1834 INVESTMENTS LIMITED

(*formerly The Gleaner Company Limited*)

FINANCIAL STATEMENTS

MARCH 31, 2016

KPMG
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INDEPENDENT AUDITORS' REPORT

To the Members of
1834 Investments Limited
(formerly The Gleaner Company Limited)

Report on the Financial Statements

We have audited the separate financial statements of 1834 Investments Limited ("company") and the consolidated financial statements of the company and its subsidiaries ("group"), set out on pages 2 to 68, which comprise the group's and company's statements of financial position as at March 31, 2016, the group's and company's income statements, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the fifteen month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the company as at March 31, 2016, and of the group's and company's financial performance and cash flows for the fifteen month period then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional matters as required by the Jamaican Companies Act

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

KPMG

Chartered Accountants
Kingston, Jamaica

July 19, 2016

1834 INVESTMENTS LIMITED
(formerly The Gleaner Company Limited)
MARCH 31, 2016

Statements of Financial Position
(Fifteen month period with twelve month comparatives)

	NOTES	GROUP 2016 $'000	GROUP 2014 $'000	COMPANY 2016 $'000	COMPANY 2014 $'000
Assets					
Property, plant and equipment	4	20,923	1,192,600	20,920	1,065,295
Investment properties	5	810,787	-	757,326	-
Intangible asset	6	-	17,749	-	17,749
Long-term receivables	7	52,780	10,327	52,780	71,445
Interest in subsidiaries	8	-	-	1,413	44,410
Interest in associate	9	235,035	136,339	53,235	-
Investments	10	775,328	674,151	723,881	669,123
Pension fund receivable	11	26,040	27,840	26,040	27,840
Deferred tax assets	12	618	4,499	-	-
Total non-current assets		1,921,511	2,063,505	1,635,595	1,895,862
Cash and cash equivalents	13	27,386	54,585	18,445	29,721
Securities purchased under resale agreements	14	8,930	1,742	8,930	1,742
Trade and other receivables	15	18,414	472,042	55,918	401,888
Prepayments		-	34,317	-	33,643
Taxation recoverable		9,616	9,287	-	-
Inventories and goods-in-transit	16	-	190,752	-	189,950
Current portion of pension fund receivable	11	179,938	914,386	179,938	914,386
Total current assets		244,284	1,677,111	263,231	1,571,330
Total assets		**2,165,795**	**3,740,616**	**1,898,826**	**3,467,192**
Equity					
Share capital	17	605,622	605,622	605,622	605,622
Reserves	18	1,209,113	2,067,403	944,173	1,895,616
Total equity attributable to equity holders of parent		1,814,735	2,673,025	1,549,795	2,501,238
Liabilities					
Long-term liabilities	19	-	65,926	-	65,926
Employee benefits obligation	20	-	87,000	-	87,000
Deferred tax liabilities	12	165,706	333,036	145,180	333,032
Total non-current liabilities		165,706	485,962	145,180	485,958
Bank overdraft	21	-	1,046	-	-
Trade and other payables	22	95,033	466,638	113,530	386,461
Taxation payable		90,321	16,799	90,321	11,969
Current portion of long-term liabilities	19	-	32,774	-	32,774
Deferred income	23	-	64,372	-	48,792
Total current liabilities		185,354	581,629	203,851	479,996
Total liabilities		351,060	1,067,591	349,031	965,954
Total equity and liabilities		**2,165,795**	**3,740,616**	**1,898,826**	**3,467,192**

The financial statements on pages 2 to 68 were approved for issue by the Board of Directors on July 19, 2016 and signed on its behalf by:

________________ Chairman
Hon. O. F. Clarke, OJ

________________ Director
Joseph M. Matalon

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

1834 INVESTMENTS LIMITED
(formerly The Gleaner Company Limited)
MARCH 31, 2016

Income Statements
(Fifteen month period with twelve month comparatives)

	NOTES	GROUP 2016 $'000	GROUP 2014* $'000	COMPANY 2016 $'000	COMPANY 2014* $'000
CONTINUING OPERATIONS					
Revenue	24	200,655	153,356	200,655	153,356
Other operating income	25	4,080	3,658	4,080	3,658
		204,735	157,014	204,735	157,014
Administration expenses		(5,303)	(6,481)	(5,303)	(6,481)
Other operating expenses		(33,171)	-	(33,171)	-
	26	(38,474)	(6,481)	(38,474)	(6,481)
Profit from operations		**166,261**	**150,533**	**166,261**	**150,533**
Finance costs	27	(2,931)	(2,986)	(2,904)	(2,986)
Profit from continuing operations before other income		**163,330**	**147,547**	**163,357**	**147,547**
Gain on the disposal of subsidiary	35	54,729	-	-	-
Share of profit from interest in associate, net of tax	42(a)(v),9	45,611	136,189	-	-
Profit from continuing operations before taxation		**263,670**	**283,736**	**163,357**	**147,547**
Taxation credit	28	18,494	-	18,494	-
Profit for the period/year from continuing operations		**282,164**	**283,736**	**181,851**	**147,547**
(Loss)/profit for the period/year from discontinued operations, net of tax	34(a)	**(275,428)**	**(102,589)**	**30,193**	**(109,758)**
Profit for the period/year		**6,736**	**181,147**	**212,044**	**37,789**
Dealt with in the financial statements of:					
Parent company		212,044	37,789		
Subsidiaries		(250,919)	7,169		
Associate	9	45,611	136,189		
		6,736	**181,147**		
Earnings per stock unit:					
Based on stock units in issue	29	0.56¢	14.96¢		
Excluding stock units in GCLEIT	29	0.57¢	15.48¢		

* Restated see note 34.

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

1834 INVESTMENTS LIMITED
(formerly The Gleaner Company Limited)
MARCH 31, 2016

Statements of Profit or Loss and Other Comprehensive Income
(Fifteen month period with twelve month comparatives)

	NOTES	GROUP 2016 $'000	GROUP 2014 $'000	COMPANY 2016 $'000	COMPANY 2014 $'000
Profit for the period/year		**6,736**	**181,147**	**212,044**	**37,789**
Other comprehensive income:					
Items that will never be reclassified to profit or loss					
Revaluation of land and buildings		(26,932)	-	(109,018)	-
Remeasurement of employee benefit obligation		(1,500)	(17,400)	(1,500)	(17,400)
Transferred on amalgamation		1,500	-	1,500	-
Related tax on revaluation and remeasurement	28(c)	6,735	4,350	27,257	4,350
		(20,197)	(13,050)	(81,761)	(13,050)
Items that may be reclassified to profit or loss:					
Change in fair value of available-for-sale investments		83,267	(5,832)	31,832	(5,832)
Currency translation differences on foreign subsidiaries		-	23,147	-	-
		83,267	17,315	31,832	(5,832)
Other comprehensive income/(loss) for the year/period, net of taxation		63,070	4,265	(49,929)	(18,882)
Total comprehensive income for the period/year		69,806	185,412	162,115	18,907
Dealt with in the financial statements of:					
The company		162,115	18,907		
Subsidiaries		(137,920)	30,316		
Associate		45,611	136,189		
		69,806	185,412		

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

1834 INVESTMENTS LIMITED
(formerly The Gleaner Company Limited)
MARCH 31, 2016

Group Statement of Changes in Equity
(Fifteen month period with twelve month comparatives)

