The Gleaner Company Limited

Mission Statement

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

COMMITTED TO PROVIDING OUR

CUSTOMERS with quality Products & Service delivered in courteous timely & efficient manner

SHAREHOLDERS with a profitable return on their investment

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

COMMUNITY with corporate citizenship that is socially active & environmentally responsible

SUPPLIERS with a harmonious & mutually beneficial business relationship

INFORMATION

CREDIBILITY

INDEPENDENCE

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LIST OF OFFICERS AND CORPORATE DATA

DIRECTORS

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

HONORARY CHAIRMAN

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

SENIOR MANAGERS AND OFFICERS

Christopher Barnes	-	Deputy Managing Director
Mavis Belasse	-	Information Systems and Editorial Admin. Manager
Collin Bourne	-	Manager-Print, Plant and Distribution Operations
Jennifer Campbell	-	Managing Editor
The Hon. Oliver F. Clarke, O.J.	-	Managing Director
Karin E. Daley-Cooper	-	Manager-Business Development and Marketing
Marlene Davis	-	Manager-Media Integration
Paget deFreitas	-	Editor-Overseas Publications
Mary Dick	-	Training Officer
Burchell Gibson	-	Circulation Manager
Dwayne Gordon	-	Editor, Daily/Weekend Star
Garfield Grandison	-	Editor-in-Chief
John Hudson	-	Company Secretary/Manager-Overseas Business
Errol Knight	-	Manager-Online Media and Information Technology
L. Anthony O'Gilvie	-	Manager-Human Resources and Administration
Ian R. Roxburgh	-	Manager-Special Projects
Rudolph Speid	-	Manager-Group Finance and Procurement
Colin Steer	-	Associate Opinion Editor
Shena Stubbs	-	Senior Legal Advisor

BRANCH OFFICES

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

AUDITORS

KPMG
Chartered Accountants
6 Duke Street, Kingston

REGISTRAR FOR THE COMPANY

NCB JAMAICA (NOMINEES) LTD.
32 Trafalgar Road
Kingston 10

BANKERS

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

ATTORNEYS

DUNNCOX
48 Duke Street
Kingston

THE BANK OF NOVA SCOTIA LIMITED

London & New York

7 North Street
P.O. Box 40
Kingston
Phone: (876) 922-3400
Email: admin@gleanerjm.com
Fax: (876) 922-6297

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Stockholders of the Company will be held at the registered office of the Company, 7 North Street, Kingston, Jamaica, on Thursday, 2010 May 13th at 9.00 a.m. for the following purposes:

1. To receive the Directors' and Auditors' Reports and Audited Financial Statements for the year ended December 31, 2009 and to consider, and if thought fit, pass the following resolution:-

   Resolution 1

   RESOLVED THAT the Directors' and Auditors' Reports and the Audited Financial Statements for the year ended December 31, 2009 be hereby approved and adopted.

2. To re-elect Directors who have retired from office in accordance with Article 93 of the Company's Articles of Incorporation. The Directors namely The Hon. John Issa O.J. and Dr. Carol Archer being eligible have offered themselves for re-election.

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

   Resolution 2

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

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

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

   Resolution 3

   Resolved that the Directors' fees agreed and payable for the year ending December 31, 2010 to all non-executive Directors of the Company be and are hereby approved.

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

Resolution 4

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

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

By Order of the Board
John Hudson
Secretary

April 14, 2010

Note: In accordance with Section 131 of the Companies Act, 2004, a member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him, and such proxy need not also be a member. A proxy form is included at page 87.

Hon. Oliver F. Clarke

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

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

He serves as Chairman of Jamaica National Building Society, NEM Insurance Company (Ja.) Limited and Sangster's Book Stores Ltd. (resigned December 2009). He is a Board Member of a number of companies, including Jamaica Producers Group Limited, Independent Radio Company Limited, PALS Jamaica Limited and the Peace Education Foundation in Miami. He is a member of the Police Service Commission and Police (Civilian Oversight) Authority. Mr. Clarke was President of the Inter American Press Association (1997/1998) and the Private Sector Organisation of Jamaica (2002/2003). He was also inducted into the Hall of Fame of the Private Sector Organisation of Jamaica and received the Americas Award 1990 from the Americas Foundation for the University of the West Indies. In 2006 he received the American Friends of Jamaica International Humanitarian Award. He is a Chartered Accountant and a Justice of the Peace.

Mr. Christopher S. Roberts

J.P, C.A.

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

He serves as a member of other Boards including Independent Radio Company Limited, NEM Insurance Company (Ja.) Limited, KIC Limited, JN Finance Limited, Sangster's Book Stores Ltd. (resigned December 2009) and is a Trustee of the Verley Home. Mr. Roberts is a Chartered Accountant and a Justice of the Peace.

Dr. Douglas R. Orane

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

Director (From May, 1988)

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

Hon. John J. Issa

O.J., C.D., J.P., B.Sc., LL.D. (Hon.),
Director/ Vice Chairman

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

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

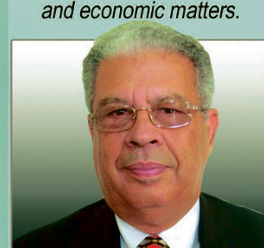
Mr. Joseph M. Matalon

B.Sc (Hons.) Econ.

Director (From October, 1987)

He is Chairman of ICD Group Limited and is Chairman of a number of ICD Group Company boards including CGM Gallagher Group Limited and British Caribbean Insurance Company Limited. Since 2007 he has also served as Chairman of the Development Bank of Jamaica, the Government of Jamaica's principal development finance institution. He also holds directorships on a number of boards including West Indies Home Contractors Limited, WIHCON Properties Limited, Prime Asset Management Limited, Matalon Homes Limited, Margarita Limited and The Tony Thwaites Wing of the University Hospital of the West Indies. Mr. Matalon serves as Honorary Chairman of St. Patrick's Foundation, which supports charitable activities in inner-city communities, is Chairman of the Board of Governors of Hillel Academy in Kingston, Jamaica and was recently appointed to the regional Investment Advisory Committee of the University of the West Indies.

Mr. Matalon was elected President of the Private Sector Organisation of Jamaica (PSOJ) in 2009 and has also served on a number of special national committees established to advise the Government on financial and economic matters.



Mr. H. Winston Dear

J.P, C.L.S

Director (From April 2004)

He retired from the Land Surveyors Firm of Dear Kindness and Partners Limited. Mr. Dear currently serves as Chairman of Windear Limited. He serves as a Director of Marguerittaville Limited. Mr. Dear is Director and Development Consultant of Barnett Estates Limited and Development Consultant at Rose Hall Development Limited. He was a past Commodore of the Montego Bay Yacht Club and a past President of the Montego Bay Chamber of Commerce & Industry.

Mr. Morin M. Seymour

J.P, B.Sc., M.B.A., E.L.M.L

Director (From April, 2000)

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

Dr. Carol D. Archer

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

Director (From December, 2001)

She was appointed Dean of the Faculty of the Built Environment at the University of Technology, January 2006. Prior to her appointment as Dean, she served as Head of School of Building and Land Management from July 2004 and as Programme Director for the Urban and Regional Planning Programme from February 2000 to June 2004. Dr. Archer is also a member of other Boards including Scotia Jamaica Building Society, University Council of Jamaica, Town & Country Planning Authority, National Investment Bank of Jamaica and Water Resources Authority. Dr. Archer has worked as Research Director for the Center for Law and Social Justice at Medgar Evers College of the City University of New York and also as Consultant with the New York City's Municipal Government on issues related to local government reform and inner-city poverty alleviation. She has served as political advisor to New Yorker Una Clarke, the first Jamaican Woman to run for a seat in the United States Congress.

Mrs. Lisa Johnston

B.A., M.A..

Director (From April, 2000)

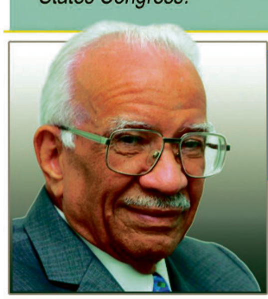
She is the Corporate Affairs Manager at the Jamaica Producers Group Limited and a member of the Jamaica Trade and Adjustment Team in the Ministry of Foreign Affairs and Foreign Trade, as well as of the Trade Policy Committee at the Private Sector Organisation of Jamaica. She also serves as a member of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

Mr. Christopher N. Barnes

B.Sc., M.B.A
Deputy Managing Director.

Deputy Managing Director
(From February, 2008)

He serves on the Board of Independent Radio Company Limited, Ocho Rios Beach Limited, Caribbean New Agency Limited, Caribbean Media Corporation, Gleaner Online Limited, The Gleaner Co. (USA) Ltd., The Gleaner Co. (Can.) Inc., JNO(USA) Ltd. and Sangster's Book Stores Ltd. (resigned December 2009). Prior to joining the Gleaner, he spent 10 years with Montreal-based Alcan Inc. in various international roles including his last as Director, Strategic Initiatives for Alcan's Global pharmaceutical packaging group.



HONORARY CHAIRMAN
Prof. The Hon. Gerald C. Lalor

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

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

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

The Gleaner Company Limited
Established 1834

SENIOR MANAGERS

Hon. Oliver Clarke
O.J., LLD Hon.
Chairman / Managing Director

Marlene Davis
Manager - Media Integration

Anthony O'Gilvie
Manager, Human Resources and Administration

Rudolph Speid
Manager - Group Finance and Procurement

Collin Bourne
Manager - Print Plant and Distribution Operations

Errol Knight
Manager, Online Media and Information Technology

Garfield Grandison
Editor-In-Chief

Newton James
Managing Director, Independent Radio Company Limited

Burchell Gibson
Circulation Manager

Karin Cooper
Manager, Business Development and Marketing

Christopher Barnes
Deputy Managing Director

John Hudson
Company Secretary and Manager, Overseas Business

Ian Roxburgh
Manager - Special Projects

Hon. Usain Bolt, OJ, The Gleaner's Honour Award Man of the Year 2009 celebrates his award with his signature pose.

OGM Integrated Communications again took home The Gleaner's Top Billing Award for their performance in 2009. In the photo are (left to right) The Gleaner's Karin Cooper, OGM's Collin Wheeler , Oral McCook, and Senya Brown, NCB's Sheree Martin, The Gleaner's Nordia Craig and The Hon. Oliver Clarke.

The Gleaner feted it's departing Advertising Manager, Yvonne Senior-Moore (3rd from right) at a function attended by her friends, close associates, managers and board members. Joining in the presentation of this painting to her are (left to right) The Gleaner's Garfield Grandison and Karin Cooper; TVJ's Kay Osborne; The Gleaner's Nordia Craig, Christopher Barnes and Hon. Oliver Clarke; and Robert MacMillan of the AAAJ.

Owayne Rodney of Clarendon won The Gleaner's Children's Own Spelling Bee 2009-2010 competition.

The Gleaner was awarded The Jamaica Committee's Award for Excellence at its annual Pineapple Ball. Among those in attendance were Gleaner Directors (left to right) Winston Dear, Christopher Barnes, Carol Archer (holding the award) and Morin Seymour; Adam Shepard of the Jamaica Committee (right) presented the award.

Several Gleaner managers provided a break for teachers at several schools by using their sessions for motivational activities with students. Here, Burchell Gibson, Circulation Manager, is flanked by students of the McAuley Primary School during his session.

Enjoying a humorous exchange before their Pre-Restaurant Week Dinner at Normaıs on the Terrace are (left to right), Norma Shirley (owner), Stephanie Scott (SSCO), and Karin Cooper and Morin Seymour of The Gleaner Company.

Guest Speaker, Robert Cauthorn (left) internationally renowned media innovator has the close attention of Marlene Davis, Managing Director of Gleaner Online as they await the start of the Gleaner Advertising Seminar Reboot Advertising in 2009.

The Gleaner's Arthur Hall received the Press Association of Jamaica's Journalist of the Year Award in 2009. This was among many awards won by our Editorial staff members in 2009.

The Gleaner continued its sponsorship of the GGAA in 2009. One of the recipients Winston Wright of St. Andrew (right) accepts his award from Governor General Sir Patrick Allen.

Pensioners Cosmo Grant, Patrick Simmonds and Junior Dowie gather for cocktails prior to the start of The Gleaner's Pensioners Luncheon in 2009.

The Gleaner's Deputy Managing Director, Christopher Barnes (right) examines a shirt with Senator Desmond McKenzie, Mayor of Kingston (right), and Minister of National Security Hon. Dwight Nelson (centre) during the Downtown Comes Alive promotion in December.

HON. OLIVER F. CLARKE OJ, JP, LL.D. (Hon)

In 2009, after experiencing its worst financial performance in 2008, your company took the necessary steps to implement changes to its operations resulting in a group after tax profit of approximately $208 Million. The profit of the Group from continuing operations for 2009 improved by over $603 Million when compared to 2008. Trading profit for 2009 was $209M, and showed an improvement of $95M over 2008.

The external challenges of 2008 continued into 2009 with input costs remaining high and revenues holding flat. Your management team and employees stepped up efforts at reducing overhead costs and driving process efficiencies

Further, after a review of its strategic options, the company took the decision to sell Sangster's Book Stores Limited. Your Directors believe that this divestment was the best value option for the company's shareholders as it allows management to focus on improving the core business and exploring other ventures.

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

The 2009 market research shows again that your company's publications continue to command the highest readership in Jamaica while our online products remain dominant and continue to engage a growing local audience and the important diaspora market. Also, the overseas operations improved despite very depressed market conditions.

The Gleaner's credibility in the market remains its key competitive advantage which it will always aggressively protect. Our journalists were again awarded for their excellence having won Journalist of the Year by the Press Association of Jamaica (PAJ), the Fairplay Award for Investigative Journalism, and seven other PAJ awards.

The Gleaner continues to push for modernisation of the libel and defamation laws as we must enhance media's ability to keep a watchful eye on public service activities and contribute to the routing out of corruption crippling our nation.

We are grateful for the support of the advertising agencies who continue to recognise our high service levels and value propositions having awarded your company the Advertising Agencies Association of Jamaica (AAAJ) Media of the Year for 2009. .

