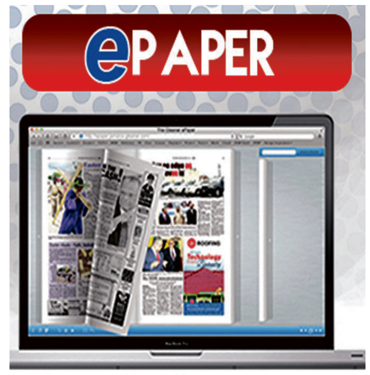
Gleaner Financials



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 separate financial statements of The Gleaner Company Limited ("company") and the consolidated financial statements of the company and its subsidiaries ("group"), set out on pages 3 to 59, which comprise the group's and company's statements of financial position as at December 31, 2014, the group's and company's income statements, statements of profit or loss and other 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 control 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, 2014, and of the group's and company's financial performance 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

February 27, 2015

Statements of Financial Position

	NOTES	GROUP 2014 $'000	GROUP 2013 $'000	COMPANY 2014 $'000	COMPANY 2013 $'000
Assets:					
Property, plant and equipment	5	1,192,600	1,248,067	1,065,295	1,105,164
Intangible asset	6	17,749	1,628	17,749	1,628
Long-term receivables	8	10,327	6,317	71,445	79,826
Interest in subsidiaries	9	-	-	44,410	44,410
Interest in associate	10	136,339	150	-	-
Investments	11	674,151	640,418	669,123	635,390
Pension receivable	12	27,840	29,000	27,840	29,000
Deferred tax assets	13	4,499	3,200	-	-
Total non-current assets		2,063,505	1,928,780	1,895,862	1,895,418
Cash and cash equivalents	14	54,585	91,623	29,721	70,035
Securities purchased under resale agreements	15	1,742	9,780	1,742	9,780
Trade and other receivables	16	472,042	490,638	401,888	456,248
Prepayments		34,317	37,973	33,643	37,327
Taxation recoverable		9,287	9,746	-	-
Inventories and goods-in-transit	17	190,752	99,222	189,950	75,376
Current portion of pension receivable	12	914,386	986,574	914,386	986,574
Total current assets		1,677,111	1,725,556	1,571,330	1,635,340
Total assets		3,740,616	3,654,336	3,467,192	3,530,758
Equity:					
Share capital	18	605,622	605,622	605,622	605,622
Reserves	19	2,067,403	1,988,079	1,895,616	1,973,321
Total equity attributable to equity holders of parent		2,673,025	2,593,701	2,501,238	2,578,943
Liabilities:					
Long-term liabilities	20	65,926	93,534	65,926	93,534
Employee benefits obligation	7	87,000	66,300	87,000	66,300
Deferred tax liabilities	13	333,036	338,906	333,032	338,902
Total non-current liabilities		485,962	498,740	485,958	498,736
Bank overdraft	21	1,046	5,327	-	2,850
Trade and other payables	22	466,638	449,161	386,461	357,265
Taxation payable		16,799	4,867	11,969	3,565
Current portion of long-term liabilities	20	32,774	36,365	32,774	36,365
Deferred income	23	64,372	66,175	48,792	53,034
Total current liabilities		581,629	561,895	479,996	453,079
Total liabilities		1,067,591	1,060,635	965,954	951,815
Total equity and liabilities		3,740,616	3,654,336	3,467,192	3,530,758

The financial statements on pages 3 to 59 were approved for issue by the Board of Directors on February 27, 2015 and signed on its behalf by:

Chairman
Hon. O. F. Clarke, OJ

Managing Director
Christopher Barnes

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

Income Statements

	NOTES	GROUP 2014 $'000	GROUP 2013 $'000 (Restated) *	COMPANY 2014 $'000	COMPANY 2013 $'000 (Restated) *
Revenue	24	3,320,245	3,338,219	2,844,229	2,831,166
Cost of sales		(1,746,565)	(1,868,710)	(1,466,864)	(1,511,578)
Gross profit		1,573,680	1,469,509	1,377,365	1,319,588
Other operating income		93,435	127,276	163,672	163,161
		1,667,115	1,596,785	1,541,037	1,482,749
Distribution costs		(459,655)	(477,171)	(452,510)	(457,150)
Administration expenses		(644,932)	(683,174)	(568,095)	(563,216)
Other operating expenses		(415,547)	(329,644)	(395,147)	(377,810)
Pension costs		(22,524)	(23,588)	(22,524)	(22,700)
		(1,542,658)	(1,513,577)	(1,438,276)	(1,420,876)
Employee benefits obligation	7	(6,700)	31,000	(6,700)	31,000
Profit from operations		**117,757**	**114,208**	**96,061**	**92,873**
Finance income		6,296	2,501	5,978	2,184
Finance cost		(35,517)	(25,251)	(27,676)	(24,649)
Net finance cost	25	(29,221)	(22,750)	(21,698)	(22,465)
Share of profit from interest in associate, net of tax	3(a)(iv),10	136,189	-	-	-
Profit from operations before taxation	26	224,725	91,458	74,363	70,408
Taxation charge	27	(43,578)	(5,616)	(36,574)	(6,574)
Profit for the year		**181,147**	**85,842**	**37,789**	**63,834**
Dealt with in the financial statements of:					
Parent company		37,789	63,834		
Subsidiaries		7,169	22,008		
Associate	10	136,189	-		
		181,147	85,842		
Earnings per stock unit:					
Based on stock units in issue	28	14.96¢	7.09¢		
Excluding stock units in GCLEIT	28	15.48¢	7.25¢		

* Restated [see note 3(p)]
The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

	NOTE	GROUP		COMPANY	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Profit for the year		181,147	85,842	37,789	63,834
Other comprehensive income:					
Items that will never be reclassified to profit or loss:					
Surplus on revaluation of land and building		-	230,776	-	230,776
Re-measurement of employee benefit obligation		(17,400)	(1,300)	(17,400)	(1,300)
Related tax on revaluation and remeasurement	27(c)	4,350	(34,271)	4,350	(34,271)
		(13,050)	195,205	(13,050)	195,205
Items that may be reclassified to profit or loss:					
Change in fair value of available-for-sale investments		(5,832)	22,758	(5,832)	22,758
Currency translation differences on foreign subsidiaries		23,147	(13,715)	-	-
		17,315	9,043	(5,832)	22,758
Other comprehensive income for the year, net of taxation		4,265	204,248	(18,882)	217,963
Total comprehensive income for the year		185,412	290,090	18,907	281,797
Dealt with in the financial statements of:					
The company		18,907	281,797		
Subsidiaries		30,316	8,293		
Associate		136,189	-		
		185,412	290,090		

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

Group Statement of Changes in Equity

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Reserve for own shares $'000	Retained profits $'000	Total equity $'000
Balances as at December 31, 2012	605,622	831,441	40,247	(160,782)	1,054,242	2,370,770
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	85,842	85,842
Other comprehensive income/(expense):						
Change in fair value of available-for-sale investments	-	-	22,758	-	-	22,758
Surplus on revaluation of land and building	-	230,776	-	-	-	230,776
Deferred tax on revaluation of land and building	-	(34,596)	-	-	-	(34,596)
Currency translation differences on foreign subsidiaries	-	(13,715)	-	-	-	(13,715)
Re-measurement of employee benefit obligation	-	-	-	-	(975)	(975)
Other comprehensive income for the year, net of taxation	-	182,465	22,758	-	(975)	204,248
Total comprehensive income for the year	-	182,465	22,758	-	84,867	290,090
Transactions with owners, recorded directly in equity:						
Dividends (note 29)	-	-	-	-	(83,906)	(83,906)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	16,747	-	16,747
Total contributions by and distributions to owners	-	-	-	16,747	(83,906)	(67,159)
Balances at December 31, 2013	605,622	1,013,906	63,005	(144,035)	1,055,203	2,593,701
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	181,147	181,147
Other comprehensive income/(expense) for the year:						
Change in fair value of available-for-sale investments	-	-	(5,832)	-	-	(5,832)
Remeasurement of employees benefit obligation, net of tax	-	-	-	-	(13,050)	(13,050)
Currency translation differences on foreign subsidiaries	-	23,147	-	-	-	23,147
Other comprehensive expense for the year, net of taxation	-	23,147	(5,832)	-	(13,050)	4,265
Total comprehensive income for the year, net of taxation	-	23,147	(5,832)	-	168,097	185,412
Transfer	-	(4,627)	-	-	4,627	-
Transactions with owners, recorded directly in equity:						
Dividends (note 29)	-	-	-	-	(94,073)	(94,073)
Share-based payment transactions (note 30)	-	-	-	-	288	288
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	(12,303)	-	(12,303)
Total contributions by and distributions to owners	-	-	-	(12,303)	(93,785)	(106,088)
Balances as at December 31, 2014	605,622	1,032,426	57,173	(156,338)	1,134,142	2,673,025

