately spell the words being given to the finalists. Over five hundred persons participated and special prizes were awarded to the winners. Further, a digital scoreboard was used at the competition venue which tracked the spellers' errors and remaining handicaps; this software was developed at The Gleaner Company. Finally, a Spelling Bee supplement was also published in support of the programme. These enhancements to the programme added to the value received by our sponsors as well as the image of the programme.

The 2011-2012 champion, Gifton Wright of Kingston College represented Jamaica in the Scripps National Spelling Bee in Maryland in 2012. He placed 4th in the international competition. In July of that year, three Spelling Bee Parish Champions were recognised for outscoring their counterparts from their county in the GSAT. They were: Rushawn Stewart (Surrey), Jaden Henry (Middlesex) and Jonathan Liu (Cornwall).

Youthlink CSEC Examination Techniques Seminar - The Gleaner supplements the assistance provided to CSEC students in the form of exam techniques seminars. Lecturers for each session teach strategies that earn the best grades on the examination, giving the students 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.

Some students from the Westmoreland Seminar gather for some additional pointers from CSEC Lecturer Godfrey Fisher.

The Gleaner Sponsored **Peace and Love in Society** (**PALS)** continued to work towards securing its sustainability in 2012. The organisation was able to deliver a small number of programmes throughout the year. In the second half of the year, the chairmanship was transitioned from Mr. Morin Seymour to Gleaner's Managing Director, Mr. Christopher Barnes. PALS survival depends and indeed benefited from its corporate sponsors and donors.

The Gleaner's Christopher Barnes (right) and State Minister Damion Crawford (left) flank one of the participants in the Crayons Count-organised Children's Day 2012 celebration at The Gleaner Company.

We also supported the **Nestle Wellness Expo** (targeted at primary level students), The **JTA Primary Championships**, the **National Reading Competition**, and **Teachers' Day** as part of our annual programme. To this was added the **Crayons Count** project (in partnership with Do Good Jamaica) which aims to provide learning tools for students in Basic Schools across the island. This was complemented by a colouring and activity page in The Saturday Gleaner weekly.

The company continues to sponsor the local football teams - Central Kingston, Allman Town, Woodford and the Cavalier Soccer Club.

SIGNAGE AND BRANDING

A Gleaner-branded fleet vehicle

All event, sponsorship and promotion efforts are supported by strong branding presentations in the form of print, radio and online advertising, updated billboards, lit signs, shop branding, feather and vinyl banners, digital screens and branded clothing. We continue to benefit from strong branding on our fleet vehicles which spend long hours on our streets and highways.

SUBSIDIARY COMPANIES

Gleaner Online Limited

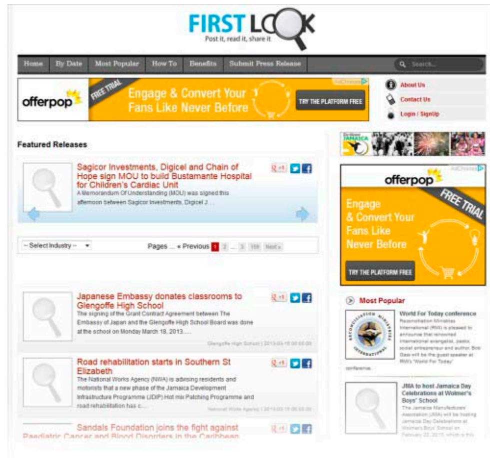
Gleaner Online, which celebrated its 16th year of operation on February 16, 2013, continues to be the leading online news media network in the English speaking Caribbean. The web properties, which include jamaica-gleaner.com, jamaica-star.com, go-jamaica.com and voice-online.co.uk, continue to command a heavy Diaspora following which accounts for more than half of the visits.

The page views for The Gleaner and Star websites increased by 20% and 3% respectively in 2012 over 2011. Unique visits to The Gleaner and Star grew by 23% and 7% respectively when compared to 2011.

In 2012, we continued to increase our social media presence. At the end of the year, the number of Jamaica Gleaner Twitter followers (@jamaicagleaner) grew by 131% and Jamaica Star Twitter followers (@jamaicastar) grew by 82%. The number of Jamaica Gleaner and Jamaica Star Facebook fans grew steadily during the year. Social media is used to drive page views to the websites as well as encourage reader interactivity.

Firstlook (gofirstlook.com), a news release and information site, was launched in February, 2012 and by the end of the year had generated over 120,000 page views with over 1,241 press releases posted.

The Gleaner **ePaper (epaper.jamaica-gleaner.com),** the digital replica of the paper was launched in June 2012 and by the end of the year there were over 3,000 sign-ups and the number of paid subscriptions has increased steadily.



Digjamaica.com, (Digital Information from The Gleaner) was launched in July 2012 and generated over 113,000 page views from over 31,000 unique visitors in a little over five months.

Gleaner and Star videos generated over 4 million video views in 2012. We now offer the ability for advertisers to place ads before and after video plays **http://Jamaica-gleaner.com/videos/.**

In May 2012, Gleaner Online also officially launched its **Star BlackBerry application**. This application has now been downloaded over 24,000 times. The **Gleaner BlackBerry App**, launched in June 2011, has now been downloaded over 137,000 times.

The apps can be downloaded from BlackBerry Appworld or scanning the QR codes shown below.

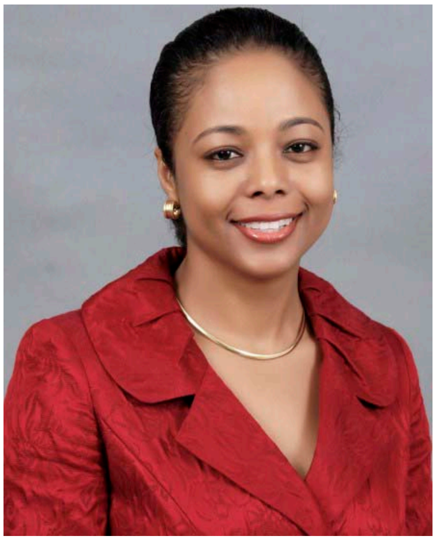
There are a host of other projects being undertaken which are sure to make our digital offering more exciting for years to come.

The Gleaner

The STAR

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

2012 was a doubly challenging year for Independent Radio Company Limited. The subsidiary was impacted by the economic downturn coupled with the loss of its two leading Power 106FM talk shows hosts Wilmot Perkins host of **'Perkins Online'** -who died in February 2012 and Ronnie Thwaites host of **'Independent Talk'** -who was appointed Minister of Education. Together the two shows represented 41% of gross advertising revenue in 2011.



Marlene Malahoo-Forte, Host Of 'Justice' on Power 106FM

Independent Radio Company responded to the challenge by relaunching **'Independent Talk'** with a new host and a number of prominent programme contributors, and adding a replacement show for **'Perkins Online'** called 'Justice' with a brilliant, former, Jamaican Resident Magistrate, Marlene Malahoo Forte. **'Dear Pastor'** still maintains its number one ranking with talk radio listeners among the 18-24 age groups and number two among the 25-35 age groups.

In the fourth quarter of the year, Independent Radio Company Limited managed to secure host, Maurice Foster for a new programme **"Power Play",** and as such attracted new advertising to Power 106FM.

Maurice Foster, Host Of 'Power Play' on Power 106FM

The station also continues to be the market leader in listenership from the Jamaican Diaspora and continues to broadcast radio to phones in North America and the UK and now recently Germany, through a partnership with Audio Now. To date listeners' usage of more than 1 million minutes per month has been recorded.

Music 99FM has maintained its niche space for smooth texture music for the entire family. To drive more revenue to Music 99FM, a new strategy was developed to include select sports content on the station. This new strategy is designed to work in the same way that an outside broadcast is treated on Music 99FM. Feedback from listeners reveals that the new strategy does not affect the traditional listeners of music on Music 99FM.

Independent Radio Company continues to be market leader in outside broadcasting and continues to support a wide range of community self-help projects and special events. Gross advertising from approximately 420 activities; represented 35% of total gross advertising revenue.

A transmission rehabilitation plan was developed and approved by the board in 2012 and will provide for greatly improved reception and updated computer controls. Management continues to assess strategies to return to profits in 2013 onward.

Overseas Companies

The Gleaner Co. (Can.) Inc. and The Gleaner Co. (USA) Ltd. performed fairly well turning small profits during 2012.

Products from these companies include, The Weekly Gleaner and The Weekly Star and the Black Pages Directory. During the year we integrated the Gleaner Extra into the main website

(**http://jamaica-gleaner.com/extra/**). This page is now updated continuously throughout the week.

The 2012-2013 **Black Pages Directory** published by The Gleaner Company (Canada) Inc. was once again produced successfully and profitably. The 140-page Directory is a resource guide created to help users find products and services within the Black & Caribbean communities in the Greater Toronto area. The Directory is also available online at **www.blackpages.ca**.

GV Media Group Limited performance improved in 2012 despite the continued recession. Products from the Group include the **Weekly Gleaner**, **The Voice** newspaper and website **voice-online.co.uk**.

These subsidiaries continue to be an important link and service to the Diaspora.

Selectco Publications and Popular Printers Limited

The Jamaica Directory of Personalities, published by Selectco Publications 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. The tenth edition is now available for sale.