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

GOVERNANCE

Directors

The Directors retiring by rotation at this year's Annual General Meeting are: The Hon. John Issa, O.J. (Vice Chairman) and Dr. Carol D. Archer. All have played valuable roles on the Board and, being eligible, offer themselves for re-election.

Audit Committee

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

Auditors

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

Dividends and Stock Prices

The following Interim Ordinary Dividends were paid during 2009:-

Dividends Declared	Amount (cents/stock unit)	Record Date	Payment Date	Amount Paid
1st Interim Revenue	3.5	09.04.09	23.04.09	$42.4M
2nd Interim Revenue	2.0	16.12.09	23.12.09	$24.2M

No final dividend is recommended for the year.

2009 was a challenging year for your company and all indications are that 2010 will be no different as the depressed economic climate persists. Your management continues to assess the performance of the company and seeks to find innovative ways to create and sustain value for all stakeholders. This year's improvement in performance comes with the great effort and commitment of all who work for and support this great company and I would like to place on record the Board's sincere appreciation to the Managers, Officers, Staff, advertisers, readers and all other stakeholders.

ON BEHALF OF THE BOARD OF DIRECTORS

Hon. Oliver F. Clarke, O.J.
Chairman & Managing Director

GROUP FINANCIAL HIGHLIGHTS

J$M (unless otherwise indicated)	2009	2008
Group Revenue	3,274	3,246
Group profit/(loss) after taxation	208	(445)
Net Current Assets	603	634
Capital Assets	1,884	1,882
Other Assets	1,282	1,385
Long-term debt	40	45
Dividends paid	63	81
Year End Share Price (J$/share)	1.16	1.70
Net Worth	2,038	2,044
Net Worth per share	1.67	1.66
ROE (Return on Equity)	10%	(22%)
Number of 50 cents Stock Units Issued (Million Units)	1,211	1,211
Earnings/(loss) per Stock Unit after tax	18¢	(37¢)
Dividends per Stock Unit	5 ¢	7¢

Profit:
The Group made a profit of $208 Million (2008 – Loss of $445 Million). 2009 results included the profit from the discontinued operations of Sangster's Book Stores of $48 Million.

The Group Financial Statements for 2009 were prepared under the International Financial Reporting Standards (IFRS).

Under the IFRS, a portion of the deficit/surplus in the pension scheme is recognised in the Income Statements.

Revenue:
Group Revenue marginally increased in 2009 by $28 Million to $3,274 (2008 - $3,246) Million, an increase of approximately 1%.

Working Capital:
Working capital of $603 Million showed slight reduction over 2008 ($634 Million). Trade and other receivables increased by 37% due to payment terms being extended to the purchaser of Sangster's Book Stores Ltd. Trade payables declined by 9% over the period.

Return on Equity:
Return on Equity in 2009 was 10% vs. (22%) in 2008.

Net Worth:
2009 net worth remained flat (2009: $2,038 Million; 2008: $2,044 Million).

Long-term Debt:
The company remains virtually debt free with long-term debt outstanding at $40 Million (2008: $45 Million). Debt amounts to 2% of capital employed.

TRADING PROFIT

J$M	2009	2008
Trading profit	208.7	14.4
Employee benefit asset	(47.9)	(0.4)
Impairment losses	-	(368.0)
Loss in operation of Gleaner Employees Investment Trust	(59.0)	(26.0)
Restructuring costs	(100.0)	(72.0)
(Profit/Loss) before taxation	**1.8**	**(452.0)**

After adjusting for restructuring expenses and changes to employee benefit asset, the trading profit for the Group was $208.7 Million in 2009, versus $14.4 Million achieved in 2008.

LIQUIDITY AND CAPITAL RESOURCES

J$M (unless otherwise stated)	2009	2008
Cash flows provided by operations (before working capital changes)	51	33
Changes in working capital	(284)	128
Cash flows (used)/provided by operations	(233)	160
Cash flows provided by investing activities	264	43
Cash flows used by financing activities	(55)	(127)
Capital Spending	84	56

Capital Investment:
The Group invested $84 Million, or 50% more, in capital in 2009 vs 2008 ($56 Million). Capital spend includes machinery and equipment, motor vehicles, and press and computer equipment.

Cash Flow:
Cash Flow of $206 Million showed 26% improvement over 2008 ($163 Million). More efficient working capital management contributed to the improvement.

KEY STATISTICS

	2009	2008
US$/J$	90	80
CDN$/J$	85	66
GBP/J$	144	117
Inflation %	11	13
Average Newsprint Price ($/ton)	573	647

Exchange Rates:
The various exchange rates increased over the prior year as follows: -

- US$ - 12½%
- CA$ - 29%
- UK£ - 23%

Newsprint Prices:
Newsprint price decreased by 11.5% compared to 2008. This combined with improved efficiencies led to lower associated costs.

SUBSIDIARY COMPANIES

Overseas Companies
The carryover of benefits from restructuring efforts of 2008 allowed the overseas companies to turn profits in 2009. The environment continues to be challenging as many newspapers in these markets are competing heavily for advertising and circulation revenue.

The aim for 2010 is to continue efforts to engage the diaspora with our products to grow circulation and advertising spend in print while increasing promotion of our popular online products.

Independent Radio Company Limited (IRC) – Power 106 FM, and Music 99 FM
2009 was a challenging year for radio, as the total advertising available to the market declined.

In this environment IRC achieved a 2.5% increase in gross revenue over the previous year. The station continues to create and market unique products which target specific business sectors. Power 106 FM continues to dominate day-time and night time talk shows with substantial participation from listeners in the diaspora through **www.go-jamaica.com.** Music 99FM continues to occupy the niche space for clean smooth music popular with businesses and store owners as well as easy listening aficionados.

Gleaner Online Limited
Gleaner Online, which celebrated its 13th year of operation on February 16, 2010, continues as the leading news media web site in English speaking Caribbean.

The Gleaner Company's major websites include: -

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

The page views and unique visits for both the Gleaner and Star websites grew by 5% and 26% respectively. Unique visits to **www.go-jamaica.com** grew by 23% during 2009.

2009 saw increased use of social media (eg. Facebook, Twitter) and emails to deliver breaking news updates.

The redesign of the www.jamaica-gleaner.com website continued through the year and was relaunched in February 2010 with favourable response.

Property Companies
The property companies recorded another profitable year in 2009.

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

Jamaica Joint Venture Investment Company Limited, through its two subsidiaries, Manhart Properties Limited and City Properties Limited, owns properties at No. 34 and 40 Duke Street in Kingston. These properties are rented to third parties.

MARKET RESEARCH

The Gleaner Company's products remain dominant in the market, based on the readership results of both the all media market research survey conducted by Market Research Services Limited and Johnson Research Survey Limited All-Print Media Survey.

Each year's research results are used to inform our advertising clients and agencies, confirm existing and develop new strategies to stay ahead of the competition, and to satisfy our readers' news and information needs.

The Sunday Gleaner and The Daily Gleaner[1]
The Sunday Gleaner continues as the highest read newspaper with over 640,000 readers, of which 437,000 are unique readers. These numbers exceed its nearest competitor's by more than a three-to-one margin. The Daily Gleaner leads the morning with readership levels ranging between 13% and 30% higher than its closest competitor each day. Of note is the remarkable 21% growth in the readership of The Saturday Gleaner following design and content changes stimulated by the 2008 survey results.

The Gleaner remains the:

- most credible newspaper among readers
- preferred source for advertising information
- newspaper of choice when readers are making buying decisions
- newspaper that most readers associate the most with their lifestyle

Youth Market[1]
The Gleaner (189,000 readers), The Star (338,000 readers) and Youthlink (137,000 readers) together dominate the youth market (14-17, 18-24 and 25-34 age groups). This is 73% higher than our nearest competitor, which has 176,000 readers in these categories. The Children's Own remains dominant in the children's newspaper category with 1,115,000 readers, of which 340,000 are adults who read no other newspaper. This is suggestive of an untapped consumer market for advertisers to exploit.

The Star[1]
The Star publication remains the master of the afternoon tabloids, dominating the market far beyond any competitor with over 250,000 readers Mondays to Thursdays and Saturdays. On Fridays over 438,000 persons read The Weekend Star. This publication's readership continues to grow. The great readership is being noticed which was evidenced by 21% increase in advertising revenue in 2009. The Star continues to provide news and features which are highly popular amongst readers.

[1] Johnson Research Survey Limited All-print Media Market Research 2009

The Gleaner Online[1]
www.jamaica-gleaner.com is the most visited local website in Jamaica. Hi5 and Facebook (international websites) are the only sites visited more often than www.jamaica-gleaner.com. The www.go-jamaica.com and www.jamaica-star.com websites are 6th and 8th place respectively. A total of 280,000 persons visit at least one of The Gleaner Company's four Jamaican websites each month. Overall, an increasing number of persons are using the internet as their main source for news and information.

Using Research to Shape our Content
Every year we conduct a "Jobs to be done Survey". The survey revealed that readers want to keep informed about the state of the nation's security; jobs and the unemployment figures; the economy, the poor, and taxes. They also want more positive news; career, education, entertainment, and community news. As a result, increased focus was placed on these areas by the Editorial Department.

The Gleaner Company is committed to providing quality products and services to satisfy the needs of its readers and advertisers. Market research will continue to be used to ensure that we keep abreast of market trends and expectations, and respond appropriately.

EDITORIAL COVERAGE
The Gleaner Company Ltd.'s newspapers remain the publications of choice among Jamaicans and we have continued to build on a strong reputation.

Editorially, your news team's coverage of Parliament, the Budget Debate and other national events was exceptional. The team investigated and broke major stories of corruption and negligence. We reported on major tragedies, with high sensitivity, and creatively and accurately told stories of triumphs of the ordinary Jamaican people that warmed the hearts of many readers.

In early 2009 our reporters ventured into the deep rural countryside and produced a powerful human-interest series that dominated the front pages and lifted the spirits of Jamaicans, both here and abroad.

Our Editors' fora continue to highlight issues of interest for specialist groups on topical issues The Gleaner Company's products remain the most credible sources for information; a characteristic we hold dear. We will continue to strive to be the best source of news locally.

We have used information from our annually conducted surveys to improve on content for our publications. For example, the introduction of important features such as the Immigration Corner and a new Lifestyle section in the Tuesday Gleaner has increased reader interest in that publication

We have also continued to reap success from our annual niche products such as Positive Parenting, Top of the Class and Education 2020.

The year ended on a high note with senior reporter Arthur Hall being declared Journalist of the Year by the Press Association of Jamaica (PAJ). Reporter Tyrone Reid won the Fairplay Award for Investigative Journalism and the team copped seven PAJ awards across varying fields.

[1] Johnson Research Survey Limited All-print Media Market Research 2009

LIBEL CASES & LIBEL REFORM

In 2009, three lawsuits were filed against the company and four claims were settled amicably out of court. Your company also trains it journalists through libel seminars held by the legal department and strictly enforces its code of ethics.

The Joint Select Committee of Parliament considering the Report on the Review of the Defamation Law held a series of meetings at Gordon House, Duke Street, Kingston in 2009.

There were some major concessions made despite consensus not being achieved on all the amendments which were placed before The Joint Select Committee of Parliament.

Your Company is however deeply concerned that the most important amendments, which are designed to ensure greater press freedom and strengthen the ability to root out corruption, have not been implemented during the year. We will however continue in 2010 to ensure that the amendments to the law remain a priority of the parliamentary agenda.

OTHER PRODUCTS AND SERVICES

Gleaner Archives

The Gleaner Archives is an online database containing more than 970,000 historical newspaper pages from The Gleaner newspaper. The full-page newspapers, dating back to 1834, are added to the site three months after publication and are searchable by keyword and date, making it easy for subscribers to quickly explore historical content. This database allows subscribers to gain a local perspective on historical news, to research family history or to simply read about persons or events of interest.

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

The Jamaica Directory of Personalities

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

There continues to be much support for and interest in this publication and work has now begun on the new 2010-2011 (10th) edition.

Black Pages

The 2009-2010 Black Pages Directory published by our Canadian Company was once again produced successfully and profitably. The 160 page directory is a resource guide created to help users find products and services within Canada's Black and Caribbean communities in the Greater Toronto area and Hamilton Ontario. The directory is also available online at **www.blackpages.ca.**

GSAT Workbook Project

This project continues successfully. All five titles (Mathematics, Language Arts, Communication Tasks, Science and Social Studies) in the series will be revised during 2010. Each book comes with answers to the various exercises and tests presented.

CSEC Revision Guide Project
During the year, your Company through its subsidiary Selectco Publications Limited published three textbooks in the Youthlink Magazine CSEC Revision Guide series. They are English Language, Caribbean History and Social Studies. Mathematics will be published in 2010.

The material for these books is compiled from lessons published in the Youthlink Magazine over many years and the books are geared to assist students preparing for the Caribbean Secondary Education Certificate (CSEC) examination in the various subject areas.

PALS Jamaica 2009
The Company as one of the founders of PALS continues to support the organisation with media placement/exposure and assists with administrative costs.

The highlight of 2009 for PALS was the signing of a Memorandum of Understanding with the Ministry of Education, Youth, and Culture. The main emphases were to assist schools with improving safety through the establishment of a crisis management programme, the operationalising of crisis-response teams and the development of handbooks with comprehensive code of conducts for parents, students and teachers. This programme was rolled out in 115 schools across eight parishes.

Additional activities included needs-based training of students and teachers in programmes ranging from self-esteem building, anger management and conflict resolution, to classroom management and behaviour modification.

Despite the success in 2009, PALS remains financially challenged. The organisation continues to rely heavily on support of media and funding from the private sector and the government. It is hoped that this support will be increased in 2010 to ensure the sustainability of this great work so important to Jamaica.

GLEANER OUTREACH

The Gleaner Honour Awards is the Company's annual flagship event programme that recognises individuals and organisations having contributed significantly to improving Jamaica's quality of life.

The format of the awards was changed in 2009 to accommodate four small lunches in October and one Gala Luncheon on November 18. This change achieved the aims of facilitating greater interaction between the award recipients and your company, and increased the coverage given to the awards.