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Reserve for own shares $'000	Retained profits $'000	Total equity $'000
Balances at December 31, 2013	605,622	1,013,906	63,005	(144,035)	1,055,203	2,593,701
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	181,147	181,147
Other comprehensive income/(loss) for the year:						
Change in fair value of available-for-sale investments	-	-	(5,832)	-	-	(5,832)
Remeasurement of employee benefits obligation, net of tax	-	-	-	-	(13,050)	(13,050)
Currency translation differences on foreign subsidiaries	-	23,147	-	-	-	23,147
Other comprehensive expense for the year, net of taxation	-	23,147	(5,832)	-	(13,050)	4,265
Total comprehensive income for the year, net of taxation	-	23,147	(5,832)	-	168,097	185,412
Transfer	-	(4,627)	-	-	4,627	-
Transactions with owners, recorded directly in equity:						
Dividends (note 30)	-	-	-	-	(94,073)	(94,073)
Share-based payment transactions (note 31)	-	-	-	-	288	288
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	(12,303)	-	(12,303)
Total contributions by and distributions to owners	-	-	-	(12,303)	(93,785)	(106,088)
Balances as at December 31, 2014	605,622	1,032,426	57,173	(156,338)	1,134,142	2,673,025
Total comprehensive income for the period:						
Profit for the period	-	-	-	-	6,736	6,736
Other comprehensive income/(loss):						
Change in fair value of available-for-sale investments	-	-	83,267	-	-	83,267
Revaluation of land and buildings	-	(26,932)	-	-	-	(26,932)
Deferred tax on revalued assets	-	6,735	-	-	-	6,735
Other comprehensive income for the year, net of taxation	-	(20,197)	83,267	-	-	63,070
Total comprehensive income for the period	-	(20,197)	83,267	-	6,736	69,806
Transactions with owners, recorded directly in equity:						
Dividends (note 30)	-	-	-	-	(94,067)	(94,067)
Share-based payment transactions (note 31)	-	-	-	-	136	136
Own shares purchased by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	7,181	-	7,181
Net assets transferred on amalgamation [note 34 (b)]	-	56,779	(1,369)	-	(896,756)	(841,346)
Total contributions by and distributions to owners	-	56,779	(1,369)	7,181	(990,687)	(928,096)
Balances as at March 31, 2016	605,622	1,069,008	139,071	(149,157)	150,191	1,814,735

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

1834 INVESTMENTS LIMITED
(formerly The Gleaner Company Limited)
MARCH 31, 2016

Company Statement of Changes in Equity
(Fifteen month period with twelve month comparatives)

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Retained profits $'000	Total equity $'000
Balances at December 31, 2013	605,622	795,862	61,636	1,115,823	2,578,943
Total comprehensive income for the year					
Profit for the year	-	-	-	37,789	37,789
Other comprehensive income:					
Change in fair value of investments	-	-	(5,832)	-	(5,832)
Remeasurement of employee benefits obligation	-	-	-	(13,050)	(13,050)
Other comprehensive income for the year, net of taxation	-	-	(5,832)	(13,050)	(18,882)
Total comprehensive income for the year	-	-	(5,832)	24,739	18,907
Transfer	-	(4,627)	-	4,627	-
Transactions with owners, recorded directly in equity					
Dividends (note 30)	-	-	-	(96,900)	(96,900)
Share-based payment transactions (note 31)	-	-	-	288	288
	-	-	-	(96,612)	(96,612)
Balance at December 31, 2014	605,622	791,235	55,804	1,048,577	2,501,238
Total comprehensive income for the period					
Profit for the period	-	-	-	212,044	212,044
Other comprehensive income					
Change in fair value of investments	-	-	31,832	-	31,832
Revaluation of land and buildings	-	(109,018)	-	-	(109,018)
Deferred taxation revalued assets	-	27,257	-	-	27,257
Other comprehensive income, net of taxation	-	(81,761)	31,832	-	(49,929)
Total comprehensive income for the period	-	(81,761)	31,832	212,044	162,115
Transactions with owners, recorded directly in equity					
Dividends (note 30)	-	-	-	(96,900)	(96,900)
Share-based payment transactions (note 31)	-	-	-	136	136
Transferred on amalgamation [note 34(b)]	-	-	-	(1,016,794)	(1,016,794)
	-	-	-	(1,113,558)	(1,113,558)
Balances as at March 31, 2016	605,622	709,474	87,636	147,063	1,549,795

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

1834 INVESTMENTS LIMITED
(formerly The Gleaner Company Limited)
MARCH 31, 2016

Statements of Cash Flows
(Fifteen month period with twelve month comparatives)

	NOTES	Group 2016 $'000	Group 2014 $'000	Company 2016 $'000	Company 2014 $'000
Cash flows from operating activities					
Profit for the period/year		6,736	181,147	212,044	37,789
Adjustments to reconcile profit to net cash provided by operating activities:					
Depreciation	4(a),(b)	98,466	93,817	58,597	77,481
Amortisation	6	3,495	4,953	3,495	4,953
Gain on disposal of subsidiary	35	(54,729)	-	-	-
Current income tax	28(a)	176,972	40,759	178,362	38,094
Deferred taxation		(195,902)	2,819	(196,856)	(1,520)
Employee benefits obligation	20(ii)	12,415	6,700	-	6,700
Gain on disposal of property, plant and equipment		(2,764)	(3,088)	(2,227)	(1,629)
Equity settled share-based payment transactions	31	136	288	136	288
Interest income		(200,655)	(159,652)	(200,655)	(159,334)
Interest expense	27	2,931	35,517	18,665	27,676
Share of profit of associate, net of tax	9	(45,611)	(136,189)	-	-
Loss/(gain) on disposal of shares		7,181	(12,303)	-	-
Translation adjustment		(3)	26,199	-	-
Impairment loss on property, plant and equipment		-	464	-	-
		(191,332)	81,431	71,561	30,498
Tax paid		(109,699)	(34,006)	(100,010)	(29,690)
Interest paid		(2,931)	(35,517)	(18,665)	(27,676)
Trade and other receivables		(45,941)	15,375	(81,230)	55,404
Prepayments		10,890	3,656	(18,501)	3,684
Inventories and goods-in-transit		61,518	(91,530)	82,225	(114,574)
Securities purchased under agreements for resale		(135,734)	13,108	(7,188)	8,038
Trade and other payables		123,642	17,477	(48,747)	29,196
Deferred income		(10,274)	(1,803)	3,023	(4,242)
Employee benefits obligation payments	20(ii)	(4,900)	(3,400)	(2,925)	(3,400)
Pension fund receivable		258,080	73,348	70,748	73,348
Net cash (used)/provided by operating activities		(46,681)	38,139	(49,709)	20,586
Cash flows from investing activities					
Interest received		200,054	157,803	200,054	157,485
Acquisition of investment in associate		(53,085)	-	(53,085)	-
Additions to property, plant and equipment	4(a),(b)	(41,924)	(41,092)	(12,739)	(38,297)
Proceeds from sale of property, plant and equipment		8,333	2,314	4,454	2,314
Cash and cash equivalents disposed of	35	(6,227)	-	-	-
Effects of amalgamation	34(e)	(38,338)	-	-	-
Investments, net		(19,264)	(39,565)	(14,151)	(39,565)
Long-term receivable		24,315	(4,010)	18,665	9,186
Acquisition of intangible assets	6	(6,421)	(21,074)	-	(21,074)
Net cash provided by investing activities		67,443	54,376	143,198	70,049
Cash flows from financing activities					
Long-term liabilities		47,152	(31,199)	(7,865)	(31,199)
Dividends paid	30	(94,067)	(94,073)	(96,900)	(96,900)
Net cash used by financing activities		(46,915)	(125,272)	(104,765)	(128,099)
Net decrease in cash and cash equivalents		(26,153)	(32,757)	(11,276)	(37,464)
Cash and cash equivalents at beginning of the year		53,539	86,296	29,721	67,185
Cash and cash equivalents at end of the year		27,386	53,539	18,445	29,721
Comprised of:					
Cash and bank balances		27,386	54,585	18,445	29,721
Bank overdraft		-	(1,046)	-	-
		27,386	53,539	18,445	29,721

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

1. Identification

1834 Investments Limited, formerly The Gleaner Company Limited ("company" or "parent company"), is incorporated under the laws of, and is domiciled in, Jamaica. Its registered office is located at 7 North Street, Kingston. In the prior year, the principal activities of the company and its subsidiaries [collectively referred to as the "group" (notes 36 and 42)] were the publication of news in print and digital media as well as radio broadcasting. As of March 31, 2016 the principal activity of the company is the holding of investments.

On August 5, 2015, the company entered into an agreement with Radio Jamaica Limited (RJR) to merge its formerly held media operations, which included print and digital media news publication as well as radio broadcasting. To facilitate the amalgamation, the company incorporated a new entity, The Gleaner Company (Media) Limited (GCML), a wholly owned subsidiary, to which the media operations were hived off (separated and assigned to) on September 30, 2015 (note 34). The company's former media business is represented in these accounts as "discontinued operations".