In 2012, Selectco teamed up with a third party publisher to print and distribute a new sports tabloid publication: **Sport Globe**. This exciting new product is steadily gaining traction in the market.

Popular Printers Limited, among other things, publishes The Track and Pools magazine geared towards those in the horse-racing fraternity who like to put "a dollar on the nose." This very popular twice weekly publication is the longest-standing of its kind in Jamaica.

Property Companies

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

Jamaica Joint Venture, through its two subsidiaries, Manhart Properties Limited and City Properties Limited, owns properties at Nos. 34 and 40 Duke Street in Kingston respectively.

The property companies performed reasonably well in 2012.

INVESTING IN OUR STAFF

We depend on a committed and engaged workforce to realise our vision and achieve our objectives. It is our commitment to manage the Human Resource function to provide the company with the competence and capability to achieve these goals and ensure sustainability of the company. In 2012, the staff complement was 378 of which 143 are unionized (UTASP and BITU).

We continued to encourage and maintain harmonious staff relations and to improve the quality of work life, engendering positive work attitude through recognising the achievements of the staff, by awarding the top performing employees in departments and the company.

Employee Relations

To encourage the building of team spirit and camaraderie, the company hosted quarterly birthday celebrations, the annual staff party, regular staff meetings, annual staff fun day/outing and facilitated participation in charitable events such as the Pan Caribbean's, Sigma Corporate Run, Jamaica Cancer Society's, Relay for Life, the Grace Kennedy Education Run, Digicel Foundation's, 'take back the night' 5K Run and the UWI 5K Run.

The Gleaner's Sigma Corporate Run 2012 Team.

Gleaner runner Oral Anderson completing the Digicel 5k Run

Business House Basketball competition.

The staff continued to represent the company in the major **business house sporting competitions** including, football, domino and basketball. The 'Gleaner Stars' Basketball team won the coveted title of Champion for Division II.

The **smile campaign,** aimed at encouraging and promoting acts of kindness to make others smile, was launched and two Smile Ambassadors were selected in the year under review.

Gleaner Assistant Manager HR Services, Mrs Mary Dick and Senior Journalist Arthur Hall having fun with the smile icon used to promote the company's 'Smile Campaign.'

The smiles went viral!!

Gleaner staff enjoying the Mystic Mountain fun day.

2012, being the 50th anniversary of Jamaica's independence, the company and staff celebrated **Jamaica Day** on Friday, August 2. The highlights of the day's celebrations included the staff being dressed in national colours and sending greetings to our athletes at the London Olympics; sharing of Jamaican confectioneries such as coconut drops, totoes, busta (buss mi jaw) and tamarind balls; and a display of 'ole time sinting'.

Long Service Recognition

Our Company recognised twenty five (25) employees at the Annual Long Service Awards Luncheon, held on September 25, 2012, at the Wyndham Kingston Hotel. Of these employees, three (3), namely, Eulalee Samuels, Peter Burke and Osmond Brown, received awards for 40 years of unbroken service to the company.

Long Service Award employees were feted to lunch and special awards for their service of ten years and more to The Gleaner Company.

Pensioners

The Gleaner Company continues to honour its pensioners annually. For 2012, 43 pensioners were honoured at a luncheon held on Tuesday, March 27, 2012.

Gleaner Pensioners pose after the annual appreciation luncheon.

Learning and Development

In 2012, we focused on recruiting and developing the requisite talent and fit for the organisation as we continued a thrust towards building a fully integrated media company.

The company continued to encourage and support employee skill enhancement and professional development, enabling staff to maintain high levels of performance while providing the quality service demanded by our partners. In 2012, one hundred and ten (110) team members seized the opportunity to improve their competencies by participating in in-house and external developmental courses. The training interventions focused on improving skill areas, among which are: Leadership, Fraud Examination, Customer Service, Business Administration, Graphic Designing, Credit and Collections, Financial Reporting Standards, Print Maintenance and Operations, Report writing, Technology and Marketing.

We continued to partner with H.E.A.R.T/NTA to afford school leavers the opportunity to be trained on the job and during the year we accepted four (4) such trainees for work assignments. Also, students at the secondary and tertiary levels were accommodated for work experience and internship during the year.

Gleaner team members committed to serving you.

LIST OF OFFICERS AND CORPORATE DATA

OFFICERS

Samantha Burke	-	Legal Advisor
Sylyn Brown-Hamilton	-	Purchasing Officer
Roland Booth	-	Deputy Online Manager
Gilbert Callaghan	-	Print & Maintenance Manager
Jennifer Campbell	-	Managing Editor
Nordia Craig	-	Advertising Operations Manager
Michelle Currey	-	Chief Accountant
Paget deFreitas	-	Editor - Overseas Business
Carol Denny	-	Internal Auditor
Mary Dick	-	Assistant Manager Human Resource Services
Dwayne Gordon	-	Editor, Daily/Weekend Star
Dionne Guthrie	-	Corporate Finance and Investment Analyst
Hope McMillan-Canaan	-	Online Integration & Niche Product Sales
Grace Salmon	-	Credit Manager
Gregory Tomlinson	-	Assistant Technology Manager
Sheree Rhoden	-	Information Systems Manager (Appointed March, 2013)
Terri-Karelle Reid	-	Online Brand Manager – Gleaner Online
Mavis Williams	-	Information Systems and Editorial Administration Manager (Resigned in March 2013)
Terry-Anne Wilson	-	Corporate Affairs Officer

OVERSEAS OFFICERS

Mrs. Sheila Alexander	-	Director Gleaner Co. (Can) Inc. Toronto & Gleaner Co. (USA) Ltd., New York
Mr. George Ruddock	-	Managing Director GV Media Group Limited, London
Miss Marlene Davis	-	Manager – Media Integration (On secondment to the GV Media Group Limited, London)

AUDITORS
KPMG
Chartered Accountants
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

KPMG
KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone +1 (876) 922-6640
Fax +1 (876) 922-7198
+1 (876) 922-4500
e-Mail firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
THE GLEANER COMPANY LIMITED

Report on the Financial Statements

We have audited the financial statements of the Gleaner Company Limited ("company") and the consolidated financial statements of the company and its subsidiaries ("group"), set out on pages 37 to 86, which comprise the group's and company's statements of financial position as at December 31, 2012, the group's and company's income statements, 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 of financial statements that give a true and fair view 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 the 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 or not 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 our assessment of the risks of material misstatement of the 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, 2012, 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, so far as appears from our examination of those records, 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 14, 2013

STATEMENTS OF FINANCIAL POSITION
December 31, 2012

	NOTE	GROUP 2012 $'000	GROUP 2011 $'000	COMPANY 2012 $'000	COMPANY 2011 $'000
Assets:					
Property, plant and equipment	5	906,301	907,668	808,472	811,993
Intangible assets	6	4,521	5,190	4,521	5,190
Long-term receivables	8	4,735	18,788	34,677	44,147
Interests in subsidiaries	9	-	-	44,410	44,410
Interests in associates	10	150	150	-	-
Investments	11	507,375	230,881	502,497	226,114
Pension receivable	12	143,365	178,480	143,365	178,480
Deferred tax assets	13	4,319	5,351	-	-
Total non-current assets		1,570,766	1,346,508	1,537,942	1,310,334
Cash and cash equivalents	14	121,964	107,189	100,920	13,075
Securities purchased under resale agreements	15	125,173	35,409	125,173	-
Trade and other receivables	16	584,219	569,055	537,501	539,474
Prepayments		31,062	34,513	30,544	33,931
Taxation recoverable		9,423	98,305	-	89,864
Inventories and goods-in-transit	17	152,313	123,497	127,804	103,092
Current portion of pension receivable	12	918,653	1,250,399	918,653	1,250,399
Total current assets		1,942,807	2,218,367	1,840,595	2,029,835
Total assets		3,513,573	3,564,875	3,378,537	3,340,169
Equity:					
Share capital	18	605,622	605,622	605,622	605,622
Reserves	19	1,751,198	1,671,947	1,762,361	1,608,887
Total equity attributable to equity holders of parent		2,356,820	2,277,569	2,367,983	2,214,509
Liabilities:					
Long-term liabilities	20	99,001	26,529	99,001	26,529
Employee benefit obligation	7	136,900	130,600	136,900	130,600
Deferred tax liabilities	13	312,625	512,223	312,615	512,197
Total non-current liabilities		548,526	669,352	548,516	669,326
Bank overdraft	21	10,308	2,524	-	2,524
Trade and other payables	22	506,684	550,934	380,269	403,104
Taxation payable		20,025	966	20,025	-
Current portion of long-term liabilities	20	9,813	7,184	9,813	7,184
Deferred income	23	61,397	56,346	51,931	43,522
Total current liabilities		608,227	617,954	462,038	456,334
Total liabilities		1,156,753	1,287,306	1,010,554	1,125,660
Total equity and liabilities		3,513,573	3,564,875	3,378,537	3,340,169

The financial statements on pages 37 to 86 were approved for issue by the Board of Directors on March 14, 2013 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.