The Hon. Usain Bolt, OJ received the **Man of the Year award for 2009**. The category winners were:

CATEGORY	RECIPIENT
Arts & Culture	Jamaica Cultural Development Commission
Sports	Hon. Usain Bolt, O.J.
Special Award	Mrs. Bridgette Foster-Hylton
Business	The Jamaica Broilers Group
Science & Technology	Prof. Helen Asemota
Health & Wellness	No Award
Education	Prof. the Hon. Gordon Shirley, O.J.
Public Service	Airports Authority of Jamaica
Entertainment	Digicel Rising Stars
Voluntary Service	Shaggy Make A Difference Foundation
Youth Recipients	**Shari-Jo Miller** – The Gleaner's Children's Own Spelling Bee Champion; **Dr. Claudine DeSouza -** UWI

Your company continued to support the education sector through:

The Gleaner's Children's Own Spelling Bee which this year celebrated 51 years with the 2009 champion, Shari-Jo Miller who represented Jamaica in the Scripps Spelling Bee in Washington DC.

Owayne Rodney from Clarendon emerged as the Gleaner's Children's Own Spelling Bee National Champion on February 3, 2010.

Spelling Bee GSAT Scholarship Recipients Spelling Bee Luncheon
On July 14, 2009 Spelling Bee Parish Champions Samantha Rhule from the county of Middlesex and Khadejah Stewart from the county of Cornwall were presented with The Gleaner's Children's Own Spelling Bee GSAT County Scholarships.

There was no recipient from the county of Surrey as all champions were already in high school.

Newspaper in Education: Our Newspaper in Education initiative continues to supplement the learning materials of students across the island, with Gleaner publications.

CSEC Seminars
The Gleaner provides face-to-face assistance to students and teachers through seminars in Kingston, St. James and Westmoreland each year. Its Youthlink CSEC Seminar is a very popular annual seminar teaching students strategies to earn the best grades on the CSEC examination. In the pre-Easter week of each year, graders of these regional examinations are used to give the students the highest level of exposure and the best opportunity to succeed at the examination. Thousands of students and scores of teachers have benefited free of cost from this programme so far.

Teachers' Day
On Teachers' Day, May 6 The Gleaner highlighted its management team's engagement of students in several primary and secondary-level schools as they provided relief for teachers in honour of Teachers' Day.

SPONSORSHIPS

Awards Programmes:
The Governor General's Achievement Award, co-sponsored by The Gleaner Company in association with Jamaica National Building Society, Scotia Jamaica Building Society, Victoria Mutual Building Society and First Caribbean International Building Society, gives recognition to a person from each parish who has secured social and economic mobility in spite of challenging circumstances, and has been involved in community outreach. Youth Awards are given to persons under 35 years old who embody the principles of excellence in various fields of endeavour.

Three county functions were held across the island. The presentation of the pins to the award recipients for 2009 was done by Her Excellency, the Honourable Lady Allen on Wednesday, November 11, 2009.

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

Entertainment Events
In 2009 The Star increased its promotional involvement in the **Digicel Rising Stars** programme. The contestants visited The Gleaner Company and video clips of this were televised over a period of one week on TVJ. An Editors Forum was held with the group and a Star Celebrity Vendor promotion was conducted with the top 3 contestants in Half-Way-Tree.

Other entertainment events sponsored by the company included the **Shaggy & Friends Dare to Care Concert, Dancing Dynamites, Osmosis, Miss Jamaica World, the Ity and Fancy Cat Show, Take Me Away, Jam Reggae Opera Yes**, **and Downtown Carnival.**

Restaurant Week, organised by SSCO in association with The Gleaner, was another successful Gleaner sponsorship in 2009. The event offers discounted dining in restaurants for one week in November of each year and has become an important part of Jamaica's entertainment calendar. For the first time in 2009, restaurants in Montego Bay and Ocho Rios were included in the promotion, necessitating the change of its name from 'Kingston Restaurant Week' to 'Restaurant Week'.

Education and Youth Programmes
Each year, through the **Burger King National Schools Debate**, a number of students are given the opportunity to hone their research, analytical and presentation skills in the annual Burger King National Schools Debates competition. The Gleaner, through its Youthlink magazine, has been a long-standing partner of the programme.

Other Education and Youth programmes supported by The Gleaner Company included the **TVJ All Together Sing Competition, The JLS National Reading Competition, Choices Expo and its Publications, and JTA activities.**

Economic Stimulation
In December The Gleaner Company partnered with the KSAC and other organisations to host '**Christmas in the City: Downtown Kingston Comes Alive'** on December 16. The objective was to stimulate economic activity in Downtown Kingston in response to the reduction in business activity.

Widely promoted and covered by Gleaner properties, this one day event was well received by merchants and shoppers filled the streets in a festive and safe environment. Others have approached The Gleaner Company with an interest in replicating the project.

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

Corporate Awards
The Gleaner Company received the Award for Excellence at the Pineapple Ball, Ritz Carlton Rose Hall in Montego Bay held on October 3, hosted by The Jamaica Committee, a US based not for profit corporation.

Through this award a scholarship will be awarded in The Gleaner's name to a student of the University of the West Indies.

COMMITTED TO EMPLOYEE WELFARE

Human Resources
The Gleaner Company continued to facilitate and encourage employees to participate in skill development and higher education programmes, enabling them to provide the quality service crucial to the company's mission.

In 2009, over one hundred and thirty (130) persons were given the opportunity to improve their competencies by participating in in-house and external training courses. The training interventions focused on improving skill in areas such as basic administration, debt collection, supervisory/coaching, news writing technology and communication skills. We continue to emphasise the importance and benefits of good customer service, with each new employee being exposed to the relevant training during orientation

Participation in the H.E.A.R.T./Trust N.T.A. Trainee programme continued during the year with 12 of these trainees certified in General Administration.

Students at the secondary and tertiary levels were also accommodated for work experience during the year.

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

Among the strategies used to maintain harmonious staff relations and positive work attitude are recognition of our administrative professionals, top performing employees in departments, the company's 'employee of the year' (Journalist Arthur Hall), as well as the hosting of quarterly birthday celebrations and the annual staff party.

With sponsorship from the company, staff members willingly participate in charitable events such as the Jamaica Cancer Society's Relay for Life, GraceKennedy Education Run and Pan Caribbean's Sigma Run.

The Gleaner Superannuation Fund

The Company continued to operate a Contributory Defined Benefit Pension Scheme on behalf of the employees in 2009.

The Company served notice in January 2010 on the Trustees of the Contributory Defined Benefit Pension Fund advising that the Company will cease to contribute and cease deducting contributions from members of the fund from July 15, 2010 and that they should take the necessary steps to wind-up the Fund.

Your company intends to commence making contributions to an approved Defined Contribution Fund and deducting contributions from eligible members of staff with effective from May 1, 2010.

Collective Bargaining

The company and the unions Bustamante Industrial Trade Union and Union of Technical Administrative & Supervisory Personnel, in light of the recession, agreed to a wage 'freeze' for their 157 members for the period March 2009 to February 2010.

All salaries were maintained at rates existing at 2008 and all employees were given one (1) week's pay as a one-time lump sum payment.

Compressed Work Week

A single shift system, comprising of a 40-hour, 4-day work week was implemented in August 2009 for Production employees in an attempt to further improve productivity and efficiency.

Long Service Recognition

In appreciation for and recognition of their service to the company, 21 employees received awards at the annual Long Service awards Luncheon, held on September 21, 2009. Miss Olive Green, received an award for 35 years and Mrs. Margarette Nembhard for 40 years of unbroken service to the company.

Pensioners

The Gleaner Company continues to honour its pensioners, annually, with a luncheon held on March 3, 2009.

KPMG

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INDEPENDENT AUDITORS' REPORT

To the Members of
THE GLEANER COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of The Gleaner Company Limited (company), set out on pages 26 to 83, which comprise the group and company balance sheets as at December 31, 2009, the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and consistently applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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 relating to the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the company'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 company'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 positions of the group and the company as at December 31, 2009, and of the group's and the company's financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional requirements of 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, proper returns have been received for branches not visited by us and the financial statements, which are in agreement with the accounting records and returns, give the information required by the Jamaican Companies Act in the manner so required.

KPMG
Chartered Accountants
Kingston, Jamaica

March 11, 2010

BALANCE SHEETS
December 31, 2009

	NOTES	GROUP		COMPANY	
		2009	2008	2009	2008
		$'000	$'000	$'000	$'000
Assets					
Property, plant and equipment	6	870,550	914,383	755,762	687,895
Intangible assets	7	8,616	-	8,616	-
Employee benefit asset	8(a)	782,900	843,868	782,900	821,700
Long-term receivables	9	70,947	1,278	70,058	270
Interests in subsidiaries	10	-	-	14,482	17,132
Interests in associates	11	150	150	-	-
Investments	12	137,064	116,267	124,393	115,404
Deferred tax assets	20	13,696	6,010	-	-
Total non-current assets		1,883,923	1,881,956	1,756,211	1,642,401
Cash and cash equivalents	13	70,923	106,856	14,192	31,544
Securities purchased under resale agreements	14	135,046	74,447	81,823	4,246
Trade and other receivables	15	819,450	598,609	837,211	640,103
Prepayments		34,339	35,742	33,396	28,890
Taxation recoverable		89,923	99,524	81,106	79,088
Inventories and goods-in-transit	16	132,028	470,190	126,506	164,542
Total current assets		1,281,709	1,385,368	1,174,234	948,413
Total assets		**3,165,632**	**3,267,324**	**2,930,445**	**2,590,814**
Equity					
Share capital	17	605,622	605,622	605,622	605,622
Reserves	18	1,417,546	1,407,376	1,419,666	1,067,379
Total equity attributable to equity holders of the parent		2,023,168	2,012,998	2,025,288	1,673,001
Minority interest		15,292	31,119	-	-
Total equity		2,038,460	2,044,117	2,025,288	1,673,001
Liabilities					
Long-term liabilities	19	40,105	44,636	9,295	13,410
Employee benefit obligation	8(b)	96,200	89,100	96,200	89,100
Deferred tax liabilities	20	312,353	337,624	312,005	313,601
Total non-current liabilities		448,658	471,360	417,500	416,111
Bank overdraft	21	15,744	28,325	15,744	18,012
Trade and other payables	22	606,998	666,016	434,583	443,014
Taxation		4,681	2,572	-	-
Current portion of long-term liabilities	19	7,213	8,650	6,555	8,128
Deferred income	23	43,878	46,284	30,775	32,548
Total current liabilities		678,514	751,847	487,657	501,702
Total liabilities		**1,127,172**	**1,223,207**	**905,157**	**917,813**
Total equity and liabilities		**3,165,632**	**3,267,324**	**2,930,445**	**2,590,814**

The financial statements on pages 2 to 59 were approved for issue by the Board of Directors on March 11, 2010 and signed on its behalf by:

Chairman and Managing Director
Hon. O. F. Clarke, O.J

Deputy Managing Director
Christopher N. Barnes

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

	NOTES	GROUP 2009 $'000	GROUP 2008* $'000 (Restated)	COMPANY 2009 $'000	COMPANY 2008 $'000
Continuing Operations					
Revenue	24	3,274,179	3,246,297	2,703,373	2,738,696
Cost of sales		(1,620,797)	(1,756,782)	(1,392,444)	(1,434,173)
Gross profit		1,653,382	1,489,515	1,310,929	1,304,523
Other operating income		176,513	119,752	231,289	126,956
		1,829,895	1,609,267	1,542,218	1,431,479
Distribution costs		(538,757)	(538,377)	(510,159)	(515,619)
Administrative expenses		(717,628)	(740,742)	(539,722)	(558,308)
Other operating expenses		(538,646)	(453,485)	(508,656)	(487,118)
Pension costs		(93)	(885)	(93)	(97)
		(1,795,124)	(1,733,489)	(1,558,630)	(1,561,142)
Gain on disposal of subsidiary		-	-	351,317	-
Employee benefit asset	8(c)	(39,000)	18,800	(39,000)	18,800
(Loss)/profit from continuing operations	25	**(4,229)**	**(105,422)**	**295,905**	**(110,863)**
Finance income		19,665	29,022	42,704	48,734
Finance cost		(13,614)	(7,031)	(10,113)	(26,435)
Net finance income	26	6,051	21,991	32,591	22,299
Impairment losses	27	-	(367,835)	-	(443,283)
Profit /(loss)from continuing operations before taxation		**1,822**	**(451,266)**	**328,496**	**(531,847)**
Taxation credit	28	158,552	8,886	153,853	18,845
Profit/(loss) from continuing operations		**160,374**	**(442,380)**	**482,349**	**(513,002)**
Discontinued operations					
Profit/(loss) from discontinued operation (net of taxation)	29	47,806	(2,308)	-	-
Profit/(loss) for the year		208,180	(444,688)	482,349	(513,002)
Attributable to:					
Parent company stockholders		224,007	(450,139)		
Minority interest		(15,827)	5,451		
		208,180	(444,688)		
Dealt with in the financial statements of:					
Parent company		482,349	(513,002)		
Subsidiary companies		(258,342)	62,863		
		224,007	(450,139)		
Earnings/(loss) per stock unit:					
Based on stock units in issue	30	18.49¢	(37.16)¢		
Excluding stock units in GCLEIT		19.61¢	(39.54)¢		
Earnings/(loss) per stock unit from continuing operations:					
Based on stock units in issue	30	14.55¢	(36.97)¢		
Excluding stock units in GCLEIT		15.43¢	(39.34)¢		

* Restated (see note 29)

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

GROUP STATEMENT OF COMPREHENSIVE INCOME
December 31, 2009

	Notes	2009 $'000	2008 $'000
Profit/(loss) for the year		208,180	(444,688)
Other comprehensive income/(expense):			
Change in fair value of available-for-sale investments		4,081	(20,536)
Fair value on shares disposed of during the year		-	(88,686)
Transfer of change in fair value of investments to profit/loss		-	10,770
Surplus on revaluation of land and buildings		100,873	138,250
Currency translation differences on foreign subsidiaries		(99,653)	122,996
Taxation on other comprehensive income/(expense)	28(c)	(162,174)	29,554
Other comprehensive (expense)/income for the year, net of taxation		(156,873)	192,348
Total comprehensive income/(expense) for the year		51,307	(252,340)
Dealt with in the financial statements of:			
Parent company		418,905	(462,532)
Subsidiary companies		(367,598)	210,192
		51,307	(252,340)