On December 30, 2015 the company's shareholders approved a special resolution for the scheme of arrangement for amalgamation to be made between the company and RJR. The Supreme Court sanctioned the scheme on February 17, 2016 consequent to the approval of the tax authorities, regulators and stockholders of both 1834 Investments Limited and RJR.

As of March 31, 2016, the company no longer engages in any form of media business and is precluded from doing so for a period of twenty-four months from the effective date of the amalgamation agreement. As of March 31, 2016, the company's subsidiaries and its associated shareholding are as follows:

(i)	1834 Investments (Canada) Inc.	100%
(ii)	Popular Printers Limited and its wholly owned subsidiaries i. Selectco Publications Limited ii Associated Enterprise Limited	100%
(iii)	Jamaica Joint Venture Investment Company Limited	50% Joint Venture
(iv)	digjamaica.com Limited	100%

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

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

(b) Basis of measurement:

The financial statements are prepared on the historical cost basis, except for land and buildings [notes 4(c) and 5] and available-for-sale investments (note 10), which are measured at fair value and employee benefits obligation, which is measured as the present value of the defined-benefit obligation as explained in note 42(d)(i).

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars, which is the company's functional currency. Financial information presented is shown in thousands of Jamaica dollars, unless otherwise stated. The financial information presented in the Statements of Profit or Loss and Other Comprehensive Income are for a fifteen month period with twelve month comparative as the financial reporting period for the group and the company was changed to March.

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

(d) Use of estimates and judgements:

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

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

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

(i) Post-retirement benefits:

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

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

(ii) Allowance for impairment losses on receivables:

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

1834 INVESTMENTS LIMITED
(formerly The Gleaner Company Limited)

Notes to the Financial Statements (Continued)
March 31, 2016
(Fifteen month period with twelve month comparatives)

3. Roles of the actuary and auditors

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

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

4. Property, plant and equipment

(a) Group

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Total $'000
Cost or valuation								
Balances at December 31, 2013	1,059,286	304,882	60,118	337,336	210,911	4,890	50,935	2,028,358
Additions	1,169	18,935	415	14,578	-	-	5,995	41,092
Disposals	-	(18,919)	(4,725)	(948)	-	-	(2,523)	(27,115)
Impairment	-	-	(1,299)	-	-	-	-	(1,299)
Translation adjustments	(1,202)	(1,308)	(74)	-	-	-	-	(2,584)
Balances at December 31, 2014	1,059,253	303,590	54,435	350,966	210,911	4,890	54,407	2,038,452
Additions	-	1,234	897	37,020	-	-	2,773	41,924
Disposals	(2,728)	(34)	(1,301)	(6,396)	-	-	-	(10,459)
Revaluation	(143,320)	-	-	-	-	-	-	(143,320)
Transferred to investment properties	(810,787)	-	-	-	-	-	-	(810,787)
Transferred on amalgamation	(102,421)	(245,693)	(54,031)	(381,587)	(210,911)	(4,890)	(57,180)	(1,056,713)
Translation adjustments	3	2	-	-	-	-	-	5
Balances at March 31, 2016	-	59,099	-	3	-	-	-	59,102
Depreciation								
Balances at December 31, 2013	63,971	179,880	51,872	316,318	151,650	4,890	11,710	780,291
Charge for the year	35,299	22,998	2,296	28,509	4,715	-	-	93,817
Eliminated on disposals	-	(20,379)	(4,725)	(2,785)	-	-	-	(27,889)
Impairment	-	-	(835)	-	-	-	-	(835)
Translation adjustments	(823)	2,578	75	(1,362)	-	-	-	468
Balances at December 31, 2014	98,447	185,077	48,683	340,680	156,365	4,890	11,710	845,852
Revaluation adjustment	(116,388)	-	-	-	-	-	-	(116,388)
Charge for the year	29,093	25,934	1,801	16,261	5,056	-	20,321	98,466
Eliminated on disposals	(1,557)	(33)	(373)	(2,927)	-	-	-	(4,890)
Reclassification	-	-	-	(8,727)	-	-	8,727	-
Transferred on amalgamation	(9,595)	(172,801)	(50,111)	(345,287)	(161,421)	(4,890)	(40,758)	(784,863)
Translation adjustments	-	2	-	-	-	-	-	2
Balances at March 31, 2016	-	38,179	-	-	-	-	-	38,179
Carrying amounts								
March 31, 2016	-	20,920	-	3	-	-	-	20,923
December 31, 2014	960,806	118,513	5,752	10,286	54,546	-	42,697	1,192,600

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4. 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
Cost or valuation								
Balances at December 31, 2013	968,300	158,183	44,448	244,416	210,910	4,890	47,582	1,678,729
Additions	1,169	16,218	415	14,500	-	-	5,995	38,297
Disposals	-	-	-	(948)	-	-	(2,523)	(3,471)
Balances at December 31, 2014	969,469	174,401	44,863	257,968	210,910	4,890	51,054	1,713,555
Additions	-	1,007	46	9,949	-	-	1,737	12,739
Disposals	-	-	-	(6,396)	-	-	-	(6,396)
Revaluation	(203,143)	-	-	-	-	-	-	(203,143)
Transferred to investment properties	(757,326)	-	-	-	-	-	-	(757,326)
Transferred on amalgamation	(9,000)	(116,309)	(44,909)	(261,521)	(210,910)	(4,890)	(52,791)	(700,330)
Balances at March 31, 2016	-	59,099	-	-	-	-	-	59,099
Depreciation								
Balances at December 31, 2013	34,191	104,070	39,346	231,062	151,650	4,890	8,356	573,565
Charge for the year	34,238	11,304	1,465	25,759	4,715	-	-	77,481
Eliminated on disposals	-	-	-	(2,786)	-	-	-	(2,786)
Balances at December 31, 2014	68,429	115,374	40,811	254,035	156,365	4,890	8,356	648,260
Charge for the year	25,696	8,679	845	3,933	3,087	-	16,357	58,597
Reclassification	-	-	-	(8,727)	-	-	8,727	-
Revaluation	(94,125)	-	-	-	-	-	-	(94,125)
Eliminated on disposals	-	-	-	(4,169)	-	-	-	(4,169)
Transferred on amalgamation	-	(85,874)	(41,656)	(245,072)	(159,452)	(4,890)	(33,440)	(570,384)
Balances at March 31, 2016	-	38,179	-	-	-	-	-	38,179
Carrying amounts								
March 31, 2016	-	20,920	-	-	-	-	-	20,920
December 31, 2014	901,040	59,027	4,052	3,933	54,545	-	42,698	1,065,295

(c) Freehold land and buildings:

(i) Freehold land and buildings were revalued during the period on a fair market value basis by Property Consultants Limited and Municipal Property Assessment Corporation as follows:

Location of property	**2016** Group $'000	**2016** Company $'000
7 North Street	380,226	380,226
146 Harbour Street	17,000	17,000
4 Bradley Avenue	84,000	84,000
9 King Street	128,000	128,000
103 East Street	8,500	8,500
105 East Street	22,600	22,600
101A East Street	8,000	8,000
Newport West	95,000	95,000
66C John's Lane	6,000	6,000
66D John's Lane	8,000	8,000
1390 Eglinton Avenue	53,461	-
	810,787	757,326

All of the properties are located in Jamaica except for 1390 Eglinton Avenue which is located in Canada.

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4. Property, plant and equipment (continued)

(c) Freehold land and buildings (continued):

(i) (Continued)

The surplus arising on revaluation, inclusive of depreciation no longer required, is included in capital reserves (see note 18).

(ii) Certain assets included in property, plant and equipment were transferred to a newly incorporated holding company, The Gleaner Company (Media) Limited as part of the hive off exercise (note 34).

(iii) Consequent on the restructuring of the group and change in the core business operation of the company, the revalued freehold land and buildings were transferred to investment properties (see note 5).

(iv) Pursuant to the scheme of arrangement, the land and building located at 7 North Street were reclassified arising from a lease arrangement (notes 5 and 39).