INCOME STATEMENTS
December 31, 2012

	NOTE	GROUP 2012 $'000	GROUP 2011 $'000	COMPANY 2012 $'000	COMPANY 2011 $'000
Revenue	24	3,194,665	3,178,900	2,753,543	2,718,605
Cost of sales		(1,811,743)	(1,698,862)	(1,496,297)	(1,492,495)
Gross profit		1,382,922	1,480,038	1,257,246	1,226,110
Other operating income		155,689	145,691	162,110	335,189
		1,538,611	1,625,729	1,419,356	1,561,299
Distribution costs		(489,037)	(502,805)	(472,075)	(483,531)
Administration expenses		(612,730)	(625,784)	(502,170)	(525,364)
Other operating expenses		(391,006)	(504,592)	(389,745)	(483,318)
Pension costs		(21,702)	(8,820)	(20,814)	(6,453)
		(1,514,475)	(1,642,001)	(1,384,804)	(1,498,666)
Employee benefits obligation	7	(8,800)	(11,500)	(8,800)	(11,500)
Profit/(loss) from operations		**15,336**	**(27,772)**	**25,752**	**51,133**
Finance income		93,180	175,056	143,875	81,563
Finance cost		(20,931)	(15,111)	(18,370)	(11,406)
Net finance income	25	72,249	159,945	125,505	70,157
Profit from operations before taxation	26	**87,585**	**132,173**	**151,257**	**121,290**
Taxation credit/(charge)	27	45,447	(13,690)	46,443	(6,015)
Profit for the year		**133,032**	**118,483**	**197,700**	**115,275**
Attributable to:					
Parent company stockholders		133,032	118,483		
Dealt with in the financial statements of:					
Parent company		197,700	115,275		
Subsidiaries		(64,668)	3,208		
		133,032	118,483		
Earnings per stock unit:					
Based on stock units in issue	28	10.98¢	9.78¢		
Excluding stock units in GCLEIT		11.44¢	10.19¢		

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

STATEMENTS OF COMPREHENSIVE INCOME
December 31, 2012

	NOTE	GROUP 2012 $'000	GROUP 2011 $'000	COMPANY 2012 $'000	COMPANY 2011 $'000
Profit for the year		133,032	118,483	197,700	115,275
Other comprehensive income:					
Change in fair value of available-for-sale investments		12,303	6,309	12,187	7,070
Currency translation differences on foreign subsidiaries		(12,720)	(260)	-	-
Change in deferred tax on revaluation surplus	27(c)	39,758	-	39,758	-
Other comprehensive income for the year, net of taxation		39,341	6,049	51,945	7,070
Total comprehensive income for the year		172,373	124,532	249,645	122,345
Dealt with in the financial statements of:					
Parent company		249,645	122,345		
Subsidiaries		(77,272)	2,187		
		172,373	124,532		

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

GROUP STATEMENT OF CHANGES IN EQUITY
December 31, 2012

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Reserve for own shares $'000	Retained profits $'000	Total equity $'000
Balances at December 31, 2010	605,622	804,663	21,635	(183,295)	1,208,330	2,456,955
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	118,483	118,483
Other comprehensive income/(expense):						
Change in fair value of investments	-	-	6,309	-	-	6,309
Currency translation differences on foreign subsidiaries	-	(260)	-	-	-	(260)
Other comprehensive income for the year, net of taxation	-	(260)	6,309	-	-	6,049
Total comprehensive income for the year	-	(260)	6,309	-	118,483	124,532
Transactions with owners, recorded directly in equity:						
Dividends (note 29)	-	-	-	-	(329,018)	(329,018)
Share-based payment transactions (note 30)	-	-	-	-	1,913	1,913
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	23,187	-	23,187
Total contributions by and distributions to owners	-	-	-	23,187	(327,105)	(303,918)
Balances at December 31, 2011	605,622	804,403	27,944	(160,108)	999,708	2,277,569
Profit for the year	-	-	-	-	133,032	133,032
Other comprehensive income /(expense) for the year:						
Deferred tax on revaluation surplus	-	39,758	-	-	-	39,758
Change in fair value of investments	-	-	12,303	-	-	12,303
Currency translation differences on foreign subsidiaries	-	(12,720)	-	-	-	(12,720)
Other comprehensive income for the year, net of taxation	-	27,038	12,303	-	-	39,341
Total comprehensive income for the year	-	27,038	12,303	-	133,032	172,373
Transactions with owners, recorded directly in equity:						
Dividends (note 29)	-	-	-	-	(93,177)	(93,117)
Share-based payment transactions (note 30)	-	-	-	-	729	729
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	(674)	-	(674)
Total contributions by and distributions to owners	-	-	-	(674)	(92,448)	(93,122)
Balances at December 31, 2012	605,622	831,441	40,247	(160,782)	1,040,292	2,356,820

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

COMPANY STATEMENT OF CHANGES IN EQUITY
December 31, 2012

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Retained profits $'000	Total equity $'000
Balances at December 31, 2010	605,622	559,924	19,621	1,250,288	2,435,455
Total comprehensive income for the year					
Profit for the year	-	-	-	115,275	115,275
Other comprehensive income					
Change in fair value of investments	-	-	7,070	-	7,070
Total comprehensive income for the year	-	-	7,070	115,275	122,345
Transactions with owners, recorded directly in equity					
Dividends (note 29)	-	-	-	(345,204)	(345,204)
Share-based payment transactions (note 30)	-	-	-	1,913	1,913
Total contributions by and distributions to owners of the company	-	-	-	(343,291)	(343,291)
Balances at December 31, 2011	605,622	559,924	26,691	1,022,272	2,214,509
Total comprehensive income for the year					
Profit for the year	-	-	-	197,700	197,700
Other comprehensive income					
Change in fair value of investments	-	-	12,187	-	12,187
Change in deferred tax on revaluation surplus	-	39,758	-	-	39,758
Other comprehensive income for the year, net of taxation	-	39,758	12,187	-	51,945
Total comprehensive income for the year	-	39,758	12,187	197,700	249,645
Transactions with owners, recorded directly in equity					
Dividends (note 29)	-	-	-	(96,900)	(96,900)
Share-based payment transactions (note 30)	-	-	-	729	729
Total contributions by and distributions to owners of the company	-	-	-	(96,171)	(96,171)
Balances at December 31, 2012	605,622	599,682	38,878	1,123,801	2,367,983

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

STATEMENTS OF CASH FLOWS
December 31, 2012

	NOTES	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Cash flows from operating activities					
Profit for the year		133,032	118,483	197,700	115,275
Adjustments to reconcile profit to net cash provided by operating activities:					
Depreciation	5(a),(b)	82,222	93,177	68,542	79,636
Amortisation	6(b)	2,893	2,448	2,893	2,448
Income tax	27(a)	113,361	3,984	113,381	-
Deferred taxation, net	27(a)	(158,808)	9,706	(159,824)	6,015
Employees benefit obligation, net		6,300	9,700	6,300	9,700
Gain on disposal of property, plant and equipment		(2,954)	(4,238)	(2,986)	(4,937)
Equity settled share-based payment transaction		729	1,913	729	1,913
Interest income	25	(93,180)	(175,056)	(143,875)	(81,563)
Interest expense	25	20,931	15,111	18,370	11,406
Translation adjustment		(1,489)	-	-	-
		103,036	75,228	101,230	139,893
Tax paid		(5,420)	(2,952)	(3,493)	(2,147)
Interest paid		(20,931)	(15,111)	(18,370)	(11,406)
Trade and other receivables		(22,548)	(13,241)	(8,458)	(63,552)
Prepayments		3,451	(2,463)	3,386	(2,387)
Inventories and goods-in-transit		(28,816)	(35,434)	(24,711)	(23,956)
Securities purchased under agreements for resale		(89,764)	217,487	(125,173)	184,052
Trade and other payables		(44,250)	115,071	(22,834)	109,243
Deferred income		5,051	10,985	8,409	9,875
Pension receivable		223,166	-	223,166	-
Net cash provided by operating activities		122,977	349,570	133,152	339,615
Cash flows from investing activities					
Interest received		232,607	24,121	283,223	23,794
Additions to property, plant and equipment	5(a),(b)	(79,480)	(101,470)	(65,102)	(94,874)
Proceeds from sale of property, plant and equipment		3,068	8,270	3,068	7,717
Investments		(262,256)	26,047	(261,589)	3,765
Long-term receivable		10,375	24,290	21,640	(3,794)
Acquisition of intangible asset	6	(2,224)	-	(2,224)	-
Net cash used by investing activities		(97,910)	(18,742)	(20,984)	(63,392)
Cash flows from financing activities					
Long-term liabilities		75,101	(14,005)	75,101	16,237
Dividends paid		(93,177)	(329,018)	(96,900)	(345,204)
Net cash used by financing activities		(18,076)	(343,023)	(21,799)	(328,967)
Net increase/(decrease) in cash and cash equivalents		6,991	(12,195)	90,369	(52,744)
Cash and cash equivalents at beginning of the year		104,665	116,860	10,551	63,295
Cash and cash equivalents at end of the year		111,656	104,665	100,920	10,551
Comprised of:					
Cash and bank balances		121,964	107,189	100,920	13,075
Bank overdraft		(10,308)	(2,524)	-	(2,524)
		111,656	104,665	100,920	10,551

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 3(a)(ii)] 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:

		2012	2011
(a)	Popular Printers Limited and its wholly-owned subsidiaries;	100%	100%
	DiGJamaica.com formerly (Creek Investments Limited)		
	Selectco Publications Limited		
	Associated Enterprise Limited		
	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%	100%
(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 stock units are quoted on the Jamaica Stock Exchange.