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

Company Statement of Changes in Equity

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Retained profits $'000	Total equity $'000
Balances as at December 31, 2012	605,622	599,682	38,878	1,137,751	2,381,933
Total comprehensive income for the year					
Profit for the year	-	-	-	63,834	63,834
Other comprehensive income					
Change in fair value of investments	-	-	22,758	-	22,758
Re-measurement of employee benefit obligation, net of tax	-	-	-	(975)	(975)
Surplus on revaluation of land and building	-	196,180	-	-	196,180
Other comprehensive income, net of taxation	-	196,180	22,758	(975)	217,963
Total comprehensive income for the year	-	196,180	22,758	62,859	281,797
Transactions with owners, recorded directly in equity					
Dividends (note 29)	-	-	-	(84,787)	(84,787)
Balances at December 31, 2013	605,622	795,862	61,636	1,115,823	2,578,943
Total comprehensive income for the year					
Profit for the year	-	-	-	37,789	37,789
Other comprehensive income:					
Change in fair value of investments	-	-	(5,832)	-	(5,832)
Re-measurement of employee benefit obligation, net of tax	-	-	-	(13,050)	(13,050)
Other comprehensive income for the year	-	-	(5,832)	(13,050)	(18,882)
Total comprehensive income for the year	-	-	(5,832)	24,739	18,907
Transfer	-	(4,627)	-	4,627	-
Transactions with owners, recorded directly in equity					
Dividends (note 29)	-	-	-	(96,900)	(96,900)
Share-based payment transactions (note 30)	-	-	-	288	288
Balance at December 31, 2014	605,622	791,235	55,804	1,048,577	2,501,238

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

Statements of Cash Flows

	NOTES	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Cash flows from operating activities					
Profit for the year		181,147	85,842	37,789	63,834
Adjustments to reconcile profit to net cash provided by operating activities:					
Depreciation	5(a),(b)	93,817	94,694	77,481	82,467
Amortisation	6	4,953	2,893	4,953	2,893
Current income tax	27(a)	40,759	17,137	38,094	19,208
Deferred taxation	27(a)	2,819	(11,521)	(1,520)	(12,634)
Employees benefits obligation	7(ii)	6,700	(31,000)	6,700	(31,000)
Gain on disposal of property, plant and equipment		(3,088)	(473)	(1,629)	42
Equity settled share-based payment transactions	30	288	-	288	-
Interest income		(159,652)	(152,011)	(159,334)	(151,694)
Interest expense	25	35,517	25,251	27,676	24,649
Share of profit of associate, net of tax	10	(136,189)	-	-	-
Gain on disposal of shares		(12,303)	-	-	-
Translation adjustment		26,199	(15,086)	-	-
Impairment loss on investments		-	13,423	-	13,423
Impairment loss on property, plant and equipment		464	369	-	-
		81,431	29,518	30,498	11,188
Tax paid		(34,006)	(32,618)	(29,690)	(35,668)
Interest paid		(35,517)	(25,251)	(27,676)	(24,649)
Trade and other receivables		15,375	102,627	55,404	87,883
Prepayments		3,656	(6,911)	3,684	(6,781)
Inventories and goods-in-transit		(91,530)	53,091	(114,574)	52,428
Securities purchased under agreements for resale		13,108	112,172	8,038	115,393
Trade and other payables		17,477	(57,519)	29,196	3,548
Deferred income		(1,803)	4,778	(4,242)	1,103
Employee benefits obligation payments	7(ii)	(3,400)	(22,300)	(3,400)	(22,300)
Pension receivable		73,348	54,328	73,348	54,328
Net cash provided by operating activities		38,139	211,915	20,586	236,473
Cash flows from investing activities					
Interest received		157,803	138,299	157,485	137,982
Additions to property, plant and equipment	5(a),(b)	(41,092)	(217,051)	(38,297)	(160,744)
Proceeds from sale of property, plant and equipment		2,314	12,841	2,314	12,319
Investments, net		(39,565)	(106,961)	(39,565)	(123,558)
Long-term receivable		(4,010)	(1,582)	9,186	(45,953)
Acquisition of intangible asset	6	(21,074)	-	(21,074)	-
Net cash provided/(used) by investing activities		54,376	(174,454)	70,049	(179,954)
Cash flows from financing activities					
Long-term liabilities		(31,199)	21,085	(31,199)	(5,467)
Dividends paid		(94,073)	(83,906)	(96,900)	(84,787)
Net cash used by financing activities		(125,272)	(62,821)	(128,099)	(90,254)
Net decrease in cash and cash equivalents		(32,757)	(25,360)	(37,464)	(33,735)
Cash and cash equivalents at beginning of the year		86,296	111,656	67,185	100,920
Cash and cash equivalents at end of the year		53,539	86,296	29,721	67,185
Comprised of:					
Cash and bank balances		54,585	91,623	29,721	70,035
Bank overdraft		(1,046)	(5,327)	-	(2,850)
		53,539	86,296	29,721	67,185

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

Notes to the Financial Statements
December 31, 2014

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 of news in print and digital media as well as 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:

		2014	2013
(a)	Popular Printers Limited and its wholly-owned subsidiaries; 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 (see note 38) and 50% of the shares in A Plus Learning Limited	100%	100%
(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%
(e)	The Gleaner Company UK Limited	100%	100%

* This entity is a wholly owned subsidiary of the company by virtue of its direct holding of 67.61% and an indirect holding of 32.39% held by Associated Enterprise Limited, a wholly-owned subsidiary of Popular Printers Limited, which is itself a wholly-owned subsidiary of the company.

All these companies are incorporated under the laws of Jamaica with the exception of GV Media Group Limited, The Gleaner Company (UK) 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 and The Gleaner Company (UK) Limited a publication company, are not considered material to these financial statements and have not been consolidated.

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, 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).

Notes to the Financial Statements (Continued)
December 31, 2014

2. Statement of compliance and 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) Post-retirement benefits:

The amounts recognised in the statement of financial position and income statement for 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 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 estimated 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.

Notes to the Financial Statements (Continued)
December 31, 2014

2. Statement of compliance and 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 current financial year. The group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, applicable to its operations. The nature and effects of the changes are as follows:

(i) Amendments to IFRS 10, *Consolidated Financial Statements*, IFRS 12- *Disclosure of Interest in Other Entities* and IAS 27- *Consolidated* and *Separate Financial Statements* is effective for accounting periods beginning on or after January 1, 2014. The amendments define an investment entity and require a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss, instead of consolidating those subsidiaries in its financial statements. In addition, the amendments introduce new disclosure requirement related to investment entities in IFRS 12, *Disclosure of Interests in Other Entities and* IAS 27*, Separate Financial Statements.*

The group reviewed the definition of an investment entity and has determined that none of its related entities fall within that definition.

(ii) IFRIC 21, *Levies,* which is effective for accounting periods beginning on or after January 1, 2014 provides guidance on accounting for levies in accordance with the requirements of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It requires an entity to recognise a liability for a levy when and only when the triggering event specified in the legislation occurs.

(iii) Amendments to IAS 36 *Impairment of Assets*: *Recoverable Amount Disclosures for Non-financial Assets*, which is effective for accounting periods beginning on or after January 1, 2014, reverse the unintended requirement in IFRS 13 *Fair Value Measurement*, to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. The amendment requires the recoverable amount to be disclosed only when an impairment loss has been recognised or reversed.

The adoption of the amendments has not resulted in any changes to the amounts recognised in the financial statements.

(f) New standards and interpretations of and amendments to existing standards that are not yet effective:

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

Notes to the Financial Statements (Continued)
December 31, 2014

2. **Statement of compliance and basis of preparation (continued)**

(f) New standards and interpretations of and amendments to existing standards that are not yet effective (continued):

- *Improvements to* IFRS *2010-2012 and 2011-2013* cycles contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments applicable to the group are as follows:

  - IFRS 3, *Business Combinations* has been amended to clarify the classification and measurement of contingent consideration in a business combination. When contingent consideration is a financial instrument, its classification as a liability or equity is determined by reference to IAS 32, *Financial Instruments: Presentation*, rather than to any other IFRSs. Contingent consideration that is classified as an asset or a liability is always subsequently measured at fair value, with changes in fair value recognized in profit or loss. Consequential amendments were also made to IAS 39, *Financial Instruments: Recognition and Measurement* and IFRS 9, *Financial Instruments* to prohibit contingent consideration from subsequently being measured at amortised cost. In addition, IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* is amended to exclude provisions related to contingent consideration of an acquirer. IFRS 3, has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in IFRS 11, *Joint Arrangements* i.e. including joint operations in the financial statements of the joint arrangements themselves.

  - IFRS 13, *Fair Value Measurement* has been amended to clarify that issuing of the standard and consequential amendments to IAS 39, and IFRS 9, did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

  - IAS 16, *Property, Plant and Equipment* and IAS 38, *Intangible Assets* is amended to clarify that, at the date of revaluation:

    (i) the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation/(amortization) is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking account of accumulated impairment losses or;

    (ii) the accumulated depreciation/(amortization) is eliminated against the gross carrying amount of the asset.