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

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

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5. Investment properties

	Group 2016 $'000	Company 2016 $'000
Transferred from property, plant and equipment [see note 4]	810,787	757,326

The market based approach was used to determine fair value and is categorised as level 3 in the fair value hierarchy [note 4(c)].

6. Intangible assets

	Computer Software	
	Group $'000	Company $'000
Balance at December 31, 2013	17,220	17,220
Additions	21,074	21,074
Balance at December 31, 2014	38,294	38,294
Additions	6,421	-
Transferred on amalgamation	(44,715)	(38,294)
Balance at March 31, 2016	-	-
Amortisation		
Balance at December 31, 2013	15,592	15,592
Amortisation	4,953	4,953
Balance at December 31, 2014	20,545	20,545
Amortisation	3,495	3,495
Transferred on amalgamation	(24,040)	(24,040)
Balance at March 31, 2016	-	-
Carrying amounts		
March 31, 2016	-	-
December 31, 2014	17,749	17,749

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7. Long-term receivables

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Amounts receivable under finance lease [see (i) below]	50,722	-	50,722	51,811
Other	-	-	-	16,000
Other long-term receivable	3,000	10,327	3,000	4,497
	53,722	10,327	53,722	72,308
Less current portion [see other receivables (note 15)]	(942)	-	(942)	(863)
	52,780	10,327	52,780	71,445

(i) This represents amounts receivable under a finance lease arrangement with a former subsidiary, Independent Radio Company Limited.

	Group and Company	
	2016	**2014**
	$'000	**$'000**
Gross investment in finance leases, receivable:		
Less than one year	4,463	4,463
Between two and five years	17,850	17,850
More than five years	83,982	88,445
	106,295	110,758
Less unearned income	(55,573)	(58,947)
Net investment in finance lease	50,722	51,811
The net investment in finance lease receivable comprises:		
Current portion	942	863
Non-current portion	49,780	50,948
	50,722	51,811

8. Interest in subsidiaries

	Company	
	2016	**2014**
	$'000	**$'000**
Shares at cost, less impairment losses:		
digjamaica.com Limited (i)	300	-
Popular Printers Limited	426	426
GV Media Group Limited (ii)	-	1
1834 Investments (Canada) Inc. [formerly The Gleaner Company (Canada) Inc.] (note 36)	687	687
Independent Radio Company Limited (iii)	-	43,296
	1,413	44,410

(i) digjamaica.com Limited was transferred to the company and its media business hived off as part of the restructuring exercise.

(ii) GV Media Group Limited was disposed of during the period (note 35).

(iii) The investment in this subsidiary was transferred to GCML as part of the hive off exercise.

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9. Interest in associate

On January 30, 2015, the Group acquired an additional 75,000 shares in Jamaica Joint Venture Investment Company Limited, thereby increasing its shareholding from 33⅓% to 50%. The share of profit for the current period was, however, recognised on its previously held shareholding of 33⅓%, as the latest financial statements available are those as at, and for the year ended, December 31, 2014.

The interest in associate was transferred from the subsidiary to the company as part of the restructuring of the group.

	Group		Company	
	2016	2014	2016	2014
	$'000	$'000	$'000	$'000
Share at cost	150	150	150	-
Additional shares acquired	53,085	-	53,085	-
Group's share of reserves	181,800	136,189	-	-
	235,035	136,339	53,235	-

The following table summarises the financial information of the associate, as included in its own financial statements, after elimination of differences in accounting policies and intercompany transactions.

	Group	
	2016	2014
Percentage ownership interest	**50%**	**33⅓%**
	$'000	$'000
Non-current assets	467,639	367,801
Current assets	91,075	51,729
Non-current liabilities	(1,746)	(1,746)
Current liabilities	(11,115)	(8,766)
Net assets (100%)	545,853	409,018
Group's share of net assets being carrying amount of interest in associate	181,951	134,976
Revenue from operations	257,409	61,347
Gain from fair value adjustment on investment properties	-	349,116
Total revenue	257,409	410,463
Depreciation and amortisation	(1,647)	(1,607)
Administrative expense	(107,886)	(57,657)
Interest expense	(579)	(132)
Income tax charge	(10,463)	(1,446)
Profit and total comprehensive income (100%)	136,834	349,621
Group's share of profit and total comprehensive income (33⅓%)	45,611	115,375
Group's share of profit recognised in profit or loss:		
Balance as at January 1	136,189	-
Group's share of current year profit	45,611	115,375
Accumulated share of profits not previously recognised	-	20,814
	45,611	136,189
Balance as at March 31/December 31	181,800	136,189

10. Investments

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Available-for-sale financial assets:				
Quoted equities	211,642	113,066	161,747	113,066
Unquoted equities	22,618	22,820	22,618	22,820
Corporate bonds	214,387	207,240	214,387	207,240
9.50% Royal Bank of Scotland PLC investment note	41,525	41,528	41,525	41,528
6.75% Lloyds TSB PLC – investment note	178,151	170,840	178,151	170,840
10.179% Barclays Bank PLC investment note	55,368	54,226	55,368	54,226
Loans and receivables:				
Certificates of deposit	46,028	55,346	46,028	55,346
Debentures	5,609	9,085	4,057	4,057
	775,328	674,151	723,881	669,123

In the prior year, the certificates of deposit were pledged as collateral for certain borrowing facilities (see note 19).

11. Pension fund receivable

The amount represents surplus due to the company arising from the discontinuation of the defined-benefit pension fund (see note 20). Of the total outstanding, $26,040,000 (2014: $27,840,000) is expected to be received after more than one year from the reporting date.

	Group and Company	
	2016	**2014**
	$'000	**$'000**
Balance at beginning of year	942,226	1,015,574
Net received during the year	(873,086)	(183,260)
Income earned during the year	136,838	109,912
Balance at end of year	205,978	942,226
Due within 1 year	179,938	914,386
Due after 1 year	26,040	27,840
	205,978	942,226

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

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12. Deferred taxation

Deferred taxation is attributable to the following:

(a) **Group:**

	Assets		**Liabilities**		**Net**	
	2016 $'000	**2014 $'000**	**2016 $'000**	**2014 $'000**	**2016 $'000**	**2014 $'000**
Inventories	-	-	(4)	(28)	(4)	(28)
Property, plant and equipment	618	(5,270)	(100,344)	(104,002)	(99,726)	(109,272)
Intangible asset	-	-	-	(4,437)	-	(4,437)
Employee benefits obligation	-	-	-	21,750	-	21,750
Pension fund receivable	-	-	(51,495)	(235,557)	(51,495)	(235,557)
Trade and other receivables	-	(5)	-	(11,888)	-	(11,893)
Trade and other payables	-	7,945	(13,863)	7,601	(13,863)	15,546
Finance lease	-	-	-	(6,475)	-	(6,475)
Tax losses	-	1,829	-	-	-	1,829
Other	-	-	-	-	-	-
Net assets/(liabilities)	618	4,499	(165,706)	(333,036)	(165,088)	(328,537)

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

	2016 $'000	**2014 $'000**
Deferred tax liability in company	(145,180)	(333,032)
Deferred tax liability in subsidiaries	(20,526)	(4)
	(165,706)	(333,036)
Deferred tax asset in certain subsidiaries	618	4,499
Net deferred tax liabilities	(165,088)	(328,537)

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12. Deferred taxation (continued)

Deferred taxation is attributable to the following (continued):

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

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

	2016			
	Balance at January 1 $'000	**Recognised in profit/loss $'000**	**Recognised in other comprehensive income $'000**	**Balance at March 31 $'000**
Inventories	(28)	24	-	(4)
Property, plant and equipment	(109,272)	2,811	6,735	(99,726)
Intangible asset	(4,437)	4,437	-	-
Trade and other receivables	(11,893)	(1,970)	-	(13,863)
Trade and other payables	15,546	(15,546)	-	-
Finance lease	(6,475)	6,475	-	-
Tax losses	1,829	(1,829)	-	-
Employee benefits obligation	21,750	(21,750)	-	-
Pension fund receivable	(235,557)	184,062	-	(51,495)
	(328,537)	156,714	6,735	(165,088)

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

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12. Deferred taxation (continued)