The results of A plus Learning Limited a software development company, are not considered material to these financial statements and have not been consolidated.

2. Basis of preparation

(a) Statement of compliance:

The financial statements as at and for year ended December 31, 2012, are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, as 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 5(c)] and available-for-sale investments (note 11), which are measured at fair value and employee benefit obligation which is measured as the present value of the defined-benefit obligation as explained in note 3(d).

2. **Basis of preparation (continued)**

(c) Functional and presentation currency:

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

(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 reporting 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) Other post-retirement benefits:

The amounts recognised in the statement of financial position and income statement for other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the discount rate used to determine the present value of estimated future cash flows required to settle the other post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

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.

2. Basis of preparation (continued)

(e) New, revised and amended standards and interpretations that became effective during the year:

Certain new, revised and amended standards and interpretations came into effect during the financial year. The group has adopted those which are relevant to its operations, none of which resulted in any change in accounting policies or material changes to disclosures in these financial statements [see note 3(p)].

3. Significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements and have been applied consistently by group entities.

(a) Basis of consolidation:

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is at the date on which control is transferred to the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date.

(ii) Subsidiaries

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, 2012. 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(a) (iv).

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(iii) Loss of control

On the loss of control, the group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

(iv) Associated companies

Associated companies are those entities in which the group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20% and 50% of the voting power of the entity. 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 10).

(v) Transactions eliminated on consolidation

Inter-company balances and transactions, and any unrealised gains arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

(b) 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(n)]. 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 related borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

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.

3. Significant accounting policies (continued)

(b) Property, plant and equipment (continued):

(ii) Leased assets:

Leases, under 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 and any 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 bases 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 5(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.

(c) Intangible asset:

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

(d) Employee benefits:

Employee benefits, comprising other post-employment benefit 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 asset or obligation 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 and other post-retirement obligations:

The group operates a defined-contribution pension scheme (see note 7); the assets of the scheme are held separately from those of the group. The defined-benefit scheme was discontinued as of July 15, 2010 (see note 12).

3. Significant accounting policies (continued)

(d) Employee benefits (continued):

(i) Pension and other post retirement obligations (continued):

(a) Other post retirement obligations:

The group's and company's net obligation in respect of the post-retirement benefit scheme is calculated 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 the reporting 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 profit or loss 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 obligation to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the present value of the defined-benefit obligation 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.

(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.

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

(d) Employee benefits (continued):

(iii) Termination benefits:

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

(iv) Profit-sharing and bonus plans:

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

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

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

(e) Financial instruments:

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

(i) Classification of investments:

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

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

3. Significant accounting policies (continued)

(e) Financial instruments (continued):

(ii) Measurement:

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

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

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

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

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

[iii] Securities purchased under resale agreements:

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

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

[iv] Investment in subsidiaries:

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

(iii) Gains and losses on subsequent measurement:

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

(iv) Derecognition:

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

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

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

3. Significant accounting policies (continued)

(f) Cash and cash equivalents:

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

(g) Trade and other receivables:

These are stated at amortised cost, less impairment losses.

(h) Taxation:

(i) Income tax:

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

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

(ii) Deferred tax:

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

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

(i) Inventories:

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

(j) Trade and other payables and provisions:

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

3. Significant accounting policies (continued)

(k) Revenue recognition:

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

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

(iii) Interest income:

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

(iv) Dividend income:

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

(l) Expenses:

(i) Finance costs:

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

(ii) Lease payments:

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

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

(m) Foreign currencies:

Foreign currency balances outstanding at the reporting date are translated at the rates of exchange ruling on that date [US$1 = J$92.14 (2011: J$86.60); £1= J$152.64 (2011: J$134.44); Can$1 = J$93.01 (2011: J$84.20)]. Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions.

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

3. Significant accounting policies (continued)

(m) Foreign currencies (continued):

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

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

(n) Impairment:

(i) Financial assets:

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

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

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

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

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

(ii) Non-financial assets:

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

3. Significant accounting policies (continued)

(n) Impairment (continued):

(ii) Non-financial assets (continued:

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

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

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

(o) Segment reporting:

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

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

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

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

3. Significant accounting policies (continued)

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

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

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

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

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

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

3. Significant accounting policies (continued)

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

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

- *Improvements to IFRS 2009-2010* cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2013. The main amendments applicable to the group are as follows:

    - *IAS 1 Presentation of Financial Statements* is amended to clarify that only one comparative period, which is the preceding period, is required for a complete set of financial statements. IAS 1 requires the presentation of an opening statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification. IAS 1 has been amended to clarify that (a) the opening statement of financial position is required only if a change in accounting policy, a retrospective restatement or a reclassification has a material effect upon the information in that statement of financial position; (b) except for the disclosures required under IAS 8, notes related to the opening statement of financial position are no longer required; and (c) the appropriate date for the opening statement of financial position is the beginning of the preceding period, rather than the beginning of the earliest comparative period presented.

    - *IAS 16 Property, Plant and Equipment* – The standard is amended to clarify that the definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether spare parts, standby-by equipment and servicing equipment should be accounted for under the standard. If these items do not meet the definition, then they are accounted for using *IAS 2 Inventories*.

    - *IAS 32 Financial Instruments: Presentation* – The standard is amended to clarify that *IAS 12 Income Taxes* applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction.

    - *IAS 34 Interim Financial Reporting* is amended to require the disclosure of a measure of total assets and liabilities for a particular reporting segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision-maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

  The group is assessing the impact that the amendments may have on its 2013 financial statements.

4. Roles of the actuary and auditors

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

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

5. Property, plant and equipment

(a) Group

	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, 2010	769,201	231,535	90,257	329,915	193,674	4,890	33,370	1,652,842
Additions	33,954	9,218	1,887	18,426	9,858	-	28,127	101,470
Disposals	(11,082)	(305)	(820)	(18,704)	-	-	(14,452)	(45,363)
Balances at December 31, 2011	792,073	240,448	91,324	329,637	203,532	4,890	47,045	1,708,949
Additions	935	37,049	887	18,816	7,379	-	14,414	79,480
Disposals	-	(1,219)	-	(2,609)	-	-	(7,444)	(11,272)
Translation adjustment	2,997	2,426	(29,493)	-	-	-	-	(24,070)
Balances at December 31, 2012	796,005	278,704	62,718	345,844	210,911	4,890	54,015	1,753,087
At cost	80,052	278,704	62,718	345,844	210,911	4,890	54,015	1,037,134
At valuation	715,953	-	-	-	-	-	-	715,953
	796,005	278,704	62,718	345,844	210,911	4,890	54,105	1,753,087
Depreciation								
Balances at December 31, 2010	54,343	191,820	72,025	302,648	120,381	4,890	3,328	749,435
Charge for the year	27,559	11,566	4,485	28,250	10,177	-	11,140	93,177
Eliminated on disposals	(10,251)	(287)	(417)	(18,591)	-	-	(11,785)	(41,331)
Balances at December 31, 2011	71,651	203,099	76,093	312,307	130,558	4,890	2,682	801,281
Charge for the year	27,746	15,963	5,877	11,441	10,546	-	10,649	82,222
Eliminated on disposals	-	(1,156)	-	(2,578)	-	-	(7,424)	(11,158)
Translation adjustment	1,848	2,271	(29,678)	-	-	-	-	(25,559)
Balances at December 31, 2012	101,245	220,177	52,292	321,170	141,104	4,890	5,908	846,786
Carrying amounts								
December 31, 2012	694,760	58,527	10,426	24,674	69,807	-	48,107	906,301
December 31, 2011	720,422	37,349	15,231	17,330	72,974	-	44,362	907,668
December 31, 2010	714,858	39,715	18,232	27,267	73,293	-	30,042	903,407

5 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, 2010	673,300	112,232	41,868	243,470	193,673	4,890	32,599	1,302,032
Additions	33,197	4,109	1,818	17,765	9,858	-	28,127	94,874
Disposals	-	(124)	(15)	(16,454)	-	-	(14,452)	(31,045)
Balances at December 31, 2011	706,497	116,217	43,671	244,781	203,531	4,890	46,274	1,365,861
Additions	935	29,132	543	12,699	7,379	-	14,414	65,102
Disposals	-	(1,219)	-	(2,608)	-	-	(7,444)	(11,271)
Balances at December 31, 2012	707,432	144,130	44,214	254,872	210,910	4,890	53,244	1,419,692
At cost	71,822	144,130	44,214	254,872	210,910	4,890	53,244	784,082
At valuation	635,610	-	-	-	-	-	-	635,610
Balances at December 31, 2012	707,432	144,130	44,214	254,872	210,910	4,890	53,244	1,419,692
Depreciation								
Balances at December 31, 2010	23,855	98,060	29,345	223,360	120,381	4,890	2,606	502,497
Charge for the year	25,515	4,375	3,374	25,104	10,177	-	11,091	79,636
Eliminated on disposals	-	(124)	(15)	(16,341)	-	-	(11,785)	(28,265)
Balances at December 31, 2011	49,370	102,311	32,704	232,123	130,558	4,890	1,912	553,868
Charge for the year	25,562	7,896	4,905	8,984	10,546	-	10,649	68,542
Eliminated on disposals	-	(1,157)	-	(2,608)	-	-	(7,425)	(11,190)
Balances at December 31, 2012	74,932	109,050	37,609	238,499	141,104	4,890	5,136	611,220
Carrying amounts								
December 31, 2012	632,500	35,080	6,605	16,373	69,806	-	48,108	808,472
December 31, 2011	657,127	13,906	10,967	12,658	72,973	-	44,362	811,993
December 31, 2010	649,445	14,172	12,523	20,110	73,292	-	29,993	799,535

(c) Freehold land and buildings:

In 2010, the company's building at 7 North Street was revalued at $537M and Harbour Street at $10.5M; land and buildings at East Street and Newport West at a total of $115.3M and land at John's Lane at $10M on a fair market value basis by Property Consultants Limited, Real Estate Brokers and Appraisers of Kingston, Jamaica. The surplus arising on revaluation, inclusive of depreciation no longer required, has been included in capital reserves (see note 19). The cost of these properties was $21.721M. The properties were not valued in 2011or 2012 as management believes that there have been no material changes in fair value.