  - IAS 24, *Related Party Disclosures* has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. For related party transactions that arise when key management personnel services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the key management personnel services.

2. **Statement of compliance and basis of preparation (continued)**

(f) New standards and interpretations of and amendments to existing standards that are not yet effective (continued):

- *Improvements to* IFRS *2010-2012 and 2011-2013* cycles (continued):

  - IAS 40, *Investment Property* has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

  - Amendments to IAS 19, *Defined Benefits Plans*: *Employee Contributions,* effective for annual periods beginning on or after July 1, 2014, clarified the requirements that relate to how contributions from employees or third parties that are linked to services should be attributed to periods of services. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of services.

- IFRS 9, *Financial Instruments,* which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value though profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2017, replaces IAS 11-*Construction Contracts*, IAS 18 -*Revenue*, IFRIC 13 -*Customer Loyalty Programmes,* IFRIC 15 -*Agreements for the Construction of Real Estate*, IFRIC 18- *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services.* It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

  The group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

  There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

2. Statement of compliance and basis of preparation (continued)

(f) New standards and interpretations of and amendments to existing standards that are not yet effective (continued):

- Amendments to IFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*, effective for accounting periods beginning on or after January 1, 2016, require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value but previously held interests will not be remeasured.

- Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation,* are effective for accounting periods beginning on or after January 1, 2016.

  - The amendment to IAS 16, *Property, Plant and Equipment* explicitly states that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.

  - The amendment to IAS 38, *Intangible Assets* introduces a rebuttable presumption that the use of revenue-based amortisation methods is in appropriate for intangible assets.

- Amendments to IAS 27, *Equity Method in Separate Financial Statements*, effective for accounting periods beginning on or after January 1, 2016 allow the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures.

- Amendments to IFRS 10, *Consolidated Financial Statements,* and IAS 28, *Investments in Associates and Joint Ventures,* in respect of Sale or Contribution of Assets between an Investor and its Associate or Joint venture, are effective for annual reporting periods beginning on or after January 1, 2016. The amendments require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognized when the assets transferred meet the definition of a 'business' under IFRS 3, *Business Combinations*.

- *Improvements to* IFRS *2012-2014* cycle, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments applicable to the group are as follows:

  - IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* has been amended to clarify that if an entity changes the method of disposal of an asset or disposal group – i.e., reclassifies an asset or disposal group from held-for-distribution to owners to held-for-sale or vice versa without any time lag, then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset or disposal group and recognizes any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute of the asset or disposal group. If an entity determines that an asset or disposal group no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.

2. Statement of compliance and basis of preparation (continued)

New standards and interpretations of and amendments to existing standards that are not yet effective (continued):

- *Improvements to IFRS 2012-2014* cycle (continued)

  - IFRS 7, *Financial Instruments: Disclosures,* has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognized in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset - e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.

  - Amendments to IAS 27, *Equity Method in Separate Financial Statements*, effective for accounting periods beginning on or after January 1, 2016 allow the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures.

  - IAS 19, *Employee Benefits,* has been amended to clarify that high-quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid. Consequently, the depth of the market for high-quality corporate bonds should be assessed at the currency level and not the country level.

The group is assessing the impact that these standards and amendments to standards will have on the financial statements when they are adopted.

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.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(i) Business combinations

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date.

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.

(ii) Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through it power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

These consolidated financial statements comprise the financial results of the company and its subsidiaries, including The Gleaner Company Limited Employee Investment Trust, a structured entity, prepared to December 31, 2014. 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).

(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) Associate

The group's interest in equity-accounted investees comprise interest in associate.

An associate is an entity 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.

Interest in associate is accounted for using the equity method. It is initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss of the associate, until the date on which significant influence or joint control ceases. In the previous years, the company did not adopt the equity method of accounting as the directors did not consider that they exercised significant influence over the financial or operating policy of the associate. Based on a reassessment in the current year, of its influence, the application of the equity method is now considered appropriate. The change was accounted for prospectively as the impact on the prior periods is not considered material [see note (10)].

Notes to the Financial Statements (Continued)
December 31, 2014

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transaction, are eliminated. Unrealised gains arising from transaction with equity-accounted investee are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(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. 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.

(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.

Notes to the Financial Statements (Continued)
December 31, 2014

3. Significant accounting policies (continued)

(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 impairment losses, if any.

(d) Employee benefits:

Employee benefits, comprising 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 post-employment benefit 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 which are held separately from those of the group. The defined-benefit scheme was discontinued as of July 15, 2010 (see note 12).

(a) Post retirement obligations:

The group'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.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income. The group determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses post-retirement obligations is recognised in profit or loss.

When the benefits of a plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Notes to the Financial Statements (Continued)
December 31, 2014

3. Significant accounting policies (continued)

(d) Employee benefits (continued):

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

(b) Defined contribution schemes:

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

(ii) Share-based payment transactions:

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

(iii) Termination benefits:

The group recognises termination benefits as an expense at the earlier of when the group can no longer withdraw the offer of those benefits and when the group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(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.

Notes to the Financial Statements (Continued)
December 31, 2014

3. Significant accounting policies (continued)

(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.

(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 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 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 specified dates and at a specified prices. 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 interest method, and is included in interest income.

[iv] Interest:

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

Notes to the Financial Statements (Continued)
December 31, 2014

3. Significant accounting policies (continued)

(e) Financial instruments (continued):

(iii) Gains and losses on subsequent measurement:

Unrealised gains and losses arising from changes 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.

(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.

Notes to the Financial Statements (Continued)
December 31, 2014

3. Significant accounting policies (continued)

(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.

(k) Finance leases:

Leases, the terms under which the Fund transfers substantially all the risks and rewards of ownership to a third party, are classified as finance leases. They are measured at fair value which is determined as the present value of the expected future cash flows from the leases. Income from these leases is recognised over the term of the lease on the straight-line basis.

(l) 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.

(m) 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 method.

3. Significant accounting policies (continued)

(m) Expenses (continued):

(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.

(n) Foreign currencies

Foreign currency balances outstanding at the reporting date are translated at the rates of exchange ruling on that date [US$1 = J$114.12 (2013: J$105.72); £1= J$175.97 (2013: J$173.56); Can$1 = J$96.34 (2013: J$98.99)]. Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions.

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

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

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

(o) Impairment of assets:

(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 counterparty, indications that the customer or counterparty 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.

3. Significant accounting policies (continued)

(o) Impairment of assets (continued):

(i) Financial assets (continued):

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 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.

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.

(p) 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. Each operating segment's operating results are reviewed regularly by the group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

During the year, a review of the operating segment was conducted. It was concluded that investment has met the requirements for recognition as a business segment in accordance with IFRS 8. The company now has two identifiable business segments: media services and investment.

Notes to the Financial Statements (Continued)
December 31, 2014

3. Significant accounting policies (continued)

(p) Segment reporting (continued):

The change was accounted for retrospectively, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Investment income which is recognised in profit or loss using the effective interest method is now recognised as revenue.

This retrospective restatement resulted in the adjustment of the amounts recognised in revenue and finance income in the prior year. The comparative figures for the year ended December 31, 2013 has therefore been restated. The operating segments reported for the prior year were also restated to include investment. The restatement did not result in any change to the statement of financial position or the prior profit for the years previously reported.

4. Roles of the actuary and auditors

The actuary has been appointed by the Board of Directors. With respect to the preparation of financial statements, the actuary is required to carry out an actuarial valuation 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 employee benefits liabilities. The auditors' report outlines the scope of their audit and their opinion.

5. Property, plant and equipment

(a) Group

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Total $'000
Cost or valuation								
Balances at December 31, 2012	796,005	278,704	62,718	345,844	210,911	4,890	54,015	1,753,087
Additions	112,334	83,175	638	15,630	-	-	5,274	217,051
Disposals	(8,600)	(35,478)	(4,762)	(24,138)	-	-	(10,936)	(83,914)
Impairment	-	(24,569)	-	-	-	-	-	(24,569)
Revaluation	157,134	-	-	-	-	-	-	157,134
Translation adjustments	2,413	3,050	1,524	-	-	-	2,582	9,569
Balances at December 31, 2013	1,059,286	304,882	60,118	337,336	210,911	4,890	50,935	2,028,358
Additions	1,169	18,935	415	14,578	-	-	5,995	41,092
Disposals	-	(18,919)	(4,725)	(948)	-	-	(2,523)	(27,115)
Impairment	-	-	(1,299)	-	-	-	-	(1,299)
Translation adjustments	(1,202)	(1,308)	(74)	-	-	-	-	(2,584)
Balances at December 31, 2014	1,059,253	303,590	54,435	350,966	210,911	4,890	54,407	2,038,452
At cost	80,024	303,590	54,435	350,966	210,911	4,890	54,407	1,059,223
At valuation	979,229	-	-	-	-	-	-	979,229
	1,059,253	303,590	54,435	350,966	210,911	4,890	54,407	2,038,452