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME December 31, 2009

	Notes	2009 $'000	2008 $'000
Profit/(loss) for the year		482,349	(513,002)
Other comprehensive income/(expense):			
Change in fair value of available-for-sale investments		4,023	(20,431)
Fair value on shares disposed of during the year		-	(88,686)
Transfer of change in fair value of investments to profit/loss		-	10,770
Surplus on revaluation of land and buildings		84,790	113,953
Taxation on other comprehensive income/(expense)	28(c)	(152,257)	34,864
Other comprehensive (expense)/income for the year, net of taxation		(63,444)	50,470
Total comprehensive income/(expense) for the year		418,905	(462,532)

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

GROUP STATEMENT OF CHANGES IN EQUITY December 31, 2009

	Share capital $'000	Capital reserves $'000	Fair Value reserves $'000	Reserve for own shares $'000	Retained profits $'000	Total $'000	Minority interest $'000	Total equity $'000
Balances at January 1, 2008	605,622	598,868	107,665	(150,375)	1,235,531	2,397,311	27,171	2,424,482
Total comprehensive income/(expense) for the year								
Loss for the year	-	-	-	-	(450,139)	(450,139)	5,451	(444,688)
Other comprehensive income/(expense):								
Change in fair value of investments	-	-	39,022	-	-	39,022	-	39,022
Fair value on shares disposed of during the year	-	-	(88,686)	-	-	(88,686)	-	(88,686)
Surplus on revaluation of land and buildings	-	119,016	-	-	-	119,016	-	119,016
Currency translation differences on foreign subsidiaries	-	122,996	-	-	-	122,996	-	122,996
Other comprehensive income/(expense) for the year, net of taxation	-	242,012	(49,664)	-	-	192,348	-	192,348
Total comprehensive income/(expense) for the year	-	242,012	(49,664)	-	(450,139)	(257,791)	5,451	(252,340)
Transactions with owners, recorded directly in equity								
Dividends (note 31)	-	-	-	-	(79,671)	(79,671)	(1,503)	(81,174)
Own shares acquired by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	(97,095)	-	(97,095)	-	(97,095)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	50,244	-	50,244	-	50,244
Total contributions by and distributions to owners	-	-	-	(46,851)	(79,671)	(126,522)	(1,503)	(128,025)
Balances at December 31, 2008	605,622	840,880	58,001	(197,226)	705,721	2,012,998	31,119	2,044,117
Total comprehensive income/(expense) for the year								
Profit/(loss) for the year	-	-	-	-	224,007	224,007	(15,827)	208,180
Other comprehensive income/(expense) for the year:								
Change in fair value of investments	-	-	(52,109)	-	-	(52,109)	-	(52,109)
Surplus on revaluation of land and buildings	-	(5,111)	-	-	-	(5,111)	-	(5,111)
Currency translation differences on foreign subsidiaries	-	(99,653)	-	-	-	(99,653)	-	(99,653)
Other comprehensive expense for the year, net of taxation	-	(104,764)	(52,109)	-	-	(156,873)	-	(156,873)
Total comprehensive income/(expense) for the year	-	(104,764)	(52,109)	-	224,007	67,134	(15,827)	51,307
Transactions with owners, recorded directly in equity								
Dividends (note 31)	-	-	-	-	(62,768)	(62,768)	-	(62,768)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	5,804	-	5,804	-	5,804
Total distributions to owners	-	-	-	5,804	(62,768)	(56,964)	-	(56,964)
Balances at December 31, 2009	605,622	736,116	5,892	(191,422)	866,960	2,023,168	15,292	2,038,460

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

COMPANY STATEMENT OF CHANGES IN EQUITY December 31, 2009

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Retained profits $'000	Total equity $'000
Balances at January 1, 2008	605,622	412,358	106,712	1,095,628	2,220,320
Total comprehensive income/(expense) for the year					
Loss for the year	-	-	-	(513,002)	(513,002)
Other comprehensive income/(expense):					
Change in fair value of investments	-	-	28,357	-	28,357
Fair value on shares disposed of during the year	-	-	(88,686)	-	(88,686)
Transfer of change in fair value of investments to profit/loss	-	-	10,770	-	10,770
Surplus on revaluation of land and buildings	-	100,029	-	-	100,029
Other comprehensive income/(expense) for the year, net of taxation	-	100,029	(49,559)	-	50,470
Total comprehensive income/(expense) for the year	-	100,029	(49,559)	(513,002)	(462,532)
Transactions with owners, recorded directly in equity					
Dividends (note 31)	-	-	-	(84,787)	(84,787)
Balances at December 31, 2008	605,622	512,387	57,153	497,839	1,673,001
Total comprehensive income/(expense) for the year					
Profit for the year	-	-	-	482,349	482,349
Other comprehensive income/(expense):					
Change in fair value of investments	-	-	(52,167)	-	(52,167)
Surplus on revaluation of land and buildings	-	(11,277)	-	-	(11,277)
Other comprehensive expense for the year, net of taxation	-	(11,277)	(52,167)	-	(63,444)
Total comprehensive income/(expense) for the year	-	(11,277)	(52,167)	482,349	418,905
Transactions with owners, recorded directly in equity					
Dividends (note 31)	-	-	-	(66,618)	(66,618)
Balances at December 31, 2009	605,622	501,110	4,986	913,570	2,025,288

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

STATEMENT OF CASH FLOWS December 31, 2009

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash flows from operating activities				
Profit/(loss) for the year	208,180	(444,688)	482,349	(513,002)
Adjustments to reconcile profit to net cash (used)/provided by operating activities:				
Depreciation	105,701	109,969	69,146	72,598
Amortisation	2,154	-	2,154	-
Deferred taxation, net	(161,823)	(21,126)	(153,853)	(18,845)
Employees benefit asset, net	34,472	(6,889)	45,900	400
Loss/(gain) on disposal of property, plant and equipment	(2,187)	(2,792)	(2,241)	(2,670)
Impairment losses on subsidiaries	-	-	-	443,283
Transfer of change in fair value of investment to profit/loss	-	10,770	-	10,770
Impairment on intangible assets	-	367,835	-	-
Net unrealised exchange losses/(gains)	(99,653)	113,722	-	-
Gain on disposal of investments	-	(87,704)	-	(94,176)
Gain on disposal of subsidiary	(32,563)	-	(351,317)	-
Interest income	(19,665)	(31,515)	(42,704)	(48,734)
Interest expense	13,614	11,821	10,113	26,435
Income tax	3,271	13,327	-	-
	51,501	32,730	59,547	(123,941)
Tax paid	(5,198)	(82,551)	-	(48,386)
Interest paid	(7,994)	(38,438)	(10,113)	(26,435)
Trade and other receivables	(347,695)	159,864	(184,846)	180,660
Prepayments	1,403	(1,492)	(4,506)	(6,385)
Inventories and goods-in-transit	35,071	(34,777)	38,036	(56,677)
Securities purchased under agreements for resale	(98,135)	1,087	(77,577)	(4,246)
Trade and other payables	107,916	127,402	(10,204)	134,654
Deferred income	30,142	(3,571)	-	-
Net cash (used)/provided by operating activities	(232,989)	160,254	(189,663)	49,244
Cash flows from investing activities				
Interest received	18,416	31,358	42,436	47,828
Additions to property, plant and equipment	(83,535)	(56,058)	(52,863)	(38,115)
Proceeds from sale of property, plant and equipment	2,880	6,189	2,880	5,646
Proceeds from sale of subsidiary	353,967	-	353,967	-
Investments	(16,715)	61,945	(4,965)	109,228
Acquisition of intangible asset	(10,770)	-	(10,770)	-
Net cash provided by investing activities	264,243	43,434	330,685	124,587
Cash flows from financing activities				
Long-term receivable	14,130	510	(83,800)	10
Long-term liabilities	(5,968)	(46,199)	(5,688)	(20,321)
Dividends paid	(62,768)	(81,174)	(66,618)	(84,787)
Net cash used by financing activities	(54,606)	(126,863)	(156,106)	(105,098)
Net (decrease)/increase in cash and cash equivalents	(23,352)	76,825	(15,084)	68,733
Cash and cash equivalents at beginning of the year	78,531	1,706	13,532	(55,201)
Cash and cash equivalents at end of the year	55,179	78,531	(1,552)	13,532
Comprised of:				
Cash and bank balances	70,923	106,856	14,192	31,544
Bank overdraft	(15,744)	(28,325)	(15,744)	(18,012)
	55,179	**78,531**	**(1,552)**	**13,532**

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

1. Identification

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

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

		2009	2008
(a)	Sangster's Book Stores Limited and its wholly-owned subsidiary, The Book Shop Limited (note 29)	-	100%
(b)	Popular Printers Limited and its wholly-owned subsidiaries, Creek Investments Limited, Selectco Publications Limited, Associated Enterprise Limited	100%	100%
	Selectco Publications Limited owns 33 1/3% of the shares in Jamaica Joint Venture Investment Company Limited, and 50% of the shares in A Plus Learning Limited		
(c)	Independent Radio Company Limited	65%	65%
(d)	GV Media Group Limited	100%	100%
(e)	The Gleaner Company (Canada) Inc. and its wholly-owned subsidiary, The Gleaner Company (USA) Limited.	100%	100%

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

On January 27, 2009 Selecto Publications Limited obtained control of A Plus Learning Limited, a computer software development company, by acquiring 50% of shares and voting interests in the company. The results of the company are not considered material to these financial statements and have not been consolidated.

The company entered an agreement on December 22, 2009 to dispose of its wholly-owned subsidiary, Sangster's Book Stores Limited and its subsidiary, the Book Shop Limited (see note 29).

2. **Basis of preparation**

(a) Statement of compliance:

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

(b) Basis of measurement:

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

(c) Functional and presentation currency:

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

(d) Use of estimates and judgements:

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

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

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

(i) Pension and other post-retirement benefits:

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

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

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued):

(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.

(iii) Impairment of intangible assets

Impairment of intangible assets is dependent upon management's internal assessment of future cashflows from the cash-generating units that gave rise to the assets. That internal assessment determines the amount recoverable from future use of those units. In addition, the estimate of the amount recoverable from future use of those units is sensitive to the discount rates used. See note 8 for additional information on intangible assets.

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

(e) Basis of consolidation:

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

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

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

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

2. Basis of preparation (continued)

(f) Standards adopted during the year:

The adoption of the following standards and amendments, which became effective during the year, resulted in additional disclosures in the financial statements as described below:

- IFRS 8 *Operating Segments* replaces IAS 14. It requires segment disclosure based on the components of the group that management monitors in making decisions about operating matters, as well as qualitative disclosures on segments. Segments are reportable based on threshold tests related to revenues, results and assets. The additional disclosures are included in note 32.

- Revised IAS 23 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised standard did not have an impact on the revised financial statements.

- Revised IAS 1 *Presentation of Financial Statements* (2007) introduces the term "total comprehensive income", which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The adoption of this standard has led to the inclusion of the statements of comprehensive income at pages 4 and 5.

- Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a *pro rata* share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which become mandatory for the 2009 consolidated financial statements, with retrospective application required, did not have any impact on the group's financial statements.

- Amendment to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 did not have any impact on the group's financial statements.

- Amendments to IFRS 7 *Financial Instruments: Disclosures* requires enhanced disclosures in respect of two aspects: disclosures over fair value measurement relating to financial instruments specifically in relation to disclosures over the inputs used in valuation techniques and the uncertainty associated with such valuations; and improving disclosures over liquidity risk to address current diversity in practice. The group has provided additional disclosures in note 4(d) of these financial statements.

3. Significant accounting policies

(a) Property, plant and equipment:

(i) Owned assets:

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

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

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

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

(ii) Leased assets:

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

(iii) Depreciation:

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

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

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

3. Significant accounting policies (continued)

(b) Intangible assets:

(i) Goodwill:

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired. Goodwill is measured at cost, less accumulated impairment losses.

(ii) Newspaper titles, patents and trademarks:

Newspaper titles, patents and trademarks are stated at cost, less impairment loss, if any. The useful life is estimated to be indefinite (see note 7).

(iii) Other intangibles:

Other intangible assets which have finite useful lives are measured at cost, less accumulated amortisation and accumulated impairment losses.

(c) Employee benefits:

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

(i) Pension obligations:

The group operates both defined-benefit and defined-contribution pension schemes (see note 8); the assets of the schemes are held separately from those of the group.

(a) Defined benefit scheme:

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

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

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

3. Significant accounting policies (continued)

(c) Employee benefits (continued):

(i) Pension obligations (continued):

(a) Defined benefit scheme (continued):

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

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

(b) Defined contribution schemes:

Obligations for contributions to defined contribution plans are recognised as an expense in the income statements as incurred.

(ii) Equity compensation benefits:

A share option scheme is operated by the parent company. Share options are granted to management and employees of the company with more than three years of service. Options are granted at the market price of the shares on the date of the grant and are exercisable at that price. Options are exercisable beginning one year from the date of grant and have a contractual option payment term of five years. The cost of providing this benefit is not recognised in these financial statements as the amounts are not considered material.

(iii) Termination benefits:

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan, without possibility of withdrawal, or provision of termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(iv) Profit-sharing and bonus plans:

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

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

Liabilities for profit sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

3. Significant accounting policies (continued)

(d) Financial instruments:

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

(i) Classification of investments:

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

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

(ii) Measurement:

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

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

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

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

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

[iii] Securities purchased under resale agreements:

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

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

[iv] Investment in subsidiaries:

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

3. Significant accounting policies (continued)

(d) Financial instruments (continued):

(iii) Gains and losses on subsequent measurement:

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

(iv) Derecognition:

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

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

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

(e) Cash and cash equivalents:

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

(f) Trade and other receivables:

These are stated at amortised cost, less impairment losses.