6. Intangible assets

	Group and Company	
	$'000	$'000
Cost:		
Balance at December 31, 2010 and 2011	14,996	14,996
Additions	2,224	2,224
Balance at December 31, 2012	17,220	17,220
Amortisation:		
Balance at December 31, 2010	7,358	7,358
Amortisation	2,448	2,448
Balance at December 31, 2011	9,806	9,806
Amortisation	2,893	2,893
Balance at December 31, 2012	12,699	12,699
Carrying amounts:		
December 31, 2012	4,521	4,521
December 31, 2011	5,190	5,190
December 31, 2010	7,638	7,638

7. Employee benefits

On May 1, 2010, the parent company established a defined-contribution pension scheme for employees who satisfied certain minimum service requirements. The scheme is administered by JN Fund Managers Limited. A subsidiary company also operates a defined-contribution pension scheme for its employees who satisfy certain minimum service requirements. Contributions by the group and the company during the year amounted to $23,261 thousand (2011: $19,967 thousand) and $20,814 thousand (2011: $17,596 thousand), 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 a defined-benefit scheme.

Post-retirement medical benefits:

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

	Group and Company	
	2012	2011
	$'000	$'000
Present value of obligation	118,300	118,300
Unrecognised actuarial gain	24,300	18,900
Unrecognised past service cost	(5,700)	(6,600)
	136,900	130,600

7. **Employee benefits (continued)**

Post-retirement medical benefits (continued):

(ii) Movement in the present value of obligation:

	Group and Company	
	2012	**2011**
	$'000	**$'000**
Balance at beginning of year	118,300	103,600
Actuarial (gain)/loss	(7,000)	4,000
Interest cost	11,500	11,500
Current service cost	5,400	5,200
Benefits paid	(2,500)	(1,800)
Gain on curtailment/settlement	(7,400)	(4,200)
Balance at end of year	118,300	118,300

(iii) Expense recognised in profit or loss:

	Group and Company	
	2012	**2011**
	$'000	**$'000**
Current service costs	5,400	5,200
Interest on obligations	11,500	11,500
Net actuarial gain recognised in year	(1,600)	(1,800)
Past service cost	900	800
Gain on curtailment/settlement	(7,400)	(4,200)
Amounts recognised in profit or loss	8,800	11,500

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

	Group and Company	
	2012	**2011**
	%	%
Discount rate	10.5	10
Medical claims growth	9.5	9

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

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

	Group and Company	
	One percentage point increase $'000	**One percentage point decrease $'000**
Effect on the aggregate service and interest cost as at December 31, 2012	4.6	(3.4)
Effect on the defined benefit obligation as at December 31, 2012	25.0	(19.4)

7. Employee benefits (continued)

Post-retirement medical benefits (continued):

(vi) Historical information

	Group and Company				
	2012	**2011**	**2010**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of the defined benefit obligation	118,300	118,300	103,600	115,000	83,900
Experience adjustment on plan liabilities	7,000	(4,000)	35,600	22,900	13,000

8. Long-term receivables

	Group		Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Due from Sangster's Book Stores Limited [see (i) below]	14,023	42,035	14,023	42,035
Due from Independent Radio Company Limited [see (ii) below]	-	-	34,677	31,984
Other long-term receivable	4,735	4,776	-	-
	18,758	46,811	48,700	74,019
Less current portion [see other receivables (note 16)]	(14,023)	(28,023)	(14,023)	(29,872)
	4,735	18,788	34,677	44,147

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

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

9. Interests in subsidiaries

	Company	
	2012	**2011**
	$'000	**$'000**
Shares at cost, less impairment losses:		
Popular Printers Limited	426	426
GV Media Group Limited	1	1
The Gleaner Company (Canada) Inc.	687	687
Independent Radio Company Limited	43,296	43,296
	44,410	44,410

10. Interests in associates

	Group 2012 $'000	Group 2011 $'000
Jamaica Joint Venture Investment Co. Ltd [see note 3(a)(iv)].	150	150

11. Investments

	Group		Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Available-for-sale financial assets:				
Quoted equities	71,376	62,554	71,376	62,553
Unquoted equities	22,820	27,587	22,820	22,821
Government of Jamaica securities	150,642	140,137	150,642	140,137
Royal Bank of Scotland PLC 9.50% investment note	33,468	-	33,468	-
Lloyds TSB PLC – 10.179% investment note	129,689	-	129,689	-
Bank of Scotland PLC 6.75% investment note	42,122	-	42,122	-
Loans and receivables:				
Certificate of deposits	51,000	-	51,000	-
Debenture	6,258	603	1,380	603
	507,375	230,881	502,497	226,114

The certificates of deposit have been pledged as collateral for certain borrowing facilities (see notes 20 and 21).

12. Pension receivable

The amount represents surplus due to the company arising from the discontinuation of the defined-benefit pension scheme (see note 7). Of the total outstanding, $143,365 thousand is expected to be received in more than one year from the reporting date.

	Group and Company	
	2012 $'000	2011 $'000
Balance at beginning of year	1,428,879	1,277,300
Net received during the year	(424,994)	-
Income earned during the year	58,133	151,579
Balance at end of year	1,062,018	1,428,879
Due within 1 year	918,653	1,250,399
Due after 1 year	143,365	178,480
	1,062,018	1,428,879

Assets held by the pension fund to honour the receivable include Government of Jamaica securities, equities and real estate.

13. Deferred taxation

Deferred taxation is attributable to the following:

(a) **Group:**

	Assets		Liabilities		Net	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Inventories	-	-	(17)	(2,148)	(17)	(2,148)
Property, plant and equipment	781	1,863	(99,337)	(140,720)	(98,556)	(138,857)
Intangible asset	-	-	(1,130)	(1,730)	(1,130)	(1,730)
Trade and other receivables	(5)	(47)	(2,272)	(3,559)	(2,277)	(3,606)
Trade and other payables	1,299	1,155	11,557	16,196	12,856	17,351
Employee benefit obligation	-	-	34,225	43,533	34,225	43,533
Pension receivable	-	-	(265,505)	(476,293)	(265,505)	(476,293)
Tax losses	2,244	2,380	-	41,260	2,244	43,640
Other	-	-	9,854	11,238	9,854	11,238
Net assets/(liabilities)	4,319	5,351	(312,625)	(512,223)	(308,306)	(506,872)

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

	2012 $'000	2011 $'000
Deferred tax liability in company	(312,615)	(512,197)
Deferred tax liability in subsidiaries	(10)	(26)
	(312,625)	(512,223)
Deferred tax asset in certain subsidiaries	4,319	5,351
Net deferred tax liabilities	(308,306)	(506,872)

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

	Balance at January 1, 2012 $'000	Recognised in profit/loss $'000	Recognised in equity $'000	Balance at December 31, 2012 $'000
Inventories	(2,148)	2,131	-	(17)
Property, plant and equipment	(138,857)	543	39,758	(98,556)
Intangible asset	(1,730)	600	-	(1,130)
Employee benefit obligation	43,533	(9,308)	-	34,225
Pension receivables	(476,293)	210,788	-	(265,505)
Trade and other receivables	(3,606)	1,329	-	(2,277)
Trade and other payables	17,351	(4,495)	-	12,856
Tax losses	43,640	(41,396)	-	2,244
Other	11,238	(1,384)	-	9,854
	(506,872)	158,808	39,758	(308,306)

13. **Deferred taxation (continued)**

(a) **Group (cont'd):**

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

	Balance at January 1, 2011 $'000	Recognised in profit/loss $'000	Recognised in other comprehensive income $'000	Balance at December 31, 2011 $'000
Inventories	(2,063)	(85)	-	(2,148)
Property, plant and equipment	(146,301)	7,444	-	(138,857)
Intangible asset	-	(1,730)	-	(1,730)
Employee benefit obligation	40,300	3,233	-	43,533
Pension receivables	(425,767)	(50,526)	-	(476,293)
Trade and other receivables	(40,048)	36,443	-	(3,605)
Trade and other payables	10,695	6,657	-	17,352
Tax losses	61,532	(17,892)	-	43,640
Other	4,486	6,750	-	11,236
	(497,166)	(9,706)	-	(506,872)