Deferred taxation is attributable to the following (continued):

(b) **Company:**

	2016 $'000	2014 $'000
Inventories	-	(24)
Property, plant and equipment	(79,822)	(104,002)
Intangible asset	-	(4,437)
Trade and other receivables	(13,863)	(11,888)
Trade and other payables	-	7,601
Finance lease	-	(6,475)
Pension fund receivable	(51,495)	(235,557)
Employee benefits obligation	-	21,750
Net liabilities	(145,180)	(333,032)

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

	2016			
	Balance at January 1 $'000	Recognised in profit/loss $'000	Recognised in other comprehensive income $'000	Balance at December 31 $'000
Inventories	(24)	24	-	-
Property, plant and equipment	(104,002)	(3,077)	27,257	(79,822)
Intangible asset	(4,437)	4,437	-	-
Trade and other receivables	(11,888)	(1,975)	-	(13,863)
Trade and other payables	7,601	(7,601)	-	-
Finance lease	(6,475)	6,475	-	-
Employee benefits obligation	21,750	(21,750)	-	-
Pension fund receivable	(235,557)	184,062	-	(51,495)
	(333,032)	160,595	27,257	(145,180)

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

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13. Cash and cash equivalents

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Bank and cash balances	27,386	54,585	18,445	29,721

14. Securities purchased under resale agreements

The group and the company purchase government and corporate securities and agree to resell them at a specific date at a specific price.

At the reporting date, the fair value of the underlying securities held for resale agreements for the group and the company was $9.40M (2014: $1.74M)

15. Trade and other receivables

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade and other receivables due from related parties	-	-	75,620	154,783
Trade receivable due from former related parties	61,885	-	61,685	-
Other trade receivables	-	479,686	-	417,766
Other receivables [see (a) below]	15,006	89,121	12,711	63,741
Current portion of long term receivable (see note 7)	942	-	942	863
	77,833	568,807	150,958	637,153
Less: allowance for doubtful debts [see (b) below]	(59,419)	(96,765)	(95,040)	(235,265)
	18,414	472,042	55,918	401,888

(a) Other receivables is comprised as follows:

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
General Consumption Tax (GCT) recoverable	1,138	8,544	1,138	8,544
Interest receivable	5,671	5,070	5,671	5,070
Other receivables and prepayments	8,197	75,507	5,902	50,127
	15,006	89,121	12,711	63,741

(b) Allowance for doubtful debts

(i) Allowance for doubtful debts is comprised as follows:

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables due from related parties [see (ii) below]	-	-	35,621	154,749
Trade receivables due from former related parties	59,419	-	59,419	-
Other trade receivables [see (iii) below]	-	94,545	-	69,662
Other receivables [see (iv) below]	-	2,220	-	10,854
	59,419	96,765	95,040	235,265

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15. Trade and other receivables (continued)

(b) Allowance for doubtful debts (continued)

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

	Company	
	2016	**2014**
	$'000	**$'000**
Balance as at beginning of the year	154,749	154,600
Transferred to trade receivables due from former related parties	(59,419)	-
Amounts written-off, net of recoveries and transfers	(59,709)	149
Balance as at end of the year	35,621	154,749

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

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Balance as at beginning of the year	94,545	98,794	69,662	70,934
Impairment loss recognised	-	8,315	-	-
Transferred on amalgamation	(94,545)		(69,662)	-
Amounts written-off	-	(12,564)	-	(1,272)
Balance as at end of the year	-	94,545	-	69,662

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

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Balance as at beginning of the year	2,220	10,854	10,854	10,854
Impairment loss recognised	-	2,436	-	-
Transferred on amalgamation	(2,220)	-	(10,854)	-
Amounts written-off	-	(11,070)	-	-
Balance as at end of the year	-	2,220	-	10,854

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

	Group			
	2016		2014	
	Gross	**Impairment**	**Gross**	**Impairment**
	$'000	**$'000**	**$'000**	**$'000**
Not past due	-	-	153,253	-
Past due 0 – 30 days	-	-	161,767	2,588
Past due 31 – 60 days	-	-	40,390	4,950
Past due 61 – 120 days	-	-	28,421	2,381
More than one year	-	-	95,855	84,626
	-	-	479,686	94,545

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15. Trade and other receivables (continued)

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

	Company			
	2016		2014	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	-	-	156,253	-
Past due 0 – 30 days	-	-	135,805	2,588
Past due 31 – 60 days	-	-	30,922	4,950
Past due 61 – 120 days	-	-	19,106	1,771
More than one year	-	-	75,680	60,353
	-	-	417,766	69,662

16. Inventories and goods-in-transit

	Group		Company	
	2016 $'000	2014 $'000	2016 $'000	2014 $'000
Newsprint	-	128,917	-	128,917
Books, stationery and general supplies	-	30,834	-	30,032
Goods-in-transit	-	9,163	-	9,163
Consumable stores	-	21,838	-	21,838
	-	190,752	-	189,950

Inventories were stated net of a provision for obsolescence of $Nil (2014: $96,000) for the group and company.

17. Share capital

	Group and Company	
	2016 $'000	2014 $'000
Share capital issued and fully paid:		
1,211,243,827 stock units of no par value	605,622	605,622

At March 31, 2016, the authorised share capital comprised 1,216,000,000 ordinary stock units (2014: 1,216,000,000). All issued stock units are fully paid. The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per stock unit at meetings of the company.

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18. Reserves

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Capital				
Realised:				
Share premium (i)	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 [notes 4(c) and 5]	992,158	1,019,090	830,401	939,419
Deferred taxation on revalued land and buildings	(151,469)	(158,204)	(126,614)	(153,871)
Reserve arising from consolidation of of subsidiaries (net of goodwill) and debt	93,496	93,496	-	-
Exchange difference on translation of overseas subsidiaries	86,307	29,528	-	-
	1,020,492	983,910	703,787	785,548
Total capital reserves	**1,069,008**	**1,032,426**	**709,474**	**791,235**
Reserve for own shares (ii)	(149,157)	(156,338)	-	-
Fair value reserve (iii)	139,071	57,173	87,636	55,804
Revenue				
Retained profits	150,191	1,134,142	147,063	1,048,577
	1,209,113	2,067,403	944,173	1,895,616

(i) Share premium is retained in accordance with the provisions of Section 39(7) of the Jamaican Companies Act.

(ii) Reserve for own shares is included in the financial statements by consolidation of The Gleaner Company Limited Employee Investment Trust (GCLEIT) as it is regarded as a special purpose entity and is required to be consolidated under IFRS 10. The reserve comprises the cost of the company's shares held by the group through the GCLEIT. At March 31, 2016, GCLEIT held 34,175,094 (2014: 40,810,033) of the company's shares (note 31).

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

19. Long-term liabilities

	Group and Company	
	2016	**2014**
	$'000	**$'000**
Bank loan 1- 6.5% [see (a) below]	-	24,000
Bank loan 2- 7% [see (a) below]	-	24,000
Bank loan 3- 8% [see (a) below]	-	24,800
Finance lease obligations [see (b) below]	-	25,900
	-	98,700
Less: current portion	-	(32,774)
	-	65,926

19. Long-term liabilities (continued)

(a) In prior year, the loans were repayable over 5 years with total monthly instalments of $1,540,000. The loans were secured by a mortgage on land and buildings and a term deposit of $26 million (note 10). Loan repayment commenced in January 2014 after a 12 month period on principal moratorium. The unpaid portion of the loan as well as the underlying real estate were transferred as part of the restructuring of the group (note 34).

(b) Finance lease obligations:

	Group and Company	
	2016	**2014**
	$'000	**$'000**
Due from the reporting date as follows:		
Within one year	-	14,575
Within two to five years	-	16,785
Total future minimum lease payments	-	31,360
Less: future interest charges	-	(5,460)
Present value of minimum lease payments	-	25,900

The leases were transferred as part of the restructuring of the group (note 34).

20. Employee benefits

The parent company operated a defined-benefit scheme which was self administered and managed by a Board of Trustees appointed by The Gleaner Company Limited. A defined-benefit scheme is a pension scheme that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The scheme was discontinued on July 15, 2010.