Notes to the Financial Statements (Continued)
December 31, 2014

5. Property, plant and equipment (continued)

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Total $'000
Depreciation								
Balances at December 31, 2012	101,245	220,177	52,292	321,170	141,104	4,890	5,908	846,786
Revaluation adjustment	(73,641)	-	-	-	-	-	-	(73,641)
Charge for the year	36,128	16,465	2,747	19,214	10,546	-	9,594	94,694
Eliminated on disposals	(1,290)	(35,140)	(4,754)	(24,066)	-	-	(6,296)	(71,546)
Impairment	-	(24,200)	-	-	-	-	-	(24,200)
Translation adjustments	1,529	2,578	1,587	-	-	-	2,504	8,198
Balances at December 31, 2013	63,971	179,880	51,872	316,318	151,650	4,890	11,710	780,291
Charge for the year	35,299	22,998	2,296	28,509	4,715	-	-	93,817
Eliminated on disposals	-	(20,379)	(4,725)	(2,785)	-	-	-	(27,889)
Impairment	-	-	(835)	-	-	-	-	(835)
Translation adjustments	(823)	2,578	75	(1,362)	-	-	-	468
Balances at December 31, 2014	98,447	185,077	48,683	340,680	156,365	4,890	11,710	845,852
Carrying amounts								
December 31, 2014	960,806	118,513	5,752	10,286	54,546	-	42,697	1,192,600
December 31, 2013	995,315	125,002	8,246	21,018	59,261	-	39,225	1,248,067

(b) Company

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Total $'000
Cost or valuation								
Balances at December 31, 2012	707,432	144,130	44,214	254,872	210,910	4,890	53,244	1,419,692
Additions	112,334	29,198	256	13,682	-	-	5,274	160,744
Disposals	(8,600)	(15,145)	(22)	(24,138)	-	-	(10,936)	(58,841)
Revaluation	157,134	-	-	-	-	-	-	157,134
Balances at December 31, 2013	968,300	158,183	44,448	244,416	210,910	4,890	47,582	1,678,729
Additions	1,169	16,218	415	14,500	-	-	5,995	38,297
Disposals	-	-	-	(948)	-	-	(2,523)	(3,471)
Balances at December 31, 2014	969,469	174,401	44,863	257,968	210,910	4,890	51,054	1,713,555
At cost	72,991	174,401	44,863	257,968	210,910	4,890	51,054	817,077
At valuation	896,478	-	-	-	-	-	-	896,478
	969,469	174,401	44,863	257,968	210,910	4,890	51,054	1,713,555
Depreciation								
Balances at December 31, 2012	74,932	109,050	37,609	238,499	141,104	4,890	5,136	611,220
Charge for the year	34,190	9,827	1,759	16,629	10,546	-	9,516	82,467
Revaluation	(73,641)	-	-	-	-	-	-	(73,641)
Eliminated on disposals	(1,290)	(14,807)	(22)	(24,066)	-	-	(6,296)	(46,481)
Balances at December 31, 2013	34,191	104,070	39,346	231,062	151,650	4,890	8,356	573,565
Charge for the year	34,238	11,304	1,465	25,759	4,715	-	-	77,481
Eliminated on disposals	-	-	-	(2,786)	-	-	-	(2,786)
Balances at December 31, 2014	68,429	115,374	40,811	254,035	156,365	4,890	8,356	648,260
Carrying amounts								
December 31, 2014	901,040	59,027	4,052	3,933	54,545	-	42,698	1,065,295
December 31, 2013	934,109	54,113	5,102	13,354	59,260	-	39,226	1,105,164

(c) Freehold land and buildings:

In 2013, the company's land and building at 7 North Street were revalued at $630M and Harbour Street at $12M; land and buildings at East Street and Newport West at a total of $119.5M; land at John's Lane at $10M and land and building at 9 King Street, Montego Bay, St. James and 6 Bradley Avenue, Kingston at $194.8M 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 $71M.

5 Property, plant and equipment (continued)

(c) Freehold land and buildings (cont'd):

The fair value of land buildings is categorised as level 3 in the fair value hierarchy. The following table show the valuation technique used in measuring fair value as well as the significant unobservable inputs used.

Valuation techniques	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Market based approach: The approach is based on the principle of substitution whereby the purchaser with perfect knowledge of the property market pays no more for the subject property than the cost of acquiring an existing comparable assuming no cost delay in making the substitution. The approach requires comparison of the subject property with others of similar design and utility, inter alia, which were sold in the recent past. However as no two properties are exactly alike, adjustment is made for the difference between the property subject to valuation and comparable properties.	• Details of the sales of comparable properties • Conditions influencing the sale of the comparable properties. • Comparability adjustment.	The estimated fair value would increase/(decrease) if: • Sale value of comparable properties were higher/(lower). • Comparability adjustment were higher/(lower).

Notes to the Financial Statements (Continued)
December 31, 2014

6. Intangible asset

	Group and Company Computer software $'000
Cost:	
Balance at December 31, 2012 and 2013	17,220
Addition	21,074
Balance at December 31, 2014	38,294
Amortisation:	
Balance at December 31, 2012	12,699
Amortisation	2,893
Balance at December 31, 2013	15,592
Amortisation	4,953
Balance at December 31, 2014	20,545
Carrying amounts:	
December 31, 2014	17,749
December 31, 2013	1,628

7. Employee benefits

On May 1, 2010, the company established a defined-contribution pension fund for employees who satisfied certain minimum service requirements. The fund is administered by JN Fund Managers Limited.

The company operates a post-retirement benefit scheme which covers health insurance. The scheme exposes the group to longevity risk and interest rate risk.

During the prior year, the company made an offer to its employees to settle, in cash, its obligation for post employment health insurance. The offer was accepted by 145 employees to whom $19.4 million was paid.

Post-retirement medical benefits:

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

	Group and Company	
	2014 $'000	2013 $'000
Present value of obligation	87,000	66,300

Notes to the Financial Statements (Continued)
December 31, 2014

7. Employee benefits (continued)

(ii) Movement in net defined benefit liability:

The following table shows a reconciliation from the opening balance to the closing balances for the defined benefit liability and its components.

	Group and Company	
	2014	2013
	$'000	$'000
Balance as at January 1	66,300	118,300
Included in profit or loss:		
Current service cost	500	4,900
Gain on curtailment/settlement	-	(47,600)
Interest on obligation	6,200	11,700
	6,700	(31,000)
Included in other comprehensive income:		
Re-measurement loss arising from experience adjustment	17,400	1,300
Other:		
Other payments by the employer	-	(19,400)
Benefits paid	(3,400)	(2,900)
	(3,400)	(22,300)
Balance at December 31	87,000	66,300

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

	2014	2013
	$'000	$'000
	%	%
Discount rate	9.5	9.5
Future health cost increases	7.5	7.5

At the December 31, 2014, the weighted average duration of the defined benefit obligation was 12.3 years (2013: 11.2 years).

Notes to the Financial Statements (Continued)
December 31, 2014

7. Employee benefits (continued)

(iv) Sensitivity analysis on projected benefit obligation:

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarizes how the projected benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation. Hence, for example, a 1% reduction in the long-term discount rate, would cause some reduction in the medical trend rate.

	2014		2013	
	$'000	**$'000**	**$'000**	**$'000**
	1 % increase	1 % decrease	1 % increase	1 % decrease
Discount rate	77,800	98,200	59,900	74,100
Future medical costs	98,200	77,800	74,100	59,900

(v) As mortality continues to improve, estimates of life expectancy are expected to increase. An increase of one year in life expectancy will increase the employee benefit obligation to approximately $90,300,000 (2013:$70,300,000) while a decrease of one year in life expectancy will result in a decrease in the employee benefit obligation to approximately $83,700,000 (2013:$62,600,000).

8. Long-term receivables

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Due from Independent Radio Company Limited [see (i) below]	-	-	51,811	52,616
Due from Independent Radio Company Limited [see (ii) below]	-	-	16,000	16,000
Other long-term receivable	10,327	6,317	4,497	12,015
	10,327	6,317	72,308	80,631
Less current portion [see other receivables (note 16)]	-	-	(863)	(805)
	10,327	6,317	71,445	79,826

(i) The balance represents amount receivable under a finance lease arrangement with a subsidiary.

Notes to the Financial Statements (Continued)
December 31, 2014

8. Long-term receivables (continued)

	Company	
	2014	2013
	$'000	$'000
Gross investment in finance leases, receivable:		
Less than one year	4,463	4,463
Between two and five years	17,850	17,850
More than five years	88,445	89,250
	110,758	111,563
Less unearned income	(58,947)	(58,947)
Net investment in finance lease	51,811	52,616
The net investment in finance lease receivable comprises:		
Current portion	863	805
Non-current portion	50,948	51,811
	51,811	52,616

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

9. Interest in subsidiaries

	Company	
	2014	2013
	$'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. Interest in associate

Interest in associate represents a 33⅓% shareholding in Jamaica Joint Venture Company Limited (see note 38).