(g) Taxation:

(i) Income tax:

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

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

(ii) Deferred tax

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

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.

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

(h) Inventories:

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

(i) Trade and other payables and provisions:

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

(j) Revenue recognition:

(i) Revenue from the sale of goods and services is recognised in the income statement 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.

(k) Expenses:

(i) Finance costs:

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

(ii) Lease payments:

Payments made under operating leases are recognised in the income statement 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.

3. Significant accounting policies (continued)

(l) Foreign currencies:

Foreign currency balances outstanding at the balance sheet date are translated at the rates of exchange ruling on that date [US$1 = J$89.60 (2008: J$80.47); £1= J$143.55 (2008: J$116.84); Can$1 = J$84.57 (2008: J$65.54). 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 the income statement. For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in the income statement are treated as cash items and included in cash flows from operating or financing activities along with movements in the principal balances.

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

Unrealised gains and losses arising on translation of net stockholders' equity in foreign subsidiaries are taken to equity on the group balance sheet and added or deducted to reflect the underlying group cash flows from operating activities on the group statement of cash flows.

(m) Impairment:

(i) Financial assets:

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

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

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

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

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-

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

(m) Impairment (continued):

(i) Financial assets (cont'd):

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 directly in equity.

(ii) Non-financial assets:

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

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

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

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

(n) Related party balances and transactions:

A party is related to the company if:

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

(ii) the party is an associate of the company;
(iii) the party is a joint venture in which the company is a venturer;
(iv) the party is a member of the key management personnel of the company or its parent;
(v) the party is a close member of the family of any individual referred to in (i) and (iv) above;

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

(n) Related party balances and transactions (continued):

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

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

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

(o) Associated companies:

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

(p) Discontinued operations

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

(q) Segment reporting:

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

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

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

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

3. Significant accounting policies (continued)

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

- *Revised IFRS 3 Business Combinations* becomes effective for annual reporting periods beginning on or after July 1, 2009 and will be applied in the group's 2010 financial statements. The definition of a business combination has been revised and focuses on control. All items of consideration transferred by the acquirer are measured and recognised at fair value as of the acquisition date, including contingent consideration. An acquirer can elect to measure non-controlling interest at fair value at the acquisition date or on a transaction by transaction basis. New disclosure requirements have been introduced. The revisions are not expected to have any significant impact on the financial statements.

- *IAS 27 (Revised) Consolidated and Separate Financial Statements* becomes effective for annual reporting periods beginning on or after July 1, 2009 and will be applied in the group's 2010 financial statements. It requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. It also specifies the accounting when control is lost, requiring that any remaining interest in the entity be re-measured to fair value, and a gain or loss be recognized in profit or loss. The group is assessing the impact the revision will have on the 2010 financial statements.

- *IAS 39 (Amendment), Financial Instruments: Recognition and Measurement* becomes effective for annual reporting periods beginning on or after July 1, 2009. The amendment provided clarification that it is possible for there to be movements into and out of the fair value through profit or loss category where:

  – A derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.

  – Financial assets are reclassified following a change in policy by an insurance company in accordance with IFRS 4.

  The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading has been amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition. There is also the removal of a segment as an example of what may be considered a party external to the reporting entity. When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) is used. The group is assessing the impact the amendment will have on the 2010 financial statements.

- *IFRIC 17, Distribution of Non-Cash Assets to Owners* is effective for annual reporting periods beginning on or after July 1, 2009 and is required to be applied prospectively; earlier application is permitted. IFRIC 17 provides that a dividend payable should be recognised when appropriately authorised and no longer at the entity's discretion. Where an owner has a choice of a dividend of a non-cash asset or cash, the dividend payable is estimated considering both the fair value and probability of the owners selecting each option. The dividend payable is measured at the fair value of the net assets to be distributed. The difference between fair value of the dividend paid and the carrying amount of the net assets distributed is recognised in profit or loss. This interpretation is not expected to have any significant impact on the 2010 financial statements.

3. Significant accounting policies (continued)

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

- *IFRS 9, Financial Instruments,* is effective for annual reporting periods beginning on or after January 1, 2013. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The standard will be applied in the group's 2010 financial statements but it is not expected to have any significant impact on those financial statements.

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

4. Financial risk management

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

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

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

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

(a) Credit risk

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

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

(a) Credit risk (continued)

Trade and other receivables

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

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

More than 98 percent of the group's customers have been transacting with the group for over four years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to the ageing of their debt. Trade and other receivables relate mainly to the group's media service customers.

The group does not require collateral in respect of trade and other receivables.

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 30 days. Ninety-five percent of the balance relates to customers that have a good track record with the group.

The allowance accounts in respect of accounts receivables are used to record impairment losses, unless the group is satisfied that no recovery of the amount owing is possible. At that point, the amounts considered irrecoverable are written off the financial asset directly (see note 15).

Investments, cash and cash equivalents and securities purchased undr 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.

4. Financial risk management (continued)

(a) Credit risk (continued)

Exposure to credit risk

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

The maximum exposure to credit risk at reporting date was:

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash and cash equivalents	70,923	160,856	14,192	31,544
Securities purchased under agreements for resale	135,046	74,447	81,823	4,246
Trade and other receivables	819,450	598,609	837,211	640,103
Long-term receivables	84,959	-	84,069	-
Investments	49,877	62,568	49,877	55,045
	1,160,255	896,480	1,067,172	730,938

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

	Group Carrying Amount		Company Carrying Amount	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Domestic	398,120	474,738	480,019	582,607
Overseas	29,377	32,694	-	-
	427,497	507,432	480,019	582,607

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

	Group Carrying Amount	
	2009 $'000	2008 $'000
Media service	427,312	456,683
Books and stationery	-	44,748
Other	185	6,001
	427,497	507,432

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

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

(b) Liquidity risk

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

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

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

	Group					
	2009					
	Carrying Amount $'000	**Contractual cash flows $'000**	**1 yr or less $'000**	**1-2 yrs $'000**	**2-5 yrs $'000**	**More than 5 yrs $'000**
Long –term liabilities	47,318	110,954	11,612	1,907	35,255	62,180
Trade and other payables	606,998	606,998	606,998	-	-	-
Bank overdraft	15,744	15,744	15,744	-	-	-
	670,060	733,696	634,354	1,907	35,255	62,180

	Group					
	2008					
	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	53,286	120,830	13,453	21,852	17,268	68,257
Trade and other payables	666,016	666,016	666,016	-	-	-
Bank overdraft	28,325	28,325	28,325	-	-	-
	747,627	815,171	707,794	21,852	17,268	68,257

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

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

(b) Liquidity risk (continued)

	Company 2008					
	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	21,538	27,065	8,171	1,626	17,268	-
Trade and other payables	443,014	443,014	443,014	-	-	-
Bank overdraft	18,012	18,012	18,012	-	-	-
	482,564	488,091	469,197	1,626	17,268	-

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

(c) Market risk

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

(i) Currency risk

The group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of 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					
	2009			2008		
	USD ('000)	**GBP ('000)**	**CAD ('000)**	**USD ('000)**	**GBP ('000)**	**CAD ('000)**
Investments	546	-	-	680	-	115
Trade and other receivables	-	256	171	-	192	62
Securities purchased under resale agreement	978	-	-	108	-	-
Trade payables	(1,362)	(542)	(201)	(2,743)	(676)	(191)
Cash and cash equivalents	116	16	220	99	31	311
Net exposure	278	(270)	190	(1,856)	(453)	297

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

(c) Market risk (continued)

(i) Currency risk (continued)

	Company					
	2009			2008		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	541	-	-	680	-	-
Trade payables	(1,362)	(126)	-	(2,195)	(1)	-
Securities purchased under resale agreement	866	-	-	-	-	-
Cash and cash equivalents	116	7	-	99	-	-
Net exposure	161	(119)	-	(1,416)	(1)	-

Sensitivity analysis

A strengthening/weakening of the Jamaica dollar against the following currencies at December 31 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

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

Group 2008		Increase			Decrease	
Currency	% weakening	effect on equity $'000	effect on profit/loss $'000	% strengthening	effect on equity $'000	effect on profit/loss $'000
USD	9.00	4,925	(18,367)	3.00	1,095	6,122
GBP	9.00	-	(4,763)	3.00	-	1,588
CAD	9.00	-	-	3.00	-	(584)

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

(c) Market risk (continued)

(i) Currency risk (continued)

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

Company 2008						
		Increase			Decrease	
Currency	% weakening	effect on equity $'000	effect on profit/loss $'000	% strengthening	effect on equity $'000	effect on profit/loss $'000
USD	9.00	4,925	(15,180)	3.00	-	5,060
GBP	9.00	-	(11)	3.00	-	4

(ii) Interest rate risk

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

Profile

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

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Fixed rate instruments				
Financial assets	184,434	136,624	131,211	58,802
Financial liabilities	(47,318)	(8,650)	(15,850)	(8,128)
	137,116	127,974	115,361	50,674
Variable rate instruments				
Financial liabilities	(15,744)	(28,325)	(15,744)	(18,012)

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

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments

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

A change of 300 (2008: 300) basis points in interest rates would have increased or decreased equity by $13,056 (2008: $1,122,014).

Cash flow sensitivity analysis for variable rate instruments

A change of 300 (2008: 300) basis points in interest rates at the reporting date would have increased/(decreased) profit by $473,280 (2008: $847,050). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

Equity price risk

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

Sensitivity analysis – equity price risk

Most of the group's equity investments are listed on the Jamaica Stock Exchange. A 20% (2008: 20%) increase or decline in the JSE All Jamaica Composite at the reporting date would have increased /decreased equity by $675,420 (2008: $3,700,440).

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

(d) Fair values

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledge willing parties who are under compulsion to act and is evidenced by a quoted market price, if one exists.

Fair values versus carrying amounts

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

4. Financial risk management (continued)

(d) Fair values (continued)

Fair values versus carrying amounts (continued)

The fair values of current financial assets and liabilities approximate to their carrying amounts shown in the balance sheet due to their short term.

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

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

	2009	2008
Government of Jamaica instrument	10.12%	9.83%

Basis for determining fair values

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

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

Fair value hierarchy

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

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

	Level 1 $'000	Level 2 $'000	Total $'000
Group			
December 31, 2009			
Available-for-sale financial assets	64,415	49,388	113,803
December 31, 2008			
Available-for-sale financial assets	49,230	43,776	93,006

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

(d) Fair values (continued)

Fair value hierarchy (continued)

	Level 1 $'000	Level 2 $'000	Total $'000
Company			
December 31, 2009			
Available-for-sale financial assets	51,744	49,388	101,132
December 31, 2008			
Available-for-sale financial assets	48,367	43,776	92,143

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

(e) Capital management

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

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

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

5. **Roles of the actuary and auditors**

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

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

6. Property, plant and equipment

(a) Group

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Construction in Progress $'000	Total $'000
At cost or valuation									
Balances at December 31, 2007	575,231	281,861	123,613	285,208	142,566	4,890	40,924	13,029	1,467,322
Additions	13,193	2,073	12,422	22,091	-	-	6,279	-	56,058
Transfers	13,029	-	-	-	-	-	-	(13,029)	-
Disposals	(586)	(1,224)	-	(130)	(4,835)	-	(10,692)	-	(17,467)
Surplus on revaluation of land and buildings	113,544	-	-	-	-	-	-	-	113,544
Balances at December 31, 2008	714,411	282,710	136,035	307,169	137,731	4,890	36,511	-	1,619,457
At cost	40,243	282,710	136,035	307,169	137,731	4,890	36,511	-	945,289
At valuation	674,168	-	-	-	-	-	-	-	674,168
	714,411	282,710	136,035	307,169	137,731	4,890	36,511	-	1,619,457
Additions	2,290	18,825	6,268	18,659	34,553	-	2,940	-	83,535
Disposals	-	(14,282)	(1)	(4,601)	-	-	(4,582)	-	(23,466)
Discontinued operations	(88,131)	(20,235)	(57,385)	(15,442)	-	-	-	-	(181,193)
Surplus on revaluation of land and buildings	77,710	-	-	-	-	-	-	-	77,710
Balances at December 31, 2009	706,280	267,018	84,917	305,785	172,284	4,890	34,869	-	1,576,043
At cost	38,256	267,018	84,917	305,785	172,284	4,890	34,869	-	908,019
At valuation	668,024	-	-	-	-	-	-	-	668,024
	706,280	267,018	84,917	305,785	172,284	4,890	34,869	-	1,576,043
Depreciation and impairment losses									
Balances at December 31, 2007	39,034	218,847	58,403	205,867	94,712	4,890	12,329	-	634,082
Charge in the year	25,243	21,030	8,817	38,532	7,128	-	9,219	-	109,969
Eliminated on disposals	-	(1,526)	-	(1,850)	-	-	(10,693)	-	(14,069)
Eliminated on revaluation	(24,908)	-	-	-	-	-	-	-	(24,908)
Balances at December 31, 2008	39,369	238,351	67,220	242,549	101,840	4,890	10,855	-	705,074
Charge for the year	28,542	23,674	4,460	33,402	8,855	-	6,768	-	105,701
Eliminated on disposals	-	(14,283)	-	(3,908)	-	-	(4,582)	-	(22,773)
Discontinued operations	(2)	(18,166)	(34,404)	(6,774)	-	-	-	-	(59,346)
Eliminated on revaluation	(23,163)	-	-	-	-	-	-	-	(23,163)
Balances at December 31, 2009	44,746	229,576	37,276	265,269	110,695	4,890	13,041	-	705,493
Carrying amounts									
December 31, 2009	661,534	37,442	47,641	40,516	61,589	-	21,828	-	870,550
December 31, 2008	675,042	44,359	68,815	64,620	35,891	-	25,656	-	914,383
December 31, 2007	536,197	63,014	65,210	79,341	47,854	-	28,595	13,029	833,240