(b) **Company:**

	2012 $'000	2011 $'000
Inventories	(17)	(2,148)
Property, plant and equipment	(99,337)	(140,720)
Intangible asset	(1,130)	(1,730)
Employee benefit obligation	34,225	43,533
Pension receivables	(265,505)	(476,293)
Trade and other receivables	(2,262)	(3,532)
Trade and other payables	11,557	16,196
Tax losses	-	41,260
Other	9,854	11,237
Net liabilities	(312,615)	(512,197)

(iii) Movement in net temporary differences during the year:

	Balance at January 1, 2012 $'000	Recognised in profit/loss $'000	Recognised in other comprehensive income $'000	Balance at December 31, 2012 $'000
Inventories	(2,148)	2,131	-	(17)
Property, plant and equipment	(140,721)	1,626	39,758	(99,337)
Intangible asset	(1,730)	600	-	(1,130)
Employee benefit obligation	43,533	(9,308)	-	34,225
Pension receivable	(476,293)	210,788	-	(265,505)
Trade and other receivables	(3,532)	1,270	-	(2,262)
Trade and other payables	16,196	(4,639)	-	11,557
Tax losses	41,260	(41,260)	-	-
Other	11,238	(1,384)	-	9,854
	512,197	159,824	39,758	(312,615)

13. Deferred taxation (continued)

(b) Company (continued):

Movement in net temporary differences during the year (cont'd):

	Balance at January 1, 2011	Recognised in profit/loss	Recognised in other comprehensive income	Balance at December 31, 2011
	$'000	$'000	$'000	$'000
Inventories	(2,063)	(85)	-	(2,148)
Property, plant and equipment	(152,220)	11,499	-	(140,721)
Intangible asset	-	(1,730)	-	(1,730)
Employee benefit obligation	40,300	3,233	-	43,533
Pension receivable	(425,767)	(50,526)	-	(476,293)
Trade and other receivables	(33,283)	29,751	-	(3,532)
Trade and other payables	14,919	1,277	-	16,196
Tax losses	46,488	(5,228)	-	41,260
Other	5,444	5,794	-	11,238
	(506,182)	(6,015)	-	(512,197)

14. Cash and cash equivalents

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Bank and cash balances	101,010	78,497	79,966	7,213
Call deposit	20,954	22,830	20,954	-
Certificate of deposits	-	5,862	-	5,862
	121,964	107,189	100,920	13,075

15. Securities purchased under resale agreements

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

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

Assigned collateral, with a fair value of $126,426 thousand (2011: $36,118 thousand) for the group, and $126,426 thousand (2011:$Nil) for the company was held for securities purchased under agreements for resale.

16. Trade and other receivables

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Trade and other receivables due from related parties	-	-	262,247	250,320
Other trade receivables (see (i) below)	516,505	567,986	435,193	429,510
Other receivables	150,144	55,960	34,477	38,774
Current portion of long term receivables (see note 8)	14,023	28,023	14,023	29,872
	680,672	651,969	745,940	748,476
Less: allowance for doubtful debts	(96,453)	(82,914)	(208,439)	(209,002)
	584,219	569,055	537,501	539,474

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Allowance for doubtful debts is made in respect of the following:				
Trade receivables due from related parties [see (ii) below]	-	-	140,156	126,088
Other trade receivables [see (iii) below]	94,871	73,121	68,283	73,121
Other receivables [see (iv) below]	1,582	9,793	-	9,793
	96,453	82,914	208,439	209,002

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

	Group			
	Gross	Impairment	Gross	Impairment
	2012	2012	2011	2011
	$'000	$'000	$'000	$'000
Not past due	187,600	-	189,320	-
Past due 0 – 30 days	159,127	-	211,364	-
Past due 31 – 60 days	61,620	12,903	45,522	7,153
Past due 61 – 120 days	32,920	15,879	27,728	1,960
More than one year	75,238	66,089	94,052	64,008
	516,505	94,871	567,986	73,121

16. Trade and other receivables (continued)

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

	Company			
	Gross 2012 $'000	**Impairment 2012 $'000**	**Gross 2011 $'000**	**Impairment 2011 $'000**
Not past due	171,841	-	172,349	-
Past due 0 – 30 days	127,727	-	112,390	-
Past due 31 – 60 days	53,676	12,903	42,314	7,153
Past due 61 – 120 days	25,392	12,063	26,419	1,960
More than one year	56,557	43,317	76,038	64,008
	435,193	68,283	429,510	73,121

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

	Company	
	2012 $'000	**2011 $'000**
Balance as at beginning of the year	126,088	288,525
Amounts written-off, net of recoveries	14,068	(162,437)
Balance as at end of the year	140,156	126,088

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

	Group		Company	
	2012 $'000	**2011 $'000**	**2012 $'000**	**2011 $'000**
Balance as at beginning of the year	73,121	85,153	73,121	57,880
Impairment loss recognised	31,421	15,241	4,833	15,241
Amounts written-off	(9,671)	(27,273)	(9,671)	-
Balance as at end of the year	94,871	73,121	68,283	73,121

16. Trade and other receivables (continued)

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

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Balance as at beginning of the year	9,793	749	9,793	-
Impairment loss recognised	1,582	9,793	-	9,793
Amounts written-off	(9,793)	(749)	(9,793)	-
Balance as at end of the year	1,582	9,793	-	9,793

17. Inventories and goods-in-transit

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Newsprint	97,987	55,775	97,987	55,775
Books, stationery and general supplies	25,703	21,520	1,194	1,115
Goods-in-transit	3,308	23,480	3,308	23,480
Consumable stores	25,315	22,722	25,315	22,722
	152,313	123,497	127,804	103,092

Inventories are stated net of a provision for obsolescence of $67 thousand (2011: $6,444 thousand) for the group and company.

18. Share capital and share premium

	Group and Company	
	2012	2011
	$'000	$'000
Share capital issued and fully paid:		
1,211,243,827 stock units of no par value	605,622	605,622

At December 31, 2012, the authorised share capital comprised 1,216,000,000 ordinary stock units (2011: 1,216,000,000). All issued stock units are fully paid. The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per stock unit at meetings of the company. Share premium is retained in accordance with the provisions of Section 39(7) of the Jamaican Companies Act (note 19).

19. Reserves

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Capital				
Realised:				
Share premium (note 18)	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 5(c)]	792,941	792,941	713,270	713,270
Deferred taxation on revalued land and buildings	(123,608)	(163,366)	(119,275)	(159,033)
Reserve arising from consolidation of of subsidiaries (net of goodwill) and debt	93,496	93,496	-	-
Exchange difference on opening investment in subsidiaries	20,096	32,816	-	-
	782,925	755,887	593,995	554,237
Total capital reserves	831,441	804,403	599,682	559,924
Reserve for own shares (i)	(160,782)	(160,108)	-	-
Fair value reserve (ii)	40,247	27,944	38,878	26,691
Revenue				
Retained profits	1,040,292	999,708	1,123,801	1,022,272
	1,751,198	1,671,947	1,762,361	1,608,887

(i) Reserve for own shares is included in the financial statements by consolidation of The Gleaner Company Limited Employee Investment Trust (GCLEIT) as it is regarded as a special purpose entity and is required to be consolidated under SIC-12. The reserve comprises the cost of the company's shares held by the group through the GCLEIT. At December 31, 2012, the group held 48,681,334 (2011: 48,189,288) of the company's shares (note 28).

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

20. Long-term liabilities

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Bank loan 1- 6.5% [see (a) below]	30,000	-	30,000	-
Bank loan 2- 7% [see (a) below]	30,000	-	30,000	-
Bank loan 3- 8% [see (a) below]	9,400	-	9,400	-
Finance lease obligations [see (b) below]	39,414	33,713	39,414	33,713
	108,814	33,713	108,814	33,713
Less: current portion	(9,813)	(7,184)	(9,813)	(7,184)
	99,001	26,529	99,001	26,529

(a) The loans are repayable over 5 years with total monthly installments of $1,540,167. The loan is secured by a mortgage on land and buildings and a term deposit of $26 million (see note 11). Loan repayment will commence in January 2014 after a 12 months grace period.

(b) Finance lease obligations:

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Due from the reporting date as follows:				
Within one year	15,091	10,050	15,091	10,050
Within two to five years	36,149	35,586	36,149	35,586
Total future minimum lease payments	51,240	45,636	51,240	45,636
Less: future interest charges	(11,826)	(11,923)	(11,826)	(11,923)
Present value of minimum lease payments	39,414	33,713	39,414	33,713

21. Bank overdraft

The bank overdraft, when utilised is secured by a deposit of $25 million (see note 11).

22. Trade and other payables

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Trade payables	195,566	190,106	115,953	109,692
Other payables	311,118	360,828	264,316	293,412
	506,684	550,934	380,269	403,104

23. Deferred income

This represents subscription revenue received in advance.