The associate is domiciled in Jamaica and its principal place of business is located at 34 and 40 Duke Street. The principal activity of the associate is the leasing of real estate.

	Group	
	2014	2013
	$'000	$'000
Share at cost	150	150
Group's share of reserves	136,189	-
	136,339	150

Notes to the Financial Statements (Continued)
December 31, 2014

10. Interest in associate (continued)

The following table summarises the financial information of the associate, as included in its own financial statements, after elimination of differences in accounting policies and intercompany transactions. The latest audited financial information available as at and for the year ended December 31, 2012 with comparative figures for 2011. The table also reconciles the summarised financial information to the carrying amount of the group's interest in associate.

	Group	
	2014	**2013**
Percentage ownership interest	**33⅓%**	**33⅓%**
	$'000	**$'000**
Non-current assets	367,801	17,202
Current assets	51,729	52,309
Non-current liabilities	(1,746)	(1,746)
Current liabilities	(8,766)	(8,367)
Net assets (100%)	409,018	59,398
Group's share of net assets being carrying amount of interest in associate	134,976	175,376
Revenue from operations	61,347	60,123
Gain from fair value adjustment on investment properties	349,116	-
Total revenue	410,463	60,123
Depreciation and amortisation	(1,607)	(1,578)
Interest expense	(132)	(118)
Income tax charge	(1,446)	(2,358)
Profit and total comprehensive income (100%)	349,621	5,169
Group's share of profit and total comprehensive income	115,375	1,723
Group's share of profit recognised in profit or loss:		
Group's share of current year profit	115,375	-
Accumulated share of profits not previously recognised	20,814	-
	136,189	-

11. Investments

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Available-for-sale financial assets:				
Quoted equities	113,066	94,946	113,066	94,946
Unquoted equities	22,820	22,820	22,820	22,820
Government of Jamaica securities	-	112,959	-	112,959
Corporate bonds	207,240	85,693	207,240	85,693
Royal Bank of Scotland PLC 9.50% investment note	41,528	39,647	41,528	39,647
Lloyds TSB PLC – 6.75% investment note	170,840	160,016	170,840	160,016
Barclay Bank PLC 10.179% investment note	54,226	47,997	54,226	47,997
Loans and receivables:				
Certificates of deposit	55,346	62,900	55,346	62,900
Debenture	9,085	13,440	4,057	8,412
	674,151	640,418	669,123	635,390

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 fund (see note 7). Of the total outstanding, $27,840,000 (2013:$29,000,000) is expected to be received after more than one year from the reporting date.

	Group and Company	
	2014	**2013**
	$'000	**$'000**
Balance at beginning of year	1,015,574	1,062,018
Net received during the year	(183,260)	(157,097)
Income earned during the year	109,912	110,653
Balance at end of year	942,226	1,015,574
Due within 1 year	914,386	986,574
Due after 1 year	27,840	29,000
	942,226	1,015,574

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	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Inventories	-	-	(28)	(9)	(28)	(9)
Property, plant and equipment	(5,270)	780	(104,002)	(127,647)	(109,272)	(126,867)
Intangible asset	-	-	(4,437)	(407)	(4,437)	(407)
Trade and other receivables	(5)	(5)	(11,888)	6,483	(11,893)	6,478
Trade and other payables	7,945	1,299	7,601	11,242	15,546	12,541
Employee benefit obligation	-	-	21,750	16,900	21,750	16,900
Pension receivable	-	-	(235,557)	(253,893)	(235,557)	(253,893)
Finance lease	-	-	(6,475)	-	(6,475)	-
Tax losses	1,829	1,126	-	-	1,829	1,126
Other	-	-	-	8,425	-	8,425
Net assets/(liabilities)	4,499	3,200	(333,036)	(338,906)	(328,537)	(335,706)

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

	2014	**2013**
	$'000	**$'000**
Deferred tax liability in company	(333,032)	(338,902)
Deferred tax liability in subsidiaries	(4)	(4)
	(333,036)	(338,906)
Deferred tax asset in certain subsidiaries	4,499	3,200
Net deferred tax liabilities	(328,537)	(335,706)

Notes to the Financial Statements (Continued)
December 31, 2014

13. Deferred taxation (continued)

Deferred taxation is attributable to the following (continued):

(a) **Group (continued):**

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

	2014			
	Balance at January 1	Recognised in profit/loss	Recognised in other comprehensive income	Balance at December 31
	$'000	$'000	$'000	$'000
Inventories	(9)	(19)	-	(28)
Property, plant and equipment	(126,867)	17,595	-	(109,272)
Intangible asset	(407)	(4,030)	-	(4,437)
Employee benefit obligation	16,900	500	4,350	21,750
Pension receivable	(253,893)	18,336	-	(235,557)
Trade and other receivables	6,478	(18,371)	-	(11,893)
Trade and other payables	12,541	3,005	-	15,546
Finance lease	-	(6,475)	-	(6,475)
Tax losses	1,126	703	-	1,829
Other	8,425	(8,425)	-	-
	(335,706)	2,819	4,350	(328,537)

	2013			
	Balance at January 1	Recognised in profit/loss	Recognised in other comprehensive income	Balance at December 31
	$'000	$'000	$'000	$'000
Inventories	(17)	8	-	(9)
Property, plant and equipment	(98,556)	6,285	(34,596)	(126,867)
Intangible asset	(1,130)	723	-	(407)
Employee benefit obligation	29,575	(13,000)	325	16,900
Pension receivable	(265,505)	11,612	-	(253,893)
Trade and other receivables	(2,277)	8,755	-	6,478
Trade and other payables	12,856	(315)	-	12,541
Tax losses	2,244	(1,118)	-	1,126
Other	9,854	(1,429)	-	8,425
	(312,956)	11,521	(34,271)	(335,706)

Notes to the Financial Statements (Continued)
December 31, 2014

13. Deferred taxation (continued)

Deferred taxation is attributable to the following (continued):

(b) **Company:**

	2014 $'000	2013 $'000
Inventories	(24)	(9)
Property, plant and equipment	(104,002)	(127,647)
Intangible asset	(4,437)	(407)
Employee benefit obligation	21,750	16,900
Pension receivable	(235,557)	(253,893)
Trade and other receivables	(11,888)	6,487
Trade and other payables	7,601	11,242
Finance lease	(6,475)	-
Other	-	8,425
Net liabilities	(333,032)	(338,902)

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

	2014			
	Balance at January 1 $'000	Recognised in profit/loss $'000	Recognised in other comprehensive income $'000	Balance at December 31 $'000
Inventories	(9)	(15)	-	(24)
Property, plant and equipment	(127,647)	23,645	-	(104,002)
Intangible asset	(407)	(4,030)	-	(4,437)
Employee benefit obligation	16,900	500	4,350	21,750
Pension receivable	(253,893)	18,336	-	(235,557)
Trade and other receivables	6,487	(18,375)	-	(11,888)
Trade and other payables	11,242	(3,641)	-	7,601
Finance lease	-	(6,475)	-	(6,475)
Other	8,425	(8,425)	-	-
	(338,902)	1,520	4,350	(333,032)

	2013			
	Balance at January 1 $'000	Recognised in profit/loss $'000	Recognised in other comprehensive income $'000	Balance at December 31 $'000
Inventories	(17)	8	-	(9)
Property, plant and equipment	(99,337)	6,286	(34,596)	(127,647)
Intangible asset	(1,130)	723	-	(407)
Employee benefit obligation	29,575	(13,000)	325	16,900
Pension receivable	(265,505)	11,612	-	(253,893)
Trade and other receivables	(2,262)	8,749	-	6,487
Trade and other payables	11,557	(315)	-	11,242
Other	9,854	(1,429)	-	8,425
	(317,265)	12,634	(34,271)	(338,902)

Notes to the Financial Statements (Continued)
December 31, 2014

14. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Bank and cash balances	54,585	91,623	29,721	70,035

15. Securities purchased under resale agreements

The group purchases Government and corporate securities and agrees to resell them on specified dates and at specified prices ('resale agreements' or 'reverse repos'). The group, on paying cash to the counterparty, sometimes takes 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 obtains as collateral may themselves be sold under repurchase agreements.

Assigned collateral with a fair value of $1,743,000 (2013: $10,416,000) for the group and the company was held for securities purchased under agreements for resale.

16. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade and other receivables due from related parties	-	-	154,783	218,726
Other trade receivables (see (i) below)	479,686	506,366	417,766	423,594
Other receivables	89,121	93,920	63,741	49,511
Current portion of long term receivable (see note 8)	-	-	863	805
	568,807	600,286	637,153	692,636
Less: allowance for doubtful debts	(96,765)	(109,648)	(235,265)	(236,388)
	472,042	490,638	401,888	456,248

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Allowance for doubtful debts is made in respect of the following:				
Trade receivables due from related parties [see (ii) below]	-	-	154,749	154,600
Other trade receivables [see (iii) below]	94,545	98,794	69,662	70,934
Other receivables [see (iv) below]	2,220	10,854	10,854	10,854
	96,765	109,648	235,265	236,388

Notes to the Financial Statements (Continued)
December 31, 2014

16. Trade and other receivables (continued)

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

	Group			
	2014		2013	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	153,253	-	202,608	-
Past due 0 – 30 days	161,767	2,588	147,143	5,006
Past due 31 – 60 days	40,390	4,950	49,367	6,155
Past due 61 – 120 days	28,421	2,381	15,276	4,013
More than one year	95,855	84,626	91,972	83,620
	479,686	94,545	506,366	98,794

	Company			
	2014		2013	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	156,253	-	182,770	-
Past due 0 – 30 days	135,805	2,588	109,552	5,006
Past due 31 – 60 days	30,922	4,950	46,082	5,440
Past due 61 – 120 days	19,106	1,771	13,350	2,087
More than one year	75,680	60,353	71,840	58,401
	417,766	69,662	423,594	70,934

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

	Company	
	2014 $'000	2013 $'000
Balance as at beginning of the year	154,600	140,156
Amounts written-off, net of recoveries	149	14,444
Balance as at end of the year	154,749	154,600

(iii) The movement in the allowance for impairment in respect of other trade receivables is as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Balance as at beginning of the year	98,794	94,871	70,934	68,283
Impairment loss recognised	8,315	9,722	-	2,651
Amounts written-off	(12,564)	(5,799)	(1,272)	-
Balance as at end of the year	94,545	98,794	69,662	70,934

Notes to the Financial Statements (Continued)
December 31, 2014

16. Trade and other receivables (continued)

(iv) The movement in the allowance for impairment in respect of other receivables is as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Balance as at beginning of the year	10,854	1,582	10,854	-
Impairment loss recognised	2,436	10,854	-	10,854
Amounts written-off	(11,070)	(1,582)	-	-
Balance as at end of the year	2,220	10,854	10,854	10,854

17. Inventories and goods-in-transit

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Newsprint	128,917	44,868	128,917	44,868
Books, stationery and general supplies	30,834	24,845	30,032	999
Goods-in-transit	9,163	13,057	9,163	13,057
Consumable stores	21,838	16,452	21,838	16,452
	190,752	99,222	189,950	75,376

Inventories are stated net of a provision for obsolescence of $96,000 (2013: $31,000) for the group and company.

18. Share capital and share premium

	Group and Company	
	2014	2013
	$'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, 2014, the authorised share capital comprised 1,216,000,000 ordinary stock units (2013: 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).

Notes to the Financial Statements (Continued)
December 31, 2014

19. Reserves

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'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	18,352	-	4,627
	48,516	53,143	5,687	10,314
Unrealised:				
Revaluation of land and buildings [(note 5(c)]	1,019,090	1,019,090	939,419	939,419
Deferred taxation on revalued land and buildings	(158,204)	(158,204)	(153,871)	(153,871)
Reserve arising from consolidation of of subsidiaries (net of goodwill) and debt	93,496	93,496	-	-
Exchange difference on translation of overseas subsidiaries	29,528	6,381	-	-
	983,910	960,763	785,548	785,548
Total capital reserves	1,032,426	1,013,906	791,235	795,862
Reserve for own shares (i)	(156,338)	(144,035)	-	-
Fair value reserve (ii)	57,173	63,005	55,804	61,636
Revenue				
Retained profits	1,134,142	1,055,203	1,048,577	1,115,823
	2,067,403	1,988,079	1,895,616	1,973,321

(i) Reserve for own shares is included in the financial statements by consolidation of The Gleaner Company Limited Employee Investment Trust (GCLEIT) as it is regarded as a special purpose entity and is required to be consolidated under IFRS 10. The reserve comprises the cost of the company's shares held by the group through the GCLEIT. At December 31, 2014, GCLEIT held 40,810,033 (2013: 27,909,916) 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.

Notes to the Financial Statements (Continued)
December 31, 2014

20. Long-term liabilities

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Bank loan 1- 6.5% [see (a) below]	24,000	30,000	24,000	30,000
Bank loan 2- 7% [see (a) below]	24,000	30,000	24,000	30,000
Bank loan 3- 8% [see (a) below]	24,800	31,000	24,800	31,000
Finance lease obligations [see (b) below]	25,900	38,899	25,900	38,899
	98,700	129,899	98,700	129,899
Less: current portion	(32,774)	(36,365)	(32,774)	(36,365)
	65,926	93,534	65,926	93,534

(a) The loans are repayable over 5 years with total monthly instalments of $1,540,000. The loan is secured by a mortgage on land and buildings and a term deposit of $26 million (see note 11). Loan repayment commenced in January 2014 after a 12 month period on principal moratorium.

(b) Finance lease obligations:

	Group and Company 2014 $'000	Group and Company 2013 $'000
Due from the reporting date as follows:		
Within one year	14,575	22,100
Within two to five years	16,785	24,459
Total future minimum lease payments	31,360	46,559
Less: future interest charges	(5,460)	(7,660)
Present value of minimum lease payments	25,900	38,899

21. Bank overdraft

The bank overdraft for the current year is unsecured. In the prior year, when utilised, it was secured by a deposit of $23 million.

22. Trade and other payables

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Trade payables	161,533	137,634	118,759	101,102
Other payables	305,105	311,527	267,702	256,163
	466,638	449,161	386,461	357,265

Notes to the Financial Statements (Continued)
December 31, 2014

23. Deferred income

This represents subscription revenue received in advance.

24. Revenue

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

	Group		Company	
	2014 $'000	2013 $'000 (Restated)	2014 $'000	2013 $'000 (Restated)
Rendering of services	2,054,114	2,076,452	1,752,780	1,728,304
Sale of goods	1,096,803	1,090,072	933,124	949,213
Investment income	153,356	149,510	153,356	149,510
Other	15,972	22,185	4,969	4,139
	3,320,245	3,338,219	2,844,229	2,831,166

25. Net finance costs

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Interest income on loans	5,631	1,466	5,631	1,466
Interest income on bank deposits	665	718	347	718
Interest income on other investments	-	317	-	-
Finance income	6,296	2,501	5,978	2,184
Finance costs	(35,517)	(25,251)	(27,676)	(24,649)
	(29,221)	(22,750)	(21,698)	(22,465)

26. Profit from operations before taxation

Profit from operations before taxation is stated after charging:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Directors' emoluments:				
Fees	5,669	5,243	5,170	4,628
Management remuneration (included in staff costs)	33,859	38,240	33,859	38,240
Staff costs (note 35)	1,067,569	1,160,057	926,557	996,911
Auditors' remuneration	11,748	11,617	8,288	7,535
Depreciation	93,817	94,694	77,481	82,467
Amortisation	4,953	2,893	4,953	2,893

Notes to the Financial Statements (Continued)
December 31, 2014

27. Taxation

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

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
(i) Current tax expense:				
Income tax at 25% (2013: 28.75%)	40,759	17,137	38,094	19,208
(i) Deferred tax expense:				
Origination and reversal of timing difference [note 13 (ii)]	2,819	(11,521)	(1,520)	(12,634)
Total taxation charge recognised	43,578	5,616	36,574	6,574

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

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Profit from continuing operations before taxation	224,725	91,458	74,363	70,408
Income tax at 25% (2013: 28.75%)	56,181	26,294	18,591	20,242
Difference between depreciation and tax capital allowance	(18,288)	(158)	(10,812)	(158)
Finance lease payments	6,401	(1,435)	6,401	(1,435)
Tax effect of share of profit from interest in associate	(34,071)	-	-	-
Disallowed expenses and other capital adjustment, net	33,355	(19,085)	22,394	(12,075)
Actual taxation charge	43,578	5,616	36,574	6,574

(c) Taxation recognised in other comprehensive income:

	Group and Company					
	2014			2013		
	Before Tax	Tax benefit	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax on revaluation surplus	-	-	-	-	34,596	34,596
Deferred tax employee benefit obligation	-	(4,350)	(4,350)	-	(325)	(325)
	-	(4,350)	(4,350)	-	34,271	34,271

27. Taxation (continued)

(d) Taxation losses:

As at December 31, 2014, the group has taxation losses, subject to agreement by the Commissioner General Tax Administration Jamaica, of approximately $12,319,000 (2013: $71,793,000) available for relief against future taxable profits. As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised in any one year is restricted to 50% of the current year's taxable profits. A deferred tax asset of $12,700,000 (2013: $13,794,000) in respect of taxation losses of certain companies has not been recognised by the group, as management considers its realisation within the foreseeable future to be uncertain.

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 company of $181,147,000 (2013: $85,842,000) by 1,211,243,827 being the number of stock units in issue at December 31, 2014 (2013: 1,211,243,827) as well as by 1,170,433,794 (2013: 1,183,333,911), being stock units less those held by the GCLEIT [see note (19)].

29. Dividends paid (gross)

An interim revenue distribution of 4.0 cents (2013: 3.5 cents) per stock unit was paid on March 31, 2014, to shareholders on record at close of business on March 4, 2014.