6. Property, plant and equipment (continued)

(b) Company

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Total $'000
At cost or valuation								
Balances at December 31, 2007	451,405	103,762	38,620	218,693	142,566	4,890	40,494	1,000,430
Additions	10,047	160	2,479	19,164	-	-	6,265	38,115
Disposals	-	(494)	-	(4,835)	-	-	(10,692)	(16,021)
Surplus on revaluation of land and buildings	97,614	-	-	-	-	-	-	97,614
Balances at December 31, 2008	559,066	103,428	41,099	233,022	142,566	4,890	36,067	1,120,138
At cost	35,966	103,428	41,099	233,022	142,566	4,890	36,067	597,038
At valuation	523,100	-	-	-	-	-	-	523,100
	559,066	103,428	41,099	233,022	142,566	4,890	36,067	1,120,138
Additions	2,290	7,335	251	5,913	34,551	-	2,523	52,863
Disposals	-	-	(1)	(4,486)	-	-	(4,582)	(9,069)
Surplus on revaluation of land and buildings	64,710	-	-	-	-	-	-	64,710
Balances at December 31, 2009	626,066	110,763	41,349	234,449	177,117	4,890	34,008	1,228,642
At cost	38,256	110,763	41,349	234,449	177,117	4,890	34,008	640,832
At valuation	587,810	-	-	-	-	-	-	587,810
	626,066	110,763	41,349	234,449	177,117	4,890	34,008	1,228,642
Depreciation and impairment losses								
Balances at December 31, 2007	16,812	80,339	19,288	161,386	94,712	4,890	11,843	389,270
Charge in the year	20,105	6,861	3,407	26,114	7,128	-	8,983	72,598
Eliminated on disposals	-	(625)	-	(1,767)	-	-	(10,693)	(13,085)
Eliminated on revaluation	(16,540)	-	-	-	-	-	-	(16,540)
Balances at December 31, 2008	20,377	86,575	22,695	185,733	101,840	4,890	10,133	432,243
Charge for the year	22,205	6,780	3,385	21,278	8,855	-	6,642	69,145
Eliminated on disposals	(20,080)	-	(1)	(3,845)	-	-	(4,582)	(28,508)
Balances at December 31, 2009	22,502	93,355	26,079	203,166	110,695	4,890	12,193	472,880
Carrying amounts								
December 31, 2009	603,564	17,408	15,270	31,283	66,422	-	21,815	755,762
December 31, 2008	538,689	16,853	18,404	47,289	40,726	-	25,934	687,895
December 31, 2007	434,593	23,423	19,332	57,307	47,854	-	28,651	611,160

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

(c) Freehold land and buildings:

The Company's building at 7 North Street was revalued at $500M (2008: $450M) and Harbour Street at $9.6M (2008: $7.4M); land and building at East Street and Newport West at $107.6M (2008: $93.3M) and land at John's Lane at $8.8M (2008: $7.8M) on a fair market value basis in September 2009 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 18). The cost of these properties was $21.721M. The properties are valued annually.

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

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Land and buildings	16,372	12,791	16,372	12,165

7. **Intangible assets**

Group

	Newspaper titles $'000	**Patents and trademarks $'000**	**Software $'000**	**Goodwill $'000**	**Total $'000**
Cost:					
Balances at December 31, 2007 and 2008	523,200	650	-	44,812	568,662
Additions	-	-	10,770	-	10,770
Balances at December 31, 2009	523,200	650	10,770	44,812	579,432
Amortisation and impairment loss:					
Balances at December 31, 2007	200,827	-	-	-	200,827
Impairment losses	322,373	650	-	44,812	367,835
Balances at December 31, 2008	523,200	650	-	44,812	568,662
Amortisation	-	-	2,154	-	2,154
Balances at December 31, 2009	523,200	650	2,154	44,812	570,816
Carrying amounts:					
December 31, 2009	-	-	8,616	-	8,616
December 31, 2008	-	-	-	-	-
December 31, 2007	322,373	650	-	44,812	367,835

(i) In 2008, an impairment test for newspaper title, patents and trademarks was triggered because the actual financial performance of the subsidiaries was far below budgeted expectations. The recoverable amount was estimated based on its value in use using a discount rate of 9%. Based on the assessment, the carrying amount of assets was higher than its recoverable amount and full impairment loss was recognised.

7. Intangible assets (continued)

Group (cont'd)

(ii) For the purpose of impairment testing, goodwill is allocated to the group's North American operating division which represents the lowest level within the group at which the goodwill is monitored for internal management purposes. The recoverable amount was estimated based on value in use using a discount rate of 7%. The carrying amount was determined to be higher than its recoverable amount and an impairment loss, which was fully allocated to goodwill, was recognised, in the prior year.

Company

	Software $'000
Cost:	
Additions, being balance at December 31, 2009	10,770
Amortisation:	
Amortisation, being balance at December 31, 2009	(2,154)
Carrying amounts:	
December 31, 2009	8,616

8. Employee benefit asset/obligation

The parent company operates a defined-benefit scheme which is self administered and managed by a Board of Trustees appointed by The Gleaner Company Limited. A defined-benefit scheme is a pension scheme that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The scheme is subject to triennial actuarial valuations. The most recent valuation was done on the projected unit credit method, by the appointed actuaries, Duggan Consulting Limited of Kingston, Jamaica, as at December 31, 2009. This showed the scheme to be in surplus.

Sangster's Book Stores Limited, a subsidiary, operates a defined-benefit pension scheme for all its employees, and those of The Book Shop Limited, who have satisfied certain minimum service requirements. The benefits are computed by reference to final salaries. During the year, the company disposed of Sangster's Book Stores Limited. The employee benefit expense for the period is recognised in profit from discontinued operations.

One subsidiary company operates a defined-contribution pension scheme for its employees who satisfy certain minimum service requirements.

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

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

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Employee benefit asset (a)	782,900	843,868	782,900	821,700
Employee benefit obligation (post-retirement benefits) (b)	(96,200)	(89,100)	(96,200)	(89,100)

8. Employees benefit asset/obligation (continued)

(a) Employee benefit asset:

(i) Amount recognised in the balance sheets:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Present value of funded obligations [note 8(a)(ii)]	(1,007,000)	(966,260)	(1,007,000)	(947,500)
Fair value of plans assets [note 8 (a)(iii)]	3,676,000	3,299,104	3,676,000	3,242,600
Surplus	2,669,000	2,332,844	2,669,000	2,295,100
Unrecognised actuarial gains	(606,500)	(575,524)	(606,500)	(572,200)
Amount not recognised due to limitation in economic benefit	(1,279,600)	(913,452)	(1,279,600)	(901,200)
	782,900	843,868	782,900	821,700

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

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Balance at beginning of year	966,260	790,846	947,500	775,100
Benefits paid	(61,172)	(50,294)	(60,500)	(46,300)
Service and interest cost	199,199	145,547	196,100	143,000
Contributions	9,039	9,159	7,400	7,500
Gain on curtailment/settlement	(30,400)	-	(30,400)	-
Actuarial gain/(loss)	(42,096)	71,002	(53,100)	68,200
Discontinued operations	(33,830)	-	-	-
Balance at end of year	1,007,000	966,260	1,007,000	947,500

(iii) Movements in plan assets:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Fair value of plan assets at January 1	3,299,104	3,227,856	3,242,600	3,171,600
Contributions paid	30,869	30,352	28,000	27,400
Expected return on plan assets	458,407	355,326	451,700	347,800
Benefits paid	(61,172)	(50,294)	(60,500)	(46,300)
Actuarial gain/(loss)	16,218	(264,136)	14,200	(257,900)
Discontinued operations	(67,426)	-	-	-
Fair value of plan assets on December 31	3,676,000	3,299,104	3,676,000	3,242,600

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

(a) Employee benefit asset (continued):

(iii) Movements in plan assets (continued):

Plan assets consist of the following:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Equities	310,300	344,622	310,300	337,161
Bonds	429,700	290,600	429,700	290,600
Company's own ordinary shares	100,400	101,439	100,400	101,439
Fixed income securities	-	36,165	-	-
Real estate	391,500	327,615	391,500	315,000
Leases	13,500	29,800	13,500	29,800
Repurchase agreements/short term deposits	2,305,500	1,993,500	2,305,500	1,993,500
Other	125,100	175,363	125,100	175,100
	3,676,000	3,299,104	3,676,000	3,242,600

(iv) Expense/(credit) recognised in the income statements:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Current service costs	26,474	20,960	25,600	20,000
Interest on obligations	152,425	104,987	150,200	103,400
Expected return on plan assets	(458,407)	(355,326)	(451,700)	(347,800)
Net actuarial gain recognised in year	(33,000)	(36,549)	(33,000)	(36,300)
Gain on curtailment/settlement	(30,400)	-	(30,400)	-
Change in disallowed assets	371,710	247,128	378,300	241,900
Discontinued operations	10,198	-	-	-
Amounts recognised in income statement [note 8(i)]	39,000	(18,800)	39,000	(18,800)
Actual return on plan assets	14%	11%	14%	11%

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

	2009	2008
	%	%
Discount rate	16.0	16.0
Expected return on plan assets	14.0	11.0
Future salary increases	12.5	10.0
Future pension increases	10.0	7.0

8. Employees benefit asset/obligation (continued)

(a) Employee benefit asset (continued):

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

The overall expected long-term rate of return of assets is 14% (2008: 14%), assuming a rate of inflation for the long-term of 10% (2008: 10%) or a real rate of return of 3% (2008: 3%). The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories.

The expected pension contribution for the next year is $278,208 for the group and company.

(vi) Historical information

	Group				
	2009	**2008**	**2007**	**2006**	**2005**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of the defined benefit obligation	(1,007,000)	(966,260)	(790,846)	(744,573)	(593,728)
Fair value of plan assets	3,676,000	3,299,104	3,227,856	2,754,608	2,381,418
Surplus in plan	2,669,000	2,332,844	2,437,010	2,010,035	1,787,690
Experience adjustments arising on plan liabilities	53,100	(111,971)	71,400	(24,116)	18,852
Experience adjustments gain on plan assets	14,200	(251,664)	198,800	142,173	141,002

	Company				
	2009	**2008**	**2007**	**2006**	**2005**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of the defined benefit obligation	(1,007,000)	(947,500)	(775,100)	(730,200)	(578,000)
Fair value of plan assets	3,676,000	3,242,600	3,171,600	2,704,300	2,336,300
Surplus in plan	2,669,000	2,295,100	2,396,500	1,974,100	1,758,300
Experience adjustments arising on plan liabilities	53,100	(114,800)	71,400	(23,000)	18,000
Experience adjustments gain on plan assets	14,200	(257,900)	198,800	(41,000)	1,388,700

(b) Post-retirement medical benefits:

(i) Obligation recognised in the balance sheets:

	Group and Company	
	2009	**2008**
	$'000	**$'000**
Present value of obligation	115,000	83,900
Unrecognised actuarial gain	(10,900)	13,600
Unrecognised past service cost	(7,900)	(8,400)
	96,200	89,100

8. Employee benefit asset/obligation (continued)

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

(ii) Movements in the present value of obligation:

	Group and Company	
	2009	**2008**
	$'000	**$'000**
Balance at beginning of year	83,900	70,800
Actuarial gain	22,900	(13,000)
Interest cost	12,900	11,200
Current service cost	5,400	4,600
Past service cost	-	11,800
Benefits paid	(1,800)	(1,500)
Gain on curtailment/settlement	(8,300)	-
Balance at end of year	115,000	83,900

(iii) Expense recognised in the income statements:

	Group and Company	
	2009	**2008**
	$'000	**$'000**
Current service costs	5,400	4,600
Interest on obligations	12,900	11,200
Net actuarial (gain)/ loss recognised in year	(1,600)	3,400
Past service cost	500	-
Gain on curtailment/settlement	(8,300)	-
Amounts recognised in administrative expenses [note 8 (c)]	8,900	19,200

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

	Group and Company	
	2009	**2008**
	%	%
Discount rate	16.0	16.0
Medical claims growth	15.0	15.0

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

8. Employees benefit asset/obligation (continued)

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

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

	Group and Company	
	One percentage point increase $'000	**One percentage point decrease $'000**
Effect on the aggregate service and interest cost as at December 31, 2009	5,100	(3,600)
Effect on the defined benefit obligation as at December 31, 2009	26,100	(19,900)

(vi) Historical information

	Group and Company				
	2009 $'000	**2008 $'000**	**2007 $'000**	**2006 $'000**	**2005 $'000**
Present value of the defined benefit obligation	115,000	83,900	70,800	61,100	55,300
Experience adjustment on plan liabilities	22,900	13,000	1,000	8,600	6,200

(c) Amounts recognised in the income statements:

	Group and Company	
	2009 $'000	**2008 $'000**
Employee benefit asset [note 8 (a)(iv)]	39,000	(18,800)
Employee benefit obligation [note 8(b)(iii)]	8,900	19,200
	47,900	400

The amounts in respect of employee benefits obligations are recognised in administrative expenses.

9. Long-term receivables

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
General Consumption Tax (GCT) [see (i) below]	284	885	284	385
Due from Sangster's Book Stores Limited [see (ii) below]	84,958	-	84,069	-
Other	-	959	-	-
	85,242	1,844	84,353	385
Less current portion [see other receivables (note 15)]	(14,295)	(566)	(14,295)	(115)
	70,947	1,278	70,058	270

(i) This represents GCT paid on purchase of fixed assets, which is recoverable in twenty-four equal monthly instalments from the date of purchase.

(ii) This represents the balance on a loan due from Sangster's Book Stores Limited to be repaid in six (6) equal instalments as follows: July 5, 2010, January 4, 2011, July 5, 2011, January 4, 2012 and July 5, 2012 and January 4, 2013.

The loan will be interest-free until July 5, 2010 but will accrue interest of 10% per annum until January 4, 2011. Thereafter, interest shall accrue at 2% above the annual prime lending rate of The Bank of Nova Scotia of Jamaica limited.