24. Revenue

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

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Rendering of services	2,094,992	1,999,357	1,755,084	1,730,896
Sale of goods	1,060,561	1,139,199	992,885	983,728
Other	39,112	40,344	5,574	3,981
	3,194,665	3,178,900	2,753,543	2,718,605

25. Net finance income

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Interest income on loans	4,362	1,332	4,362	3,916
Interest income on available-for-sale financial assets	23,526	14,344	23,526	14,344
Interest income on bank deposits	1,044	1,025	1,044	1,025
Interest income on other investments	58,727	154,417	58,134	151,579
GCLEIT loan interest forgiven	-	-	-	(93,239)
Dividend income on available-for-sale financial assets	5,521	3,938	56,809	3,938
Finance income	93,180	175,056	143,875	81,563
Finance costs	(20,931)	(15,111)	(18,370)	(11,406)
	72,249	159,945	125,505	70,157

26. Profit from operations before taxation

Profit from operations before taxation is stated after charging:

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Directors' emoluments:				
Fees	4,225	7,569	3,804	3,192
Management remuneration (included in staff costs)	57,175	63,650	38,698	40,962
Staff costs (note 36)	1,118,814	1,016,102	967,394	889,039
Auditors' remuneration	8,948	12,092	6,850	6,300
Depreciation	82,222	93,177	68,542	79,636
Amortisation	2,893	2,448	2,893	2,448

27. Taxation

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

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
(i) Current tax expense:				
Income tax at 33⅓%	113,361	3,984	113,381	-
(ii) Deferred tax expense:				
Origination and reversal of timing difference [note 13 (ii)]	(200,204)	(8,186)	(201,084)	787
Taxation losses utilised	41,396	17,892	41,260	5,228
Total taxation (credit)/charge recognised	(45,447)	13,690	(46,443)	6,015

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

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Profit from continuing operations before taxation	87,585	132,173	151,257	121,290
Income tax at 33⅓%	29,195	44,058	50,419	40,430
Difference between depreciation and tax capital allowance	2,956	9,669	3,372	4,270
Finance lease payments	(4,804)	(8,443)	(4,804)	(8,443)
Other	(22,849)	(31,594)	(30,982)	(30,242)
Effect of change in deferred tax rate	(49,945)	-	(64,448)	-
Actual taxation (credit)/ charge	(45,447)	13,690	(46,443)	6,015

(c) Taxation recognised in other comprehensive income:

	Group 2012 Before tax $'000	Group 2012 Tax benefit $'000	Group 2012 Net of tax $'000	Group 2011 Before tax $'000	Group 2011 Tax expense/ (benefit) $'000	Group 2011 Net of tax $'000
Change in deferred tax revaluation surplus	-	39,758	39,758	-	-	-

	Company 2012 Before tax $'000	Company 2012 Tax/expense (benefit) $'000	Company 2012 Net of tax $'000	Company 2011 Before tax $'000	Company 2011 Tax expense/ (benefit) $'000	Company 2011 Net of tax $'000
Change in deferred tax on revaluation surplus	-	39,758	39,758	-	-	-

27. Taxation (continued)

(d) Taxation losses:

The group had taxation losses, subject to agreement by the Tax Administration Jamaica of approximately $Nil (2011:$123,781 thousand) available for relief against future taxable profits.

28. 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 $133,032 thousand (2011: $118,483 thousand) by 1,211,243,827 being the number of stock units in issue at December 31, 2012 (2011: 1,211,243,827) as well as by 1,162,562,493 (2011: 1,163,054,539), being stock units less those held by the GCLEIT [see note (19)].

29. Dividends paid (gross)

An interim revenue distribution of 5 cents (2011: 25 cents) per stock unit was paid on March 30, 2012, to shareholders on record at close of business on March 23, 2012.

A second interim revenue distribution of 3 cents (2011: 3.5 cents) per stock unit was paid on September 28, 2012, to shareholders on record at the close of business on September 7, 2012.

	Group	
	2012	**2011**
	$'000	**$'000**
Gleaner's first interim paid in respect of 2012: 25¢ (2011: 25.0¢) per stock unit - gross	60,563	302,812
Gleaner's second interim paid in respect of 2012: 3.5¢ (2011: 3.5¢) per stock unit - gross	36,337	42,392
	96,900	345,204
Dividends paid to GCLEIT	(3,723)	(16,186)
	93,177	329,018

	Company	
	2012	**2011**
	$'000	**$'000**
Ordinary dividends:		
First interim paid in respect of 2012: 5¢ (2011: 25¢) per stock unit – gross	60,563	302,812
Second interim paid in respect of 2012: 3¢ (2011: 3.5¢) per stock unit – gross	36,337	42,392
	96,900	345,204

30. 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:

	2012		2011	
	Weighted average exercise price	No. of options	Weighted average exercise price	No. of options
Outstanding at beginning of the year	1.19	11,110,000	1.19	10,860,000
Granted during the year	-	-	1.19	250,000
Exercised during the year	-	-	-	-
Outstanding at end of the year	1.19	11,110,000	1.19	11,110,000

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

	2012			2011		
	Staff	Executive and senior staff		Staff	Executive and senior staff	
	Single tranche	Tranche 1	Tranche 2	Single tranche	Tranche 1	Tranche 2
Fair value at grant date	0.71	0.41	0.58	0.71	0.41	0.58
Share price at grant date	1.31	1.31	1.31	1.31	1.31	1.81
Exercise price	1.19	1.19	1.19	1.19	1.19	1.19
Expected volatility	0.69	0.69	0.69	0.69	0.69	0.69
Option life (expected weighted average life)	2.85	0.80	1.80	0.08	0.08	0.81
Risk-free interest rate	9.91%	9.91%	9.91%	9.99%	9.91%	9.91%

The expense recognised in profit or loss in respect of share-based payment awards as at December 31, 2012 amounted to $729 thousand (2011: $1,913 thousand).

31. Segment reporting

The group has one reportable segment which is media service. This includes the print and electronic media businesses. The identification of business segments, is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue. Other includes management services, publication of books and those that do not meet any of the quantitative thresholds for determining reportable segments in 2012 or 2011.

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

31. **Segment reporting (continued)**

(a) **Business segments:**

	Continuing operations					
	Media service		Other		Total	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000
External revenues	3,158,958	3,120,123	35,707	58,777	3,194,665	3,178,900
Segment profit/(loss) before taxation	109,567	153,612	(21,982)	(21,439)	87,585	132,173
Finance income	92,749	173,450	431	1,606	93,180	175,056
Finance costs	(20,918)	(15,104)	(13)	(7)	(20,931)	(15,111)
Depreciation and amortisation	85,113	95,623	2	2	85,115	95,625
Reportable segment assets	3,493,668	3,397,877	19,905	166,998	3,513,573	3,564,875
Reportable segment liabilities	1,109,565	1,219,591	47,188	67,715	1,156,753	1,287,306
Capital expenditure	81,704	101,470	-	-	81,704	101,470

(b) **Geographical segments:**

	Jamaica		Overseas*		Total	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Revenue from external customers	2,956,539	2,953,237	238,126	225,663	3,194,665	3,178,900
Non current segment assets	1,555,429	1,152,753	15,337	15,275	1,570,766	1,346,508

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

32. **Financial risk management**

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

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

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

32. Financial risk management

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, pension receivable, securities purchased under resale agreements and cash and cash equivalents.

Trade and other receivables

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

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

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

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

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

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

The allowance accounts in respect of accounts receivables are used to record impairment losses, unless the group is satisfied that no recovery of the amount owing is possible. At that point, the amounts considered irrecoverable are written off the financial asset directly (see note 16).

32. Financial risk management (continued)

(a) Credit risk (continued)

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 for trade receivables at the reporting date by geographic region was:

	Group		Company	
	Carrying amount		Carrying amount	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Domestic	398,547	458,832	366,910	464,638
Overseas	23,087	36,033	-	15,983
	421,634	494,865	366,910	480,621

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

(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.

32. Financial risk management (continued)

(b) Liquidity risk (continued)

	Group 2012					
	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	108,814	149,643	19,893	41,196	69,872	18,682
Trade and other payables	506,684	506,684	506,684	-	-	-
Bank overdraft	10,308	10,308	10,308	-	-	-
	625,806	666,635	536,885	41,196	69,872	18,682

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

	Company 2012					
	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	108,814	149,843	19,893	41,196	69,872	18,682
Trade and other payables	380,269	380,269	380,269	-	-	-
	489,083	529,912	400,162	41,196	69,872	18,682

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

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

32. 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 the group. The main currencies are the United States dollar (US$), Pound Sterling (GBP) and Canadian dollar (Can $).

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

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

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

	Group					
	2012			2011		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	4,989	-	-	1,600	-	-
Trade and other receivables	(1,323)	(151)	(78)	-	128,312	116,281
Securities purchased under resale agreements	-	-	-	115,879	-	-
Trade payables	27	5	174	(1,118)	(128,492)	(75,697)
Cash and cash equivalents	-	140	112	9	17,617	169,837
Net exposure	3,693	(6)	208	116,370	17,437	210,421

(i) Currency risk

	Company					
	2012			2011		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	4,989	-	-	1,600	-	-
Trade payables	(1,323)	(1)	-	(1,118)	(3)	-
Securities purchased under resale agreements	-	-	-	-	-	-
Cash and cash equivalents	27	4	-	9	-	-
Net exposure	3,693	3	-	491	(3)	-

32. Financial risk management (continued)

(c) Market risk (continued)

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 2011.