A second interim revenue distribution of 4.0 cents (2013: 3.5 cents) per stock unit was paid on October 31, 2014, to shareholders on record at the close of business on March 4, 2014.

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Ordinary dividends:				
First interim paid in respect of 2014: 4¢ (2013: 3.5¢) per stock unit - gross	48,450	42,394	48,450	42,394
Second interim paid in respect of 2014: 4¢ (2013: 3.5¢) per stock unit - gross	48,450	42,393	48,450	42,393
	96,900	84,787	96,900	84,787
Dividends paid to GCLEIT	(2,827)	(881)	-	-
	94,073	83,906	96,900	84,787

Notes to the Financial Statements (Continued)
December 31, 2014

30. Share-based payment arrangement

A share option scheme is operated by the 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:

	2014		2013	
	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	11,110,000
Granted during the year	0.35	3,410,000	-	-
Outstanding at end of the year	1.54	14,520,000	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 historical average share price volatility. The inputs used in the measurement of the fair values at grant date were as follows:

	2014		2013		
	Staff	Executive and senior staff	Staff	Executive and senior staff	
	Single tranche	Tranche 1	Single tranche	Tranche 1	Tranche 2
Fair value at grant date	0.05	0.14	0.71	0.41	0.58
Share price at grant date	1.05	1.05	1.31	1.31	1.31
Exercise price	1.00	1.00	1.19	1.19	1.19
Expected volatility	0.35	0.35	0.69	0.69	0.69
Option life (expected weighted average life)	0.35	0.14	.85	0.80	1.80
Risk-free interest rate	7.69%	9.69%	9.91%	9.91%	9.91%

The expense recognised in profit or loss in respect of share-based payment awards as at December 31, 2014 amounted to $288,000 (2013: $Nil).

31. Segment reporting

The group has two reportable segments which are media service and investment. Media service includes the print and electronic media businesses as well as radio broadcasting. Investment comprises investment income, net of directly attributable cost for investing activities. 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 2014 or 2013.

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.

Notes to the Financial Statements (Continued)
December 31, 2014

31. Segment reporting (continued)

(a) Business segments:

	Media service		Investment		Other		Total	
	2014 $'000	2013 $'000 Restated*	2014 $'000	2013 $'000 Restated*	2014 $'000	2013 $'000	2014 $'000	2013 $'000
External revenues	3,100,141	3,195,395	153,356	149,510	66,748	36,314	3,320,245	3,338,219
Segment profit/(loss) before taxation	(56,985)	(33,055)	143,889	144,259	137,821	(20,746)	224,725	91,458
Finance income	5,978	2,184	-	-	318	317	6,296	2,501
Finance costs	(35,486)	(25,223)	-	-	(31)	(28)	(35,517)	(25,251)
Share of profit from interest in associate, net of tax	-	-	-	-	136,189	-	136,189	-
Depreciation and amortisation	98,766	97,585	-	-	4	2	98,770	97,587
Reportable segment assets	2,107,400	1,928,179	1,590,279	1,636,772	42,937	89,394	3,740,616	3,654,336
Reportable segment liabilities	1,032,240	997,170	-	-	31,313	63,465	1,063,553	1,060,635
Capital expenditure	62,166	217,051	-	-	-	-	62,166	217,051

(b) Geographical segments:

	Jamaica		Overseas**		Total	
	2014 $'000	2013 $'000 Restated*	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Revenue from external customers	3,084,046	3,040,156	236,199	298,063	3,320,245	3,338,219
Non-current segment assets	2,050,958	1,913,604	12,547	15,176	2,063,505	1,928,780

* Restated [see note 3(p)]
** 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.

Notes to the Financial Statements (Continued)
December 31, 2014

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 98% 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% of the balance relates to customers that have a good track record with the group.

The allowance for impairment in respect of accounts receivables is recognised, unless the group is satisfied that no recovery of the amount owing is possible. At that point, the amounts considered irrecoverable are written off against 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	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Domestic	365,541	384,761	348,104	352,660
Overseas	19,600	22,811	-	-
	385,141	407,572	348,104	352,660

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

(b) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will 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 an overdraft facility of J$23 million.

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

Notes to the Financial Statements (Continued)
December 31, 2014

32. Financial risk management (continued)

(b) Liquidity risk (continued)

	Group 2014					
	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	98,700	98,920	24,730	24,730	49,460	-
Trade and other payables	466,638	466,638	466,638	-	-	-
Bank overdraft	1,046	1,046	1,046	-	-	-
	566,384	566,604	492,414	24,730	49,460	-

	Group 2013					
	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	129,899	132,357	33,437	24,730	74,190	-
Trade and other payables	449,161	449,161	449,161	-	-	-
Bank overdraft	5,327	5,327	5,327	-	-	-
	584,387	586,845	487,925	24,730	74,190	-

	Company 2014				
	Carrying amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000
Long - term liabilities	98,700	98,920	24,730	24,730	49,460
Trade and other payables	386,461	386,461	386,461	-	-
	485,161	485,381	411,191	24,730	49,460

	Company 2013				
	Carrying amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000
Long - term liabilities	129,899	132,357	33,437	24,730	74,190
Trade and other payables	357,264	357,264	357,264	-	-
Bank overdraft	2,850	2,850	2,850	-	-
	490,013	492,471	393,551	24,730	74,190

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					
	2014			2013		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	4,181	-	-	4,005	-	-
Trade and other receivables	-	38	115	-	108	109
Securities purchased under resale agreements	15	-	-	89	-	-
Trade payables	(1,024)	(140)	(72)	(906)	(167)	(94)
Cash and cash equivalents	90	16	135	574	9	153
Net exposure	(3,262)	(86)	178	3,762	(50)	168

	Company					
	2014			2013		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	4,181	-	-	4,005	-	-
Trade payables	(1,024)	(2)	-	(906)	(1)	-
Securities purchased under resale agreements	15	-	-	89	-	-
Cash and cash equivalents	90	1	-	574	1	-
Net exposure	3,262	(1)	-	3,762	-	-

Notes to the Financial Statements (Continued)
December 31, 2014

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 2013.

Group 2014

		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	-	37,226	1	-	(3,723)
GBP	10	-	(1,513)	1	-	151
CAD	10	-	1,715	1	-	(171)

Group 2013

		Increase			Decrease	
Currency	% weakening	effect on equity $'000	effect on profit/loss $'000	% strengthening	effect on equity $'000	effect on profit/loss $'000
USD	15	1,925	57,126	1	(128)	(3,808)
GBP	15	-	1,293	1	-	(86)
CAD	15	-	2,501	1	-	(167)

Company 2014

		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	-	37,226	1	-	(3,723)
GBP	10	-	(18)	1	-	2

Company 2013

		Increase			Decrease	
Currency	% weakening	effect on equity $'000	effect on profit/loss $'000	% strengthening	effect on equity $'000	effect on profit/loss $'000
USD	15	1,925	57,125	1	(128)	(3,808)

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	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	667,664	446,312	667,664	552,942
Financial liabilities	(98,700)	(129,899)	(98,700)	(129,899)
	568,964	316,413	568,964	423,043

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 100 (2013: An increase of 200 or decrease of 50) basis points in interest rates at the reporting date would have increased equity by $14,224,000 or decrease by $5,690,000 (2013: increase of $18,343,000 or a decrease of $8,839,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2013.

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 other foreign stock exchanges 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 and other foreign stock exchanges. A 10% (2013: 10%) increase or decline in the JSE All Jamaica Composite index at the reporting date would have increased/decreased equity by $13,589 thousand (2013: $9,495,000).

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.

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.

Available-for-sale financial assets include Government of Jamaica instrument, quoted equities and unquoted equities.

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 nature.

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.

Basis for determining fair values

Quoted equities are valued using the quoted market bid prices listed on the Jamaica Stock Exchange and other foreign stock exchanges at the reporting date.

Government of Jamaica securities 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).