On May 1, 2010, the company established a defined-contribution pension fund for employees who satisfied certain minimum service requirements. The fund which is administered by JN Fund Managers Limited was transferred to The Gleaner Company (Media) Limited as part of the scheme of arrangement for amalgamation.

The company operated a post-retirement benefit scheme which covers health insurance. The scheme was transferred as part of the restructuring of the group.

Post-retirement medical benefits:

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

	Group and Company	
	2016	**2014**
	$'000	**$'000**
Present value of obligation	-	87,000

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20. Employee benefits (continued)

Post-retirement medical benefits (continued):

(ii) Movement in net defined benefit liability:

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

	Group and Company	
	2016	**2014**
	$'000	**$'000**
Balance as at January 1	87,000	66,300
Included in profit or loss:		
Current service cost	786	500
Interest on obligation	10,129	6,200
Remeasurement loss arising from experience adjustment transferred	1,500	-
	12,415	6,700
Included in other comprehensive income:		
Remeasurement loss arising from experience adjustment	-	17,400
Other:		
Benefits paid	(4,900)	(3,400)
	94,515	87,000
Transferred on amalgamation	(94,515)	-
Balance at March 31/December 31	-	87,000

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

	2016	**2014**
	$'000	**$'000**
	%	%
Discount rate	9.04	9.5
Future health cost increases	7.57	7.5

At the December 31, 2014, the weighted average duration of the defined benefit obligation was 12.3 years.

(iv) Sensitivity analysis on projected benefit obligation:

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

20. Employee benefits (continued)

(iv) Sensitivity analysis on projected benefit obligation (continued):

	2016		2014	
	\$'000 1% increase	**\$'000 1% decrease**	**\$'000 1% increase**	**\$'000 1% decrease**
Discount rate	-	-	77,800	98,200
Future medical costs	-	-	98,200	77,800

(v) As mortality continues to improve, estimates of life expectancy are expected to increase. An increase of one year in life expectancy will increase the employee benefit obligation to approximately \$Nil (2014:\$ 90,300,000) while a decrease of one year in life expectancy will result in a decrease in the employee benefit obligation to approximately \$Nil (2014: \$83,700,000).

21. Bank overdraft

The bank overdraft in the prior year was unsecured.

22. Trade and other payables

	Group		Company	
	2016 \$'000	**2014 \$'000**	**2016 \$'000**	**2014 \$'000**
Trade payables	-	161,533	-	118,759
Due to former related party	-	-	20,328	-
Unclaimed dividends	34,714	34,791	34,714	34,791
Other payables	60,319	270,314	58,488	232,911
	95,033	466,638	113,530	386,461

23. Deferred income

In prior year, this represented subscription revenues received in advance.

24. Revenue

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

	Group					
	Continuing operations		Discontinued operations*		Total	
	2016 \$'000	**2014 \$'000**	**2016 \$'000**	**2014 \$'000**	**2016 \$'000**	**2014 \$'000**
Rendering of services	-	-	2,649,686	2,054,114	2,649,686	2,054,114
Sale of goods	-	-	1,113,555	1,096,803	1,113,555	1,096,803
Investment income	196,518	153,356	-	-	196,518	153,356
Other	4,137	-	-	15,972	4,137	15,972
	200,655	153,356	3,763,241	3,166,889	3,963,896	3,320,245

* Note 34(a)

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24. Revenue (continued)

	Company					
	Continuing operations		Discontinued operations*		Total	
	2016	**2014**	**2016**	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Rendering of services	-	-	1,307,880	1,752,780	1,307,880	1,752,780
Sale of goods	-	-	641,711	933,124	641,711	933,124
Investment income	196,518	153,356	-	-	196,518	153,356
Other	4,137	-	-	4,969	4,137	4,969
	200,655	153,356	1,949,591	2,690,873	2,150,246	2,844,229

25. Other operating income

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Dividend income	4,080	3,658	4,080	3,658

26. Distribution, administration, and other operating expenses

	Group					
	Continuing operations		Discontinued operations*		Total	
	2016	**2014**	**2016**	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Directors' emoluments:						
Fees	-	-	4,449	5,669	4,449	5,669
Management remuneration	5,303	3,481	55,807	30,378	61,110	33,859
Salaries and wages	-	-	347,076	300,933	347,076	300,933
Other staff costs	-	-	457,335	245,134	457,335	245,134
Auditors' remuneration	3,996	-	17,383	10,048	21,379	10,048
Transportation cost	-	-	73,715	57,681	73,715	57,681
Depreciation and amortisation	-	-	101,961	98,770	101,961	98,770
Statutory deductions	-	-	32,076	26,841	32,076	26,841
Insurance	3,600	-	59,205	56,457	62,805	56,457
Commission	-	-	195,663	186,776	195,663	186,776
Consultancy and legal fees	25,575	3,000	170,595	55,677	196,170	58,677
Utilities and telephone	-	-	154,657	160,133	154,657	160,133
Bank charges	-	-	19,833	29,158	19,833	29,158
In-house advertising	-	-	57,776	87,053	57,776	87,053
Impairment loss	-	-	61,148	4,996	61,148	4,996
IT cost	-	-	27,582	23,234	27,582	23,234
Stationery and office supplies	-	-	17,499	10,422	17,499	10,422
Other expenses	-	-	167,343	64,936	167,343	64,936
Printing and production	-	-	90,129	58,684	90,129	58,684
Pension cost	-	-	30,468	22,524	30,468	22,524
	38,474	6,481	2,141,700	1,535,504	2,180,174	1,541,985

* Note 34(a)

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26. Distribution, administration, and other operating expenses (continued)

	Company					
	Continuing operations		Discontinued operations*		Total	
	2016	2014	2016	2014	2016	2014
	$'000	$'000	$'000	$'000	$'000	$'000
Directors' emoluments:						
Fees	-	-	4,449	5,170	4,449	5,170
Management remuneration	5,303	3,481	35,420	30,378	40,723	33,859
Salaries and wages	-	-	167,343	260,610	167,343	260,610
Other staff costs	-	-	183,198	218,980	183,198	218,980
Auditors' remuneration	3,996	-	5,993	8,288	9,989	8,288
Transportation cost	-	-	40,265	56,537	40,265	56,537
Depreciation and amortisation	-	-	62,092	82,434	62,092	82,434
Statutory deductions	-	-	16,827	22,642	16,827	22,642
Insurance	3,600	-	33,828	51,280	37,428	51,280
Commission	-	-	118,305	185,398	118,305	185,398
Consultancy and legal fees	25,575	3,000	39,652	52,946	65,227	55,946
Utilities and telephone	-	-	88,788	150,241	88,788	150,241
Bank charges	-	-	18,665	27,676	18,665	27,676
In-house advertising	-	-	57,776	82,291	57,776	82,291
Impairment loss	-	-	-	4,972	-	4,972
IT cost	-	-	15,059	20,316	15,059	20,316
Stationery and office supplies	-	-	5,955	7,675	5,955	7,675
Other expenses	-	-	9,276	82,167	9,276	82,167
Printing and production	-	-	42,604	59,271	42,604	59,271
Pension cost	-	-	17,441	22,524	17,441	22,524
	38,474	6,481	962,936	1,431,796	1,001,410	1,438,277

27. Net finance costs

	Group					
	Continuing operations		Discontinued operations*		Total	
	2016	2014	2016	2014	2016	2014
	$'000	$'000	$'000	$'000	$'000	$'000
Interest income on loans	-	-	8,819	5,631	8,819	5,631
Interest income on bank deposits	-	-	-	665	-	665
Finance income	-	-	8,819	6,296	8,819	6,296
Finance costs	(2,931)	(2,986)	(25,487)	(32,531)	(28,418)	(35,517)
Net finance costs	(2,931)	(2,986)	(16,668)	(26,235)	(19,599)	(29,221)

* Note 34(a)

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27. Net finance costs (continued)

	Company					
	Continuing operations		Discontinued operations*		Total	
	2016 $'000	2014 $'000	2016 $'000	2014 $'000	2016 $'000	2014 $'000
Interest income on loans	-	-	4,024	5,631	4,024	5,631
Interest income on bank deposits	-	-	-	347	-	347
Finance income	-	-	4,024	5,978	4,024	5,978
Finance costs	(2,904)	(2,986)	(15,761)	(24,690)	(18,665)	(27,676)
Net finance costs	(2,904)	(2,986)	(11,737)	(18,712)	(14,641)	(21,698)

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	
	2016 $'000	2014* $'000	2016 $'000	2014* $'000
(i) Current tax expense:				
Income tax at 25% (2014: 25%)	176,972	-	178,362	-
(ii) Deferred tax credit:				
Restructuring adjustment	(38,752)	-	(36,261)	-
Origination and reversal of timing differences [note 12(a)(ii) and 12(b)(i)]	(156,714)	-	(160,595)	-
	(195,466)	-	(196,856)	-
Total taxation credit recognised	(18,494)	-	(18,494)	-

Taxation credit excludes tax credit on the discontinued operations of $436,000 (2014: tax expense of $43,578,000) for the group and $Nil (2014: tax expense of $36,574,000) for the company; both of these have been included in loss from discontinued operations, net of tax [note 34(a)].