10. Interests in subsidiaries

	Company 2009 $'000	Company 2008 $'000
Shares at cost, less impairment losses:		
Popular Printers Limited	426	426
Sangster's Book Stores Limited	-	2,650
GV Media Group Limited	1	1
The Gleaner Company (Canada) Inc.	687	687
Independent Radio Company Limited	13,368	13,368
	14,482	17,132

11. Interests in associates

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Jamaica Joint Venture Investment Co. Ltd. [see notes 2(e)(i) and 3(o)]	150	150	-	-

12. Investments

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Available-for-sale financial assets:				
Quoted equities	64,415	49,230	51,744	48,367
Unquoted equities	22,772	22,772	22,772	22,772
Government of Jamaica securities	49,388	43,776	49,388	43,776
Loans and receivables				
Debenture	489	489	489	489
	137,064	116,267	124,393	115,404

13. Cash and cash equivalents

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Bank and cash balances	70,522	88,192	13,791	20,403
Call deposit	401	361	401	361
Certificate of deposits	-	18,303	-	10,780
	70,923	106,856	14,192	31,544

14. Securities purchased under resale agreements

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

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

Assigned collateral, with a fair value of $135,529,000 (2008: $70,864,000) for the group, was held for securities purchased under agreements for resale.

15. Trade and other receivables

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Trade receivables due from related parties [see (iii) below]	382,551	43,343	544,014	664,145
Other trade receivables	532,702	560,645	386,750	416,205
Other receivables (see note 9)	397,101	98,299	361,482	64,618
	1,312,354	702,287	1,292,246	1,144,968
Less allowance from doubtful debt	(492,904)	(103,678)	(455,035)	(504,865)
	819,450	598,609	837,211	640,103

15. Trade and other receivables (continued)

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Allowance for doubtful debts is made in respect of the following:				
Trade receivables due from related parties [see (ii) below]	382,354	-	382,354	443,283
Other trade receivables [see (iii) below]	105,402	96,556	68,391	54,460
Other receivables	5,148	7,122	4,290	7,122
	492,904	103,678	455,035	504,865

Other receivables include $318,904,000 (2008:$Nil) due in respect of sale of a subsidiary (note 29).

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

	Group			
	Gross 2009 $'000	Impairment 2009 $'000	Gross 2008 $'000	Impairment 2008 $'000
Not past due	219,228	3,447	193,832	2,055
Past due 0 – 30 days	161,265	4,303	174,339	393
Past due 31 – 60 days	37,217	7,400	63,022	5,683
Past due 61 – 120 days	38,242	18,731	55,945	38,434
More than one year	76,750	71,521	73,507	49,991
	532,702	105,402	560,645	96,556

	Company			
	Gross 2009 $'000	Impairment 2009 $'000	Gross 2008 $'000	Impairment 2008 $'000
Not past due	150,387	1,502	146,884	-
Past due 0 – 30 days	132,768	4,347	142,562	-
Past due 31 – 60 days	28,787	7,452	48,789	4,569
Past due 61 – 120 days	12,426	4,479	25,477	13,381
More than one year	62,382	50,611	52,493	36,510
	386,750	68,391	416,205	54,460

15. Trade and other receivables (continued)

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

	Group and Company	
	2009 $'000	2008 $'000
Balance at January 1	443,283	36,426
Impairment loss recognised	-	406,857
Amounts written-off, net of recoveries	(60,929)	-
Balance as at December 31	382,354	443,283

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

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance at January 1	96,556	92,878	54,460	25,038
Impairment loss recognised	15,463	21,931	13,931	35,803
Amounts written-off	(6,617)	(18,253)	-	(6,381)
Balance as at December 31	105,402	96,556	68,391	54,460

16. Inventories and goods-in-transit

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Newsprint	89,762	135,298	89,762	135,298
Books, stationery and general supplies	6,766	210,276	1,244	1,481
Goods-in-transit	2,995	23,665	2,995	10,842
Consumable stores	32,505	100,951	32,505	16,921
	132,028	470,190	126,506	164,542

Inventories are stated net of a provision for obsolescence of $9,313,421 [2008: $11,246,035 (Restated)] for the Group and Company.

17. Share capital and share premium

	Group and Company 2009 $'000	2008 $'000
Share capital issued and fully paid		
1,211,243,827 ordinary shares of no par value	605,622	605,622

At December 31, 2009, the authorised share capital comprised 1,216,000,000 ordinary shares (2008: 1,216,000,000). All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. Share premium is retained in accordance with the provisions of Section 39(7) of the Jamaican Companies Act (note 18).

18. Reserves

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Capital				
Realised:				
Share premium (note 17)	4,353	4,353	4,353	4,353
Other	5,830	5,830	-	-
Gain on sale of loan	24,608	24,608	1,334	1,334
Gain on disposal of property, plant and equipment	13,725	13,725	-	-
	48,516	48,516	5,687	5,687
Unrealised:				
Revaluation of land and buildings [(note 6(c)]	722,961	622,088	643,290	558,500
Deferred taxation on revalued land and buildings	(152,200)	(46,216)	(147,867)	(51,800)
Reserve arising from consolidation of of subsidiaries (net of goodwill) and debt	93,496	93,496	-	-
Exchange difference on opening investment in subsidiaries	23,343	122,996	-	-
	687,600	792,364	495,423	506,700
Total capital reserves	736,116	840,880	501,110	512,387
Reserve for own shares	(191,422)	(197,226)	-	-
Fair value reserve	5,892	58,001	4,986	57,153
Revenue				
Retained profits	866,960	705,721	913,570	497,839
	1,417,546	1,407,376	1,419,666	1,067,379

Reserve for own shares is included in the financial statements by consolidation of The Gleaner Company Limited Employee Investment Trust (GCLEIT) as it is regarded as a special purpose entity and is required to be consolidated under IFRS 2. The reserve comprises the cost of the company's shares held by the group through the GCLEIT. At December 31, 2009, the group held 69,478,643 (2008: 72,892,734) of the company's shares (note 30).

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

Capital distribution of $Nil (2008: $654,191) can be made from distribution received from a subsidiary company and transfer tax withheld and remitted by the company.

19. Long-term liabilities

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Bank loan [see (a) below]	-	1,368	-	1,368
Mortgage [see (b) below]	31,126	31,748	-	-
Finance lease obligations [see (c) below]	16,192	20,170	15,580	20,170
	47,318	53,286	15,850	21,538
Less current portion	(7,213)	(8,650)	(6,555)	(8,128)
	40,105	44,636	9,295	13,410

(a) The loan is repayable over 5 years by monthly instalments of $1,367,759, bears interest at 13% and is secured by a mortgage on certain freehold properties of the company.

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

(c) Finance lease obligations:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Due from balance sheet date as follows:				
Within one year	6,830	6,788	6,619	6,788
Within two to five years	13,245	18,893	13,114	18,893
Total future minimum lease payments	20,075	25,681	19,733	25,681
Less: future interest charges	(3,883)	(5,511)	(3,883)	(5,511)
Present value of minimum lease payments	16,192	20,170	15,850	20,170

20. Deferred taxation

Deferred taxation is attributable to the following:

(a) Group:

	Assets		Liabilities		Net	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Inventories	-	-	(3,104)	-	(3,104)	-
Property, plant and equipment	3,526	2,106	(144,161)	(150,698)	(140,635)	(148,592)
Trade and other receivables	(14)	(33)	(31,880)	(22,779)	(31,894)	(22,812)
Trade and other payables	3,998	1,594	7,404	7,735	11,402	9,329
Employee benefit asset	-	-	(260,967)	(281,289)	(260,967)	(281,289)
Employee benefit obligation	-	-	32,067	29,700	32,067	29,700
Tax losses	6,186	2,343	90,781	46,925	96,967	49,268
Investments	-	-	(2,493)	32,782	(2,493)	32,782
Net assets/(liabilities)	13,696	6,010	(312,353)	(337,624)	(298,657)	(331,614)

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

	2009 $'000	2008 $'000
Deferred tax liability in company	(312,005)	(313,601)
Deferred tax liability in subsidiaries	(348)	(24,023)
	(312,353)	(337,624)
Deferred tax asset in certain subsidiaries	13,696	6,010
Net deferred tax liabilities	(298,657)	(331,614)

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

	Balance at January 1 $'000	Recognised in profit/loss $'000	Recognised in other comprehensive income $'000	Included in discontinued operations $'000	Balance at December 31 $'000
Inventories	-	(3,104)	-	-	(3,104)
Property, plant and equipment	(148,592)	86,003	(96,067)	18,019	(140,637)
Employee benefit asset	(281,289)	12,933	-	7,389	(260,967)
Employee benefit obligation	29,700	2,367	-	-	32,067
Trade and other receivables	(22,812)	(9,318)	-	(6,839)	(38,969)
Trade and other payables	9,329	2,424	-	-	11,753
Tax losses	49,268	49,603	-	4,822	103,693
Investments	32,782	20,915	(56,190)	-	(2,493)
	(331,614)	161,823	(152,257)	23,391	(298,657)

20. Deferred taxation (continued)

Deferred taxation is attributable to the following:

(b) Company:

	2009 $'000	2008 $'000
Inventories	(3,104)	-
Property, plant and equipment	(144,164)	(132,680)
Trade and other receivables	(31,880)	(22,741)
Trade and other payables	7,755	7,735
Employee benefit asset	(260,967)	(273,900)
Employee benefit obligation	32,067	29,700
Investments	(2,493)	53,697
Tax losses	90,781	24,588
Net liabilities	(312,005)	(313,601)

Movement in net temporary differences during the year:

	Balance at January 1 $'000	Recognised in profit/loss $'000	Recognised in other comprehensive income $'000	Balance at December 31 $'000
Inventories	-	(3,104)	-	(3,104)
Property, plant and equipment	(132,680)	84,583	(96,067)	(144,164)
Employee benefit asset	(273,900)	12,933	-	(260,967)
Employee benefit obligation	29,700	2,367	-	32,067
Trade and other receivables	(22,741)	(9,139)	-	(31,880)
Trade and other payables	7,735	20	-	7,755
Investments	32,782	20,915	(56,190)	(2,493)
Tax losses	45,503	45,278	-	90,781
	(313,601)	153,853	(152,257)	(312,005)

21. Bank overdraft

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

22. Trade and other payables

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Trade payables	259,953	310,663	126,170	177,930
Other payables	347,045	355,353	308,413	265,084
	606,998	666,016	434,583	443,014

23. Deferred income

This represents subscription revenue received in advance.

24. Revenue

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

	Group			
	Continuing operations		Discontinued operations	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
			(10 months)	*(12 months)*
Rendering of services	2,157,655	2,072,317	-	-
Sale of goods	1,055,320	1,080,567	845,919	802,059
Other	61,204	93,413	-	-
	3,274,179	3,246,297	845,919	802,059

	Company	
	2009	2008
	$'000	$'000
Rendering of services	1,689,166	1,692,245
Sale of goods	989,936	1,022,703
Other	24,271	23,748
	2,703,373	2,738,696

25. Profit/(loss) from continuing operations

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

	Group		Company	
	2009	2008*	2009	2008
	$'000	$'000	$'000	$'000
Directors' emoluments:				
Fees	3,797	4,252	2,926	3,238
Management remuneration (included in staff costs)	35,123	39,206	28,333	25,242
Staff costs (note 36)	1,059,362	1,054,525	888,619	885,541
Redundancy costs (note 36)	101,095	72,112	98,846	72,112
Auditors' remuneration	11,728	12,752	5,600	5,600
Depreciation	97,213	101,096	69,145	72,598
Gain on disposal of investments	-	87,704	-	94,176

26. Net finance income

	Group		Company	
	2009	2008*	2009	2008
	$'000	$'000	$'000	$'000
Continuing operations				
Interest income on loans	2,099	2,964	30,875	29,921
Interest income on available-for-sale financial assets	4,959	11,164	4,959	11,164
Interest income on bank deposits	982	674	982	674
Interest income on other investments	8,173	9,533	2,436	2,288
Dividend income on available-for-sale financial assets	3,452	4,687	3,452	4,687
Finance income	19,665	29,022	42,704	48,734
Finance costs	(13,614)	(7,031)	(10,113)	(26,435)
	6,051	21,991	32,591	22,299
Discontinued operations				
Finance income	2,221	2,493	-	-
Finance costs	(5,431)	(4,790)	-	-
	(3,210)	(2,297)	-	-

27. Impairment losses

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Newspaper titles	-	(322,373)	-	-
Patents and trademarks	-	(650)	-	-
Goodwill	-	(44,812)	-	-
Property, plant and equipment	-	-	-	-
Subsidiaries' debt	-	-	-	(443,283)
	-	(367,835)	-	(443,283)

* Restated (see note 29)

28. Taxation

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

	Group		Company	
	2009	2008*	2009	2008
	$'000	$'000	$'000	$'000
(i) Current tax expense:				
Income tax at 33⅓%	3,271	13,327	-	-
		-	-	-
(ii) Deferred tax expense:				
Origination and reversal of timing difference (note 20)	(161,823)	(21,126)	(153,853)	(18,845)
Total taxation credit recognised	(158,552)	(7,799)	(153,853)	(18,845)
Taxation credit from continuing operations	(158,552)	(8,886)	(153,853)	(18,845)
Taxation charge from discontinued operations	-	1,087	-	-
Actual taxation credit	(158,552)	(7,799)	(153,853)	(18,845)

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

	Group		Company	
	2009	2008*	2009	2008
	$'000	$'000	$'000	$'000
Profit from continuing operations before taxation	1,822	(451,266)	328,496	(531,847)
Income tax at 33⅓%	607	(150,422)	109,499	(177,283)
Capital losses	22,658	18,126	22,658	17,818
Difference between depreciation and tax capital allowance	(77,620)	7,062	(77,458)	21,581
Finance lease payments	(842)	(170)	(842)	(170)
Expenses not allowed for tax purpose	(82,677)	119,688	(186,795)	118,553
Other	(20,678)	(3,024)	(20,915)	656
Adjustment in respect of previous year	-	(146)	-	-
Actual taxation credit	(158,552)	(8,886)	(153,853)	(18,845)

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

	Group					
	2009			2008		
	Before tax	Tax benefit	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
	$'000	$'000	$'000	$'000	$'000	$'000
Change in fair value of investments	4,081	(56,190)	(52,109)	(20,536)	48,788	28,252
Fair value on shares disposed of during the year	-	-	-	(88,686)	-	(88,686)
Transfer of change in fair value of investment to profit/loss	-	-	-	10,770	-	10,770
Revaluation of land and buildings	100,873	(105,984)	(5,111)	138,250	(19,234)	119,016
Currency translation differences on foreign subsidiaries	(99,653)	-	(99,653)	122,996	-	122,996
	5,301	(162,174)	(156,873)	162,794	29,554	192,348

* Restated (see note 29)

28. Taxation (continued)

(c) Taxation recognised in other comprehensive income (continued):

	Company					
	2009			2008		
	Before tax	Tax benefit	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
	$'000	$'000	$'000	$'000	$'000	$'000
Change in fair value of investments	4,023	(56,190)	(52,167)	(20,431)	48,788	28,357
Fair value on shares disposed of during the year	-	-	-	(88,686)	-	(88,686)
Transfer of change in fair value of investment to profit/loss	-	-	-	10,770	-	10,770
Revaluation of land and buildings	84,790	(96,067)	(11,277)	113,953	(13,924)	100,029
	88,813	(152,257)	(63,444)	15,606	34,864	50,470

(d) As at December 31, 2009, the group has taxation losses, subject to agreement by the Commissioner of Taxpayer Audit and Assessment of approximately $15,074,000 (2008: $Nil) available for relief against future taxable profits. A deferred tax asset of approximately $5,024,000 (2008: $ Nil) in respect of taxation losses of certain subsidiaries has not been recognised by the group as management considers its realisation within the foreseeable future to be uncertain.