Notes to the Financial Statements (Continued)
December 31, 2014

32. Financial risk management (continued)

(d) Fair values (continued)

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group

	2014							
	Carrying amounts				Fair values			
	Loan and receivables $'000	Available for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Investment securities	-	586,900	-	586,900	113,066	473,834	-	586,900
Financial assets not measured at fair value:								
Investments	64,431	22,820	-	87,251				
Pension receivable	942,226	-	-	942,226				
Long-term receivables	10,327	-	-	10,327				
Cash and cash equivalents	54,585	-	-	54,585				
Securities purchased under resale agreements	1,742	-	-	1,742				
Trade and other receivable	472,042	-	-	472,042				
	1,535,353	22,820	-	1,568,173				
Financial liabilities not measured at fair value:								
Long term liabilities	-	-	98,700	98,700				
Bank overdraft	-	-	1,046	1,046				
Trade and other payables	-	-	466,638	466,638				
	-	-	566,384	566,384				

Notes to the Financial Statements (Continued)
December 31, 2014

32. Financial risk management (continued)

(d) Fair values (continued)

Accounting classifications and fair values (continued)

Group (continued)

	2013							
	Carrying amounts				Fair values			
	Loan and receivables $'000	Available -for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Investment securities	-	541,258	-	541,258	94,946	446,312	-	541,258
Financial assets not measured at fair value:								
Investments	76,340	22,820	-	99,160				
Pension receivable	1,015,574	-	-	1,015,574				
Long-term receivables	6,317			6,317				
Cash and cash equivalents	91,623	-	-	91,623				
Securities purchased under resale agreements	9,780	-	-	9,780				
Trade and other receivable	490,638	-	-	490,638				
	1,690,272	22,820	-	1,713,092				
Financial liabilities not measured at fair value:								
Long term liabilities	-	-	129,899	129,899				
Bank overdraft	-	-	5,327	5,327				
Trade and other payables	-	-	449,161	449,161				
	-	-	584,387	584,387				

Notes to the Financial Statements (Continued)
December 31, 2014

32. Financial risk management (continued)

(d) Fair values (continued)

Accounting classifications and fair values (continued)

Company

	2014							
	Carrying amounts				Fair values			
	Loan and receivables $'000	Available for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Investment securities	-	586,900	-	586,900	113,066	473,834	-	586,900
Financial assets not measured at fair value:								
Investment securities	59,403	22,820	-	82,223				
Pension receivable	942,226	-	-	942,226				
Long-term receivables	72,308	-	-	72,308				
Cash and cash equivalents	29,721	-	-	29,721				
Securities purchased under resale agreements	1,742	-	-	1,742				
Trade and other receivable	401,888	-	-	401,888				
	1,507,288	22,820	-	1,530,108				
Financial liabilities not measured at fair value:								
Long term liabilities	-	-	98,700	98,700				
Trade and other payables	-	-	386,461	386,461				
	-	-	485,161	485,161				

Notes to the Financial Statements (Continued)
December 31, 2014

32. Financial risk management (continued)

(d) Fair values (continued)

Accounting classifications and fair values (continued)

Company

	2013							
	Carrying amounts				Fair values			
	Loan and receivables $'000	Available for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Investment securities	-	541,258	-	541,258	94,946	446,312	-	541,258
Financial assets not measured at fair value:								
Investment securities	71,312	22,820	-	94,132				
Pension receivable	1,015,574	-	-	1,015,574				
Long-term receivables	80,631	-	-	80,631				
Cash and cash equivalents	70,035	-	-	70,035				
Securities purchased under resale agreements	9,780	-	-	9,780				
Trade and other receivable	456,248	-	-	456,248				
	1,703,580	22,820	-	1,726,400				
Financial liabilities not measured at fair value:								
Long term liabilities	-	-	129,899	129,899				
Bank overdraft	-	-	2,850	2,850				
Trade and other payables	-	-	357,265	357,265				
	-	-	490,014	490,014				

32. Financial risk management (continued)

(e) Capital management

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

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

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

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

The key management personnel compensation is as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Short-term employee benefits	208,837	239,999	188,708	205,123
Post- employment benefits	7,779	7,935	7,779	7,935
	216,616	247,934	196,487	213,058

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Long-term receivable:				
Subsidiary	-	-	60,403	80,630
Trade and other receivables:				
Subsidiaries	-	56,756	105,898	210,286
Associated companies	-	1,436	-	1,436
Trade and other payables:				
Subsidiaries	-	-	-	2,356
Associates	-	-	-	689

33. Related parties (continued)

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

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Revenue:				
Subsidiaries	-	-	28,964	6,653
Other operating income:				
Subsidiaries	-	-	6,000	61,398
Key management personnel	-	1,729	-	1,729
Cost of sales:				
Subsidiaries	-	-	-	7,446
Administration expenses:				
Subsidiaries	-	-	29,270	18,985
Other subsidiary operating expense	-	-	75,754	75,367
Finance income:				
Subsidiaries	-	-	3,658	-

34. Authorised capital expenditure

	Group and Company	
	2014 $'000	2013 $'000
Capital expenditure authorised and contracted for	3,928	12,849

35 Staff costs

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Salaries and wages	720,267	779,442	594,613	634,226
Statutory contributions	78,586	81,633	69,613	71,095
Other staff costs	268,030	268,195	262,331	260,803
Redundancy costs	686	30,787	-	30,787
	1,067,569	1,160,057	926,557	996,911

36. Libel cases

Provisions made in the financial statements as at December 31, 2014, are considered adequate to cover all reasonable and probable judgements and costs for libel actions against the group and company.

Notes to the Financial Statements (Continued)
December 31, 2014

37. Contingent liabilities

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

38. Subsequent event

On January 30, 2015, the group acquired an additional 75,000 shares in Jamaica Joint Venture Investment Company Limited for US$462,500; thereby increasing its shareholding from 33⅓ to 50%.

Financial Summary 2010 – 2014

	2014 $'000	2013 $'000	2012 $'000	2011 $'000	2010 $'000
Turnover	3,320,245	3,338,219 *	3,194,665	3,178,900	3,187,725
Group profit before taxation	224,725	91,458	86,885	123,973	620,535
Taxation (charge)/credit	(43,578)	(5,616)	46,647	(13,690)	(189,836)
Minority interest	-	-	-	-	1,146
Profit attributable to Gleaner's stockholders	181,147	85,842	133,532	110,283	431,845
Ordinary stockholders' funds:					
Share capital	605,622	605,622	605,622	605,622	605,622
Reserves	2,067,403	1,988,079	1,765,148	1,680,147	1,851,333
	2,673,025	2,593,701	2,370,770	2,285,769	2,456,955
Long-term liabilities	65,926	93,534	99,001	26,529	40,534
Employee benefit obligation	87,000	66,300	118,300	118,300	120,900
Deferred tax liabilities	333,036	338,906	317,275	516,323	506,501
Total funds employed	3,158,987	3,092,441	2,905,346	2,946,921	3,124,890
Represented by:					
Long-term receivable	10,327	6,317	4,735	18,788	42,910
Other non-current assets and investments	2,053,178	1,922,464	1,566,031	1,327,720	1,148,701
Working capital	1,095,482	1,163,660	1,334,580	1,600,413	1,933,279
	3,158,987	3,092,441	2,905,346	2,946,921	3,124,890
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]	14.96¢	7.09¢	11.02¢	9.78¢	35.65¢
Stockholders' fund per stock unit [see note (i) below]	228.38¢	212.87¢	194.58¢	188.04¢	202.85¢
Dividends per stock unit [see note (ii) below]	8.04¢	7.17¢	8.34¢	28.28¢	6.95¢
Exchange rates ruling at the reporting date were:					
UK one Pound to J$1	175.97	173.56	152.64	134.44	133.74
US$1 to J$1	114.12	105.72	92.14	86.60	85.86
Can$1 to J$1	96.34	98.99	93.01	84.20	85.34

(i) The calculation of earnings per stock unit and stockholders' funds per stock unit is based on (loss)/profit after taxation attributable to Gleaner's 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 1,170,443,000 (2013: 1,183,333,911) stock units in issue, less stock units held by GCLEIT at December 31, 2014.

* Reclassified to conform with current year's presentation.

DECLARATION OF NUMBER OF STOCK UNITS OWNED BY DIRECTORS, OFFICERS & CONNECTED PERSONS AS AT DECEMBER 31, 2014

Name	Personal Shareholding	Shareholding of Connected Persons
Oliver F. Clarke	65,317,720	368,739,880
Gerald C. Lalor	461,858	
John J. Issa	-	23,374,832
Christopher S. Roberts	4,934,412	
Joseph M. Matalon	23,572,020	68,669,862
H. Winston R. Dear	-	
Earl Maucker	-	
Carol D. Archer	58,320	
Douglas R. Orane	823,381	230,172
Morin M. Seymour	50,000	
Lisa G. Johnston	3,732	
Christopher Barnes	4,807,000	
Elizabeth (Betty Ann) Jones	-	
Collin R. Bourne	112,465	
Nordia Craig	216,700	
Karin E. Daley-Cooper	2,001,700	
Garfield Grandison	75,652	
Burchell Gibson	500,000	
Newton James	501,700	
L. Anthony O'Gilvie	3,381,031	
Rudolph A. Speid	1,901,700	
Shena Stubbs-Gibson	210,000	
Robin Williams	-	

LIST OF 10 LARGEST BLOCKS OF STOCK UNITS AS AT DECEMBER 31, 2014

1.	Financial and Advisory Services Limited	368,739,880
2.	Pan Caribbean Financial Services A/C 1388842	108,385,283
3.	Kaytak Investments Limited	68,669,862
4.	Oliver F. Clarke	65,317,720
5.	Jamaica National Building Society	46,425,529
6.	Gleaner Co. Ltd. Employees Investment Trust	42,557,798
7.	Medsalco Limited	34,191,867
8.	National Insurance Fund	30,883,010
9.	Sagicor PIF Equity Fund	30,466,002
10.	JN Fund Managers Limited - Investment MGRS	30,000,000

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