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

	Group		Company	
	2016 $'000	2014* $'000	2016 $'000	2014* $'000
Profit from continuing operations before taxation	263,670	283,736	163,357	147,547
Income tax at 25% (2014: 25%)	65,918	70,934	40,839	36,887
Difference between depreciation and tax capital allowance	26,456	(18,288)	7,465	(10,812)
Finance lease payments	(7,696)	6,401	(1,550)	6,401
Employment tax credit	(54,591)	-	(54,591)	-
Tax effect of share of profit from interest in associate	(8,003)	(34,071)	-	-
Tax losses	9,580	-	-	-
Disallowed expenses and other capital adjustment, net	(50,158)	(24,976)	(10,657)	(32,476)
Actual taxation credit	(18,494)	-	(18,494)	-

* Note 34(a)

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28. Taxation (continued)

(c) Taxation recognised in other comprehensive income:

	Group					
	2016			2014		
	Before Tax $'000	Tax expense/ (benefit) $'000	Net of tax $'000	Before tax $'000	Tax expense/ (benefit) $'000	Net of tax $'000
Deferred tax on revaluation surplus	-	(6,735)	(6,735)	-	-	-
Deferred tax employee benefits obligation	-	-	-	-	(4,350)	(4,350)
	-	(6,735)	(6,735)	-	(4,350)	(4,350)

	Company					
	2016			2014		
	Before Tax $'000	Tax expense/ (benefit) $'000	Net of tax $'000	Before tax $'000	Tax expense/ (benefit) $'000	Net of tax $'000
Deferred tax on revaluation surplus	-	(27,257)	(27,257)	-	-	-
Deferred tax employee benefits obligation	-	-	-	-	(4,350)	(4,350)
	-	(27,257)	(27,257)	-	(4,350)	(4,350)

(d) Taxation losses:

As at March 31, 2016, the group has taxation losses, subject to agreement by the Commissioner General Tax Administration Jamaica, of approximately $Nil (2014: $12,319,000) available for relief against future taxable profits. As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised in any one year is restricted to 50% of the current year's taxable profits. In prior year a deferred tax asset of $12,700,000 in respect of taxation losses of certain companies had not been recognised by the group, as management considered its realisation within the foreseeable future to be uncertain. These companies were hived off during the period.

29. Earnings per stock unit

The calculation of earnings per stock unit is arrived at by dividing profit after taxation attributable to stockholders of the company of $6,736,000 (2014: $181,147,000) by 1,211,243,827 being the number of stock units in issue at March 31, 2016 (2014: 1,211,243,827) as well as by 1,177,068,733 (2014: 1,170,433,794), being stock units less those held by the GCLEIT [see note 18(ii)].

30. Dividends paid (gross)

An interim revenue distribution of 4.0 cents (2014: 4.0 cents) per stock unit was paid on March 25, 2015, to shareholders on record at close of business on March 5, 2015.

A second interim revenue distribution of 4.0 cents (2014: 4.0 cents) per stock unit was paid on October 28, 2015, to shareholders on record at the close of business on October 1, 2015.

30. Dividends paid (gross) (continued)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Ordinary dividends:				
First interim paid in respect of				
2015: 4¢ (2014: 4¢) per stock unit - gross	48,450	48,450	48,450	48,450
Second interim paid in respect of				
2015: 4¢ (2014: 4¢) per stock unit - gross	48,450	48,450	48,450	48,450
	96,900	96,900	96,900	96,900
Dividends paid to GCLEIT	(2,833)	(2,827)	-	-
	94,067	94,073	96,900	96,900

31. Share-based payment arrangement

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

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

	2016		2014	
	Weighted average exercise price	**No. of options**	**Weighted average exercise price**	**No. of options**
Outstanding at beginning of the year	1.54	14,520,000	1.19	11,110,000
Granted during the year	-	-	0.35	3,410,000
Outstanding at end of the year	1.54	14,520,000	1.54	14,520,000

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

	2016			2014		
	Staff	**Executive and senior staff**		**Staff**	**Executive and senior staff**	
	Single tranche	**Tranche 1**	**Tranche 2**	**Single tranche**	**Tranche 1**	**Tranche 2**
Fair value at grant date	-	0.14	-	0.05	0.14	-
Share price at grant date	-	1.05	-	1.05	1.05	-
Exercise price	-	1.00	-	1.00	1.00	-
Expected volatility	-	0.35	-	0.35	0.35	-
Option life (expected weighted average life)	-	0.14	-	0.35	0.14	-
Risk-free interest rate	-	9.69%	-	7.69%	9.69%	-

The expense recognised in equity in respect of share-based payment awards as at March 31, 2016 amounted to $136,000 (2014: $288,000).

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32. Segment reporting

The group has two reportable segments which are media service and investment. Media service includes the print and electronic media businesses as well as radio broadcasting. Investment comprises investment income, net of directly attributable cost for investing activities. The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue. Other includes management services, publication of books and those that do not meet any of the quantitative thresholds for determining reportable segments in 2016 or 2014.

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

(a) Business segments:

	Media service *		Investment		Other*		Total	
	2016 $'000 (Discontinued)	2014 $'000	2016 $'000	2014 $'000	2016 $'000 (Discontinued)	2014 $'000	2016 $'000	2014 $'000
External revenues	3,754,837	3,100,141	200,655	153,356	8,404	66,748	3,963,896	3,320,245
Segment profit/(loss) before taxation	(301,536)	(60,643)	263,670	283,736	25,672	1,632	(12,194)	224,725
Finance income	8,819	5,978	-	-	-	318	8,819	6,296
Finance costs	(25,487)	(35,486)	-	-	(2,931)	(31)	(28,418)	(35,517)
Share of profit from interest in associate, net of tax	-	-	45,611	136,189	-	-	45,611	136,189
Depreciation and amortisation	98,466	98,766	-	-	-	4	98,466	98,770
Reportable segment assets	-	2,107,400	2,153,736	1,590,279	12,059	42,937	2,165,795	3,740,616
Reportable segment liabilities	-	1,036,278	349,361	-	1,698	31,313	351,059	1,067,591
Capital expenditure	12,740	62,166	-	-	-	-	12,740	62,166

(b) Geographical segments:

	Jamaica		Overseas**		Total	
	2016 $'000	2014 $'000	2016 $'000	2014 $'000	2016 $'000	2014 $'000
Revenue from external customers	3,784,904	3,084,046	178,992	236,199	3,963,896	3,320,245
Non-current segment assets	1,868,590	2,050,958	52,921	12,547	1,921,511	2,063,505

* See note 34

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

33. Financial risk management

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

33. Financial risk management (continued)

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

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

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

(a) Credit risk

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

Trade and other receivables

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

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

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

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

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

33. Financial risk management (continued)

(a) Credit risk (continued)

Trade and other receivables (continued)

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

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

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

The group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that are licensed under the Financial Institutions Act and Financial Services Commission. The group's investment portfolio consists of Government of Jamaica instruments. The group holds collateral for securities purchased under resale agreements. Management does not expect any counterparty to fail to meet its obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Group		Company	
	Carrying amount		Carrying amount	
	2016	2014	2016	2014
	$'000	$'000	$'000	$'000
Domestic	-	365,541	-	348,104
Overseas	-	19,600	-	-
	-	385,141	-	348,104

During the period, the group and the company hived off its media business, which resulted in a change in the nature of the group's exposure to credit risk.