Group 2012

		Increase			Decrease	
Currency	% weakening	effect on equity $'000	effect on profit/loss $'000	% strengthening	effect on equity $'000	effect on profit/loss $'000
USD	10	(45,974)	(34,031)	1	4,597	3,403
GBP	10	-	(10)	1	-	10
CAD	10	-	190	1	-	190

Group 2011

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

Company 2012

		Increase/(Decrease)			Increase/(Decrease)	
Currency	% weakening	effect on equity $'000	effect on profit/loss $'000	% strengthening	effect on equity $'000	effect on profit/loss $'000
USD	10	(45,974)	(34,031)	1	4,597	3,403
GBP	10	-	(44)	1	-	4

Company 2011

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

32. 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 contracting liabilities at fixed rates, where possible.

Profile

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	455,621	204,400	455,621	220,018
Financial liabilities	(108,814)	(33,713)	(108,814)	(33,713)
	346,807	170,687	346,807	186,305

Fair value sensitivity analysis for fixed rate instruments

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

An increase of 250 or decrease of 50 (2011: 50) basis points in interest rates at the reporting date would have increased equity by $30,818 thousand or decrease by $5,979 thousand (2011: increase of $1,913 thousand or a decrease of $1,872 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2011.

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 (JSE) and the companies' quarterly financial performance.

Sensitivity analysis – equity price risk

Most of the group's equity investments are listed on the Jamaica Stock Exchange. A 10% (2011: 15%) increase or decline in the JSE All Jamaica Composite index at the reporting date would have increased/decreased equity by $7,138 thousand (2011: $12,511thousand).

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.

32. Financial risk management (continued)

(d) Fair values

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

Fair values versus carrying amounts

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

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

The fair value of non-current receivables and liabilities are 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:

	2012	2011
	%	%
Royal Bank of Scotland investment note	6.75	-
Lloyds TSB investment note	5.51	-
Barclays Bank investment note	4.88	-
Government of Jamaica instrument	7.49	6.83

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 and the investment notes are valued using a pricing input and yields from an acceptable broker yield curve.

Fair value hierarchy

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

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

32. Financial risk management (continued)

(d) Fair values (continued)

Fair value hierarchy (continued)

	Group		
	Level 1	**Level 2**	**Total**
	$'000	**$'000**	**$'000**
December 31, 2012			
Available-for-sale financial assets	71,376	334,517	405,893
December 31, 2011			
Available-for-sale financial assets	62,554	140,137	202,691

	Company		
	Level 1	**Level 2**	**Total**
	$'000	**$'000**	**$'000**
December 31, 2012			
Available-for-sale financial assets	71,376	334,517	405,893
December 31, 2011			
Available-for-sale financial assets	62,553	140,137	202,690

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.

33. Related parties

(a) Identity of related party

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

(b) Transactions with key management personnel

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

33. Related parties (continued)

(b) Transactions with key management personnel (continued)

The key management personnel compensations are as follows: -

	Group		Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Short-term employee benefits	208,520	221,112	190,044	200,104
Post- employment benefits	11,500	10,005	11,500	10,005
	220,020	231,117	201,544	210,109

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Long-term receivable	-	-	34,677	31,984
Trade and other receivables:				
Subsidiaries	-	-	262,247	250,320
Associated companies	81,394	58,508	-	-
Key management personnel	-	449	-	449
Trade and other payables:				
Subsidiaries	-	-	9,289	-

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Revenue:				
Subsidiaries	-	-	26,711	85,922
Other operating income:				
Subsidiaries	-	-	37,564	41,749
Key management personnel	1,190	-	1,190	-
Cost of sales:				
Subsidiaries	-	-	7,671	73,273
Administration expenses:				
Subsidiaries	-	-	38,164	26,530
Finance income:				
Subsidiaries	-	-	51,288	90,655

34. Lease commitments

Unexpired lease commitments at December 31 will expire as follows:

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Within one year	15,091	10,050	15,091	10,050
Subsequent years	36,340	35,586	36,340	35,586
	51,431	45,636	51,431	45,636

35. Authorised capital expenditure

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Capital expenditure authorised and contracted for	11,229	726	11,229	726

36 Staff costs

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Salaries and wages	772,903	767,402	637,385	656,081
Statutory payroll	75,399	70,041	65,835	62,380
Other staff costs	234,929	209,961	228,591	204,569
Redundancy costs	35,583	37,689	35,583	35,000
	1,118,814	1,085,093	967,394	958,030

37. Libel cases

Provisions made in the financial statements as at December 31, 2012, are considered adequate to cover all reasonable and probable judgements and costs for libel actions against the group and company.

38. Contingent liabilities

(i) There are contingent liabilities of $2M (2011: $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.

39. Subsequent event

In February 2013, the Government of Jamaica announced a surtax of 5% applicable to companies with gross income equal to or greater than $500 million.

FINANCIAL SUMMARY
December 31, 2012

	2012 $'000	2011 $'000	2010 $'000 (Restated)	2009 $'000	2008 $'000
Turnover	3,194,665	3,178,900	3,187,725	3,274,179	3,246,297
Group profit (/loss) before taxation	87,585	132,173	620,535	1,822	(451,266)
Taxation credit/(charge)	45,447	(13,690)	(189,836)	158,552	8,886
Profit from discontinued operations	-	-	-	47,806	(2,308)
Minority interest	-	-	1,146	15,827	(5,451)
Profit/(loss) attributable to Gleaner Stockholders	133,032	118,483	431,845	224,007	(450,139)
Ordinary stockholders' funds:					
Share capital	605,622	605,622	605,622	605,622	605,622
Reserves	1,751,198	1,671,947	1,851,333	1,417,546	1,407,376
	2,356,820	2,277,569	2,456,955	2,023,168	2,012,998
Non-controlling interest	-	-	-	15,292	31,119
Long-term liabilities	99,001	26,529	40,534	40,105	44,636
Employee benefit obligation	136,900	130,600	120,900	96,200	89,100
Deferred tax liabilities	312,625	512,223	506,501	312,353	337,624
Total funds employed	2,905,346	2,946,921	3,124,890	2,487,118	2,515,477
Represented by:					
Long-term receivable	4,735	18,788	42,910	70,947	1,278
Other non-current assets and investments	1,566,031	1,327,720	1,148,701	1,812,976	1,850,678
Working capital	1,334,580	1,600,413	1,933,279	603,195	663,521
	2,905,346	2,946,921	3,124,890	2,487,118	2,515,477
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]	10.98¢	9.78¢	35.65¢	18.49¢	(37.16)¢
Stockholders' fund per stock unit [see note (i) below]	194.58¢	188.04¢	202.85¢	167.03¢	166.19¢
Dividends per stock unit [see note (ii) below]	8.34¢	28.28¢	6.95¢	5.49¢	6.99¢
Exchange rates ruling at the reporting date were:					
UK one Pound to J$1	152.64	134.44	133.74	143.55	116.84
US$1 to J$1	92.14	86.60	85.86	89.60	80.47
Can$1 to J$1	93.01	84.20	85.34	84.57	65.54

(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 1,161,562,493 stock units in issue, net of stock units held by GCLEIT at December 31, 2012 (2011: 1,163,054,539).

DECLARATION OF NUMBER OF STOCK UNITS OWNED BY DIRECTORS/OFFICERS

NAME	PERSONAL SHAREHOLDINGS	SHAREDHOLDING IN WHICH DIRECTORS/OFFICERS HAS A CONTROLLING INTEREST
Oliver F. Clarke	65,317,720	368,239,880
Gerald C. Lalor	76,958	
John J. Issa	-	23,374,832
Christopher S. Roberts	4,934,412	
Joseph M. Matalon	-	25,415,897
H. Winston R. Dear	-	
Earl Maucker	-	
Carol D. Archer	58,320	
Douglas R. Orane	823,381	
Morin M. Seymour	20,000	
Lisa G. Johnston	3,732	
Christopher Barnes	2,350,000	
Collin R. Bourne	12,465	
Marlene Davis	202,609	
Garfield Grandison	75,652	
Burchell Gibson	250,000	
John Hudson	2,891,820	
Newton James	501,700	
L. Anthony O'Gilvie	2,881,031	
Ian R. Roxburgh	2,122,762	
Karin E. Daley-Cooper	1,501,700	
Rudolph A. Speid	1,401,700	
Shena Stubbs-Gibson	420,000	
Robin Williams	-	

LIST OF 10 LARGEST BLOCKS OF STOCK UNITS AS AT DECEMBER 31, 2012

1.	Financial and Advisory Services Limited	345,283,885
2.	Pan Caribbean Financial Services A/C 1388842	103,685,052
3.	Oliver F. Clarke	65,317,720
4.	JN Fund Managers Limited – Investment MGRS	59,670,338
5.	Gleaner Co. Ltd. Employee Investment Trust	52,693,675
6.	Jamaica National Building Society	46,425,529
7.	Medsalco Limited	34,191,867
8.	National Insurance Fund	30,883,010
9.	Sagicor PIF Equity Fund	30,470,202
10.	Prime Asset MGMT Ltd. – JPS EMP. SUP. Fund	24,896,469

FORM OF PROXY

I/We...

of

....

in the parish

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

....

....of...

or failing him...

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the **9th** day of **May, 2013** and at any adjournment thereof.

Signature(s)..

Signed this .... day of.....................................2013

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.