29. Discontinued operations

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

	2009	2008
	$'000	$'000
	(10 months)	*(12 months)*
Results of discontinued operations		
Revenue	845,919	802,059
Cost of sales	(631,000)	(608,188)
Gross profit	214,919	193,871
Other operating income	11,567	24,659
	226,486	218,530
Distribution costs	(85,939)	(99,293)
Administrative expenses	(113,217)	(118,161)
	(199,156)	(217,454)
Profit from operations	27,330	1,076
Finance income	2,221	2,493
Finance costs	(5,431)	(4,790)
Net finance costs	(3,210)	(2,297)
Profit/(loss) before taxation	24,120	(1,221)
Taxation charge	(8,875)	(1,087)
Profit/(loss) from operations	15,245	(2,308)

29. Discontinued operations (continued)

	2009 $'000 *(10 months)*	2008 $'000 *(12 months)*
Results of discontinued operations (continued)		
Profit/(loss) from operations	15,245	(2,308)
Gain on sale of discontinued operation	32,563	-
	47,808	(2,308)
Cash flows (used)/provided by discontinued operation		
Net cash (used)/provided by operating activities	(24,887)	22,406
Net cash provided by/(used in) investing activities	1,289	(7,210)
Net cash provided by financing activities	221	270
Net cash (used) provided by discontinued operation	(23,377)	15,466
Effect of disposal on the financial position of the Group		
Property, plant and equipment	121,847	-
Employee benefit asset	33,596	-
Long-term receivables	720	-
Cash and cash equivalents	13,443	-
Securities purchased under resale agreements	37,536	-
Trade and other receivables	134,924	-
Inventories and goods-in-transit	303,091	-
Trade and other payables	(205,102)	-
Deferred tax liability	(33,588)	-
Bank overdraft	(14,631)	-
Taxation recoverable	13,637	-
Due to parent company	(84,069)	-
Net assets and liabilities	321,404	-
Consideration received, satisfied in cash	52,500	-
Consideration receivable, to be settled in cash	318,904	-
Cash and cash equivalent disposed of	(13,443)	-
	357,961	-
Net proceeds	353,967	-
Net assets and liabilities	(321,404)	-
Gain on sale of discontinued operation	32,563	-
Earnings/(loss) per stock unit from discontinued operations:		
Based on stock units in issue	3.94¢	(0.19)¢
Excluding stock units in GCLEIT	4.18¢	(0.20)¢

30. Earnings per stock unit

The calculation of earnings per stock unit is arrived at by dividing profit after taxation attributable to stockholders of the parent company of $224,007,000 (2008: $450,139,000) by 1,211,243,827, being the number of stock units in issue at December 31, 2009 (2008: 1,211,243,827), as well as by 1,141,765,184 (2008: 1,138,351,093), being stock units less those held by the GCLEIT (note 18).

31. Dividends paid (gross)

An interim revenue distribution of 3.5 cents per stock unit was paid on April 23, 2009, to shareholders on record at close of business on April 9, 2009.

A second interim revenue distribution of 2.0 cents per stock was paid on December 23, 2009, to shareholders on record at the close of business on December 16, 2009.

	Company	
	2009	**2008**
	$'000	**$'000**
Ordinary dividends:		
First interim paid in respect of 2009: 3.5¢ (2008: 3.5¢) per stock unit – gross	42,393	42,393
Second interim paid in respect of 2009: 2.0¢ (2008: 3.5¢) per stock unit – gross	24,225	42,394
	66,618	84,787

	Group	
	2009	**2008**
	$'000	**$'000**
Gleaner's first interim paid in respect of 2009: 3.5¢ (2008: 3.5¢) per stock unit - gross	42,393	42,393
Gleaner's second interim paid in respect of 2009: 2.0¢ (2008: 3.5¢) per stock unit - gross	24,225	42,394
	66,618	84,787
Dividends paid to GCLEIT	(3,850)	(5,116)
	62,768	79,671
Paid to minority interest in a subsidiary	-	1,503
	62,768	81,174

32. Segment reporting

The group has two reportable segments, one of which was discontinued during the year. Segment information is presented in respect of the group's strategic business segment. The identification of business segments, is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue.

These are:

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

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

(c) Other– includes management services, publication of books and those that do not meet any of the quantitative thresholds for determining reportable segments in 2009 or 2008.

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

(a) Business segments:

The main business segments of the Group comprise:

	Continuing operations						Discontinuing operations	
	Media service		Other		Total		Books and stationery	
	2009	2008	2009	2008	2009	2008	2009	2008
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
							(10 months)	*(12 months)*
External revenues	3,250,306	3,207,223	23,873	39,074	3,274,179	3,246,297	845,919	802,059
Segment profit/(loss) before taxation	13,227	(443,013)	(11,405)	(18,253)	1,822	(461,266)	24,120	(1,221)
Finance income	15,332	25,810	4,333	3,212	19,665	29,022	2,221	2,493
Finance costs	(13,608)	(7,025)	(6)	(6)	(13,614)	(7,031)	(5,431)	(4,790)
Depreciation and amortisation	99,365	97,418	12	3,678	99,377	101,096	8,488	8,873
Reportable segment assets	3,053,466	2,665,001	112,166	52,153	3,165,632	2,717,154	-	550,170
Reportable segment liabilities	1,030,563	979,309	96,609	52,764	1,127,172	1,032,073	-	191,134
Capital expenditure	50,985	7,964	-	-	50,985	7,964	-	-
Other material non-cash item - impairment losses	-	367,835	-	-	-	367,835	-	-

32. Segment reporting

(b) Geographical segments:

	Jamaica		Overseas*		Total	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue from external customers	2,961,890	2,968,381	312,289	277,916	3,274,179	3,246,297
Non current segment assets	879,152	885,726	164	28,807	879,316	914,533

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

33. Related parties

(a) Identity of related party

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

(b) Transactions with key management personnel

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

In 1994, the company established an investment trust for the benefit of its employees. During the year, no options were granted by the trustees to members of staff to acquire shares in the company. Shares were issued to staff during the year resulting from previous options, at a cost of approximately $1.2M (2008: $0.619M). The value of the outstanding options was immaterial.

The key management personnel compensations are as follows: -

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Short-term employee benefits	192,848	126,872	192,848	126,872
Post- employment benefits	5,600	1,873	5,600	1,600
	198,448	128,745	198,448	128,472

33. Related parties (continued)

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

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Trade and other receivables:				
Subsidiaries	-	-	-	664,145
Trade and other payables:				
Subsidiaries	-	-	-	(14,903)

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

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Revenue:				
Subsidiaries	-	-	26,837	32,631
Other operating income:				
Subsidiaries	-	-	10,454	5,586
Cost of sales:				
Subsidiaries	-	-	3,828	30,402
Administration expenses:				
Subsidiaries	-	-	16,042	34,541
Other operating expenses:				
Subsidiaries	-	-	149,967	52,193
Finance income:				
Subsidiaries	-	-	28,776	25,118

34. Lease commitments

Unexpired lease commitments at December 31 expire as follows:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Within one year	5,580	1,136	3,410	1,136
Subsequent years	22,321	8,324	13,638	-
	27,901	9,460	17,048	1,136

35. Authorised capital expenditure

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Capital expenditure authorised and contracted for	50,985	7,964	50,985	7,964

36. Staff costs

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Salaries and wages	786,249	866,080	631,697	659,041
Statutory payroll	61,396	86,048	57,800	64,961
Other staff costs	211,717	171,288	199,122	161,539
Redundancy costs	101,095	72,112	98,846	72,112
	1,160,457	1,195,528	987,465	957,653

37. Libel cases

The group's lawyers have advised that they are of the opinion that the provision made in the financial statements as at December 31, 2009, is a reasonable provision for the purpose of covering all reasonable and probable judgements and costs for libel actions against the group.

38. Contingent liabilities

(i) There are contingent liabilities of $2M (2008: $2M) in respect of guarantees issued on behalf of the group and the company.

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

39. Subsequent event

In January 2010, the company served notice on the trustees of the contributory defined benefit pension fund advising that the company will cease to deduct contributions from members of the fund as of July 15, 2010 and that they should take the necessary steps to wind-up the Fund.

The company intends to commence making contributions to an approved defined contribution fund and deducting contributions from eligible members of staff with effect on May 1, 2010.

Financial Summary 2005 – 2009

	2009 $'000	2008 $'000 (Restated)	2007 $'000	2006 $'000	2005 $'000
Turnover	3,274,179	3,246,297	4,248,873	3,620,522	3,291,238
Group (loss)/profit before taxation	1,822	(451,266)	193,139	425,167	264,656
Taxation credit/(charge)	158,552	8,886	(94,935)	(151,512)	(85,201)
Profit from discontinued operations	47,806	(2,308)	-	-	-
Minority interest	15,827	(5,451)	(3,499)	(17,488)	7,176
(Loss)/profit attributable to Gleaner Stockholders	224,007	(450,139)	94,705	256,167	186,631
Ordinary Stockholders' funds:					
Share capital	605,622	605,622	605,622	605,622	605,622
Reserves	1,417,546	1,407,376	1,791,689	1,621,974	1,431,358
	2,023,168	2,012,998	2,397,311	2,227,596	2,036,980
Minority interest	15,292	31,119	27,171	23,672	6,184
Long term liabilities	40,105	44,636	74,180	37,263	49,169
Employee benefit obligation	96,200	89,100	71,300	60,600	50,700
Deferred tax liabilities	312,353	337,624	388,274	367,138	254,425
Total funds employed	2,487,118	2,515,477	2,958,236	2,716,269	2,397,458
Represented by:					
Long-term receivable	70,947	1,278	1,788	1,408	1,063
Other non-current assets and investments	1,812,976	1,850,678	2,276,950	2,207,920	1,868,524
Working capital	603,195	663,521	679,498	506,941	527,871
	2,487,118	2,515,477	2,958,236	2,716,269	2,397,458
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]	18.49¢	(37.16)¢	7.82¢	21.15¢	15.41¢
Stockholders' fund per stock unit [see note (i) below]	167.03¢	166.19¢	197.92¢	183.91¢	168.20¢
Dividends per stock unit [see note (ii) below]	5.49¢	6.99¢	7.0¢	7.0¢	7.0¢
Exchange rates ruling at the balance sheet dates were:					
UK one Pound to J$1	143.55	116.84	140.21	128.93	109.62
US$1 to J$1	89.60	80.47	70.18	66.92	64.38
Can$1 to J$1	84.57	65.54	105.52	56.56	54.32

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

(ii) The calculation of dividends per ordinary stock unit is based on the actual dividends for each year divided by the 1,141,765,184 stock units in issue, net of stock units held by GCLEIT at December 31, 2009 (2008: 1,138,351,093).

DECLARATION OF NUMBER OF STOCK UNITS OWN BY DIRECTORS/OFFICERS

Name	Personal Shareholdings	Shareholding in which Director/Officer has a controlling interest
Oliver F.Clarke	65,317,720	343,783,885
John J. Issa	-	23,374,832
Christopher S. Roberts	4,934,412	-
John Hudson	2,201,820	-
Ian R. Roxburgh	2,122,762	-
Collin R. Bourne	1,958,428	-
Joseph M. Matalon	-	1,210,648
L. Anthony O'Gilvie	1,204,331	-
Douglas R. Orane	823,381	276,206
Newton James	1,008,367	-
Karin E. Daley-Cooper	1,001,700	-
Rudolph A. Speid	297,245	-
Christopher Barnes	175,000	-
Garfield Grandison	75,652	-
Mavis Williams	71,034	-
Morin Seymour	50,000	-
Carol D. Archer	8,320	-
Lisa G. McGregor-Johnston	3,732	-
Marlene Davis	1,700	-
Errol Knight	1,700	-
Gerald C. Lalor	-	-
H. Winston R. Dear	-	-
Burchell Gibson	-	-

LIST OF 10 LARGEST BLOCKS OF STOCK UNITS

1.	Financial and Advisory Services Limited	343,783,885
2.	Pan Caribbean Financial Services A/c 1388842	105,625,619
3.	The Gleaner Company Limited Employees' Investment Trust	71,047,335
4.	Oliver F. Clarke	65,317,720
5.	The Jamaica National Building Society	46,425,529
6.	Gleaner Company Superannuation Fund	35,603,356
7.	Medsalco Limited	34,191,867
8.	National Insurance Fund	30,883,010
9.	Life of Jamaica PIF Pooled Equity Fund	28,198,117
10.	West Indies Trust Co. Ltd. A/C J1726 (Gleaner Pension Fund)	24,066,982

I/We..…..

of .…..

in the parish of..

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

……………...…..

....of…..

or failing him...….......…..

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the

Company to be held on the 13th day of May 2010 and at any adjournment thereof.

Signature(s) ....…….............….............................

Signed this …....................................... day of .... 2010.

NOTES:

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

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

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

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

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