(b) Liquidity risk

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

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

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

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33. Financial risk management (continued)

(b) Liquidity risk (continued)

	Group 2016					
	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
Trade and other payables	95,033	95,033	95,033	-	-	-

	Group 2014					
	Carrying amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000	More than 5 yrs $'000
Long-term liabilities	98,700	98,920	24,730	24,730	49,460	-
Trade and other payables	466,638	466,638	466,638	-	-	-
Bank overdraft	1,046	1,046	1,046	-	-	-
	566,384	566,604	492,414	24,730	49,460	-

	Company 2016				
	Carrying amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000
Trade and other payables	113,530	113,530	113,530	-	-

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

During the period the group and the company hived off its media business, which has resulted in a change in the nature of this risk.

33. Financial risk management (continued)

(c) Market risk

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

(i) Currency risk

The group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the group. The main currencies are the United States dollar (US$), British 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 and the company's exposure to foreign currency risk are as follows:

	Group					
	2016			2014		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	4,187	-	-	4,181	-	-
Trade and other receivables	-	-	-	-	38	115
Securities purchased under resale agreements	73	-	-	15	-	-
Trade payables	-	-	(2)	(1,024)	(140)	(72)
Cash and cash equivalents	33	170	58	90	16	135
Net exposure	4,293	170	56	3,262	(86)	178

	Company					
	2016			2014		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	4,187	-	-	4,181	-	-
Trade payables	-	-	-	(1,024)	(2)	-
Securities purchased under resale agreements	73	-	-	15	-	-
Cash and cash equivalents	33	170	-	90	1	-
Net exposure	4,293	170	-	3,262	(1)	-

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33. Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

A strengthening/weakening of the Jamaica dollar against the following currencies at December 31 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

Group 2016

		Increase			Decrease	
Currency	% weakening	Effect on equity $'000	Effect on profit/loss $'000	% strengthening	Effect on equity $'000	Effect on profit/loss $'000
USD	10	-	52,247	1	-	(5,225)
GBP	10	-	2,936	1	-	(294)
CAD	10	512	1,715	1	-	(51)

Group 2014

		Increase			Decrease	
Currency	% weakening	Effect on equity $'000	Effect on profit/loss $'000	% strengthening	Effect on equity $'000	Effect on profit/loss $'000
USD	10	-	37,226	1	-	(3,723)
GBP	10	-	(1,513)	1	-	151
CAD	10	-	1,715	1	-	(171)

Company 2016

		Increase/(Decrease)			Increase/(Decrease)	
Currency	% weakening	Effect on equity $'000	Effect on profit/loss $'000	% strengthening	Effect on equity $'000	Effect on profit/loss $'000
USD	10	-	52,247	1	-	(5,225)
GBP	10	-	2,936	1	-	(294)

Company 2014

		Increase/(Decrease)			Increase/(Decrease)	
Currency	% weakening	Effect on equity $'000	Effect on profit/loss $'000	% strengthening	Effect on equity $'000	Effect on profit/loss $'000
USD	10	-	37,226	1	-	(3,723)
GBP	10	-	(18)	1	-	2

33. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk

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

Profile

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

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	760,808	667,664	710,913	667,664
Financial liabilities	-	(98,700)	-	(98,700)
	760,808	568,964	710,913	568,964

Fair value sensitivity analysis for fixed rate instruments

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

An increase of 100 or decrease of 100 (2014: An increase of 250 or decrease of 100) basis points in interest rates at the reporting date would have increased equity by $7,608,080 or decrease by $7,608,080 for group and would increase equity by $7,109,130 or decrease by $7,109,130 for the company (2014: increase of $14,224,000 or a decrease of $5,690,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

Equity price risk

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

Sensitivity analysis – equity price risk

Most of the group's equity investments are listed on the Jamaica Stock Exchange and other foreign stock exchanges. A 10% (2014: 10%) increase or decline in the JSE All Jamaica Composite index at the reporting date would have increased/decreased equity by $23,426,000 for the group and $18,436,500 for the company (2014: $13,589,000).

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

33. Financial risk management (continued)

(d) Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is best evidenced by a quoted market price, if one exists.

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

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

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

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

Basis for determining fair values

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

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

Fair value hierarchy

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

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

33. Financial risk management (continued)

(d) Fair values (continued)

Accounting classifications and fair values

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

	Group							
	2016							
	Carrying amounts				Fair values			
	Loan and receivables $'000	Available for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Investment	-	701,073	-	701,073	211,642	489,431	-	701,073
Financial assets not measured at fair value:								
Investments	51,637	22,618	-	74,255				
Pension fund receivable	205,978	-	-	205,978				
Long-term receivables	52,780	-	-	52,780				
Cash and cash equivalents	27,386	-	-	27,386				
Securities purchased under resale agreements	8,930	-	-	8,930				
Trade and other receivable	18,414	-	-	18,414				
	365,125	22,618	-	387,743				

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33. Financial risk management (continued)

(d) Fair values (continued)

Accounting classifications and fair values (continued)

	Group							
	2014							
	Carrying amounts				Fair values			
	Loan and receivables $'000	Available -for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Investment	-	586,900	-	586,900	113,066	473,834	-	586,900
Financial assets not measured at fair value:								
Investments	64,431	22,820	-	87,251				
Pension fund receivable	942,226	-	-	942,226				
Long-term receivables	10,327	-	-	10,327				
Cash and cash equivalents	54,585	-	-	54,585				
Securities purchased under resale agreements	1,742	-	-	1,742				
Trade and other receivable	472,042	-	-	472,042				
	1,545,353	22,820	-	1,568,173				
Financial liabilities not measured at fair value:								
Long-term liabilities	-	-	98,700	98,700				
Bank overdraft	-	-	1,046	1,046				
Trade and other payables	-	-	466,638	466,638				
	-	-	566,384	566,384				

33. Financial risk management (continued)

(d) Fair values (continued)

Accounting classifications and fair values (continued)

	Company 2016							
	Carrying amounts				**Fair values**			
	Loan and receivables $'000	Available for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Investment	-	651,178	-	651,178	161,747	489,431	-	651,178
Financial assets not measured at fair value:								
Investments	50,085	22,618	-	72,703				
Pension fund receivable	205,978	-	-	205,978				
Long-term receivables	52,780	-	-	52,780				
Cash and cash equivalents	18,445	-	-	18,445				
Securities purchased under resale agreements	8,930	-	-	8,930				
Trade and other receivable	55,918	-	-	55,918				
	392,136	22,618	-	414,754				

33. Financial risk management (continued)

(d) Fair values (continued)

Accounting classifications and fair values (continued)

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

33. Financial risk management (continued)

(e) Capital management

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

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

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

34. Discontinued operations

On September 30, 2015 the assets of the media business within the company comprising all of the related businesses, assets and liabilities of the following entities were transferred to a newly formed holding company, The Gleaner Company (Media) Limited, which was established as a subsidiary of the company.

- Media Business of digjamaica.com Limited
- 1834 Investments Limited (formerly The Gleaner Company Limited)
- The Gleaner Company (Canada) Inc

Effective September 30, 2015 the following subsidiaries were also transferred to The Gleaner Company (Media) Limited:

- Independent Radio Company Limited
- 50% holding of issued shares of A-Plus Learning Limited
- Gleaner Online Limited
- The Gleaner Company (USA) Limited
- The Gleaner Company (UK) Limited

The operating results of the group of companies described above forms a part of the results of discontinued operations [see note (a) below].

Pursuant to the stockholders' approval on December 30, 2015 and subsequent court sanction received on February 17, 2016 with an effective date of March 16, 2016, the following details transactions with RJR and GCML:

(i) As a necessary condition of the court-sanctioned scheme of arrangement for amalgamation of the media businesses of RJR and The Gleaner Company Limited, 1,211,243,827 ordinary shares of GCML were issued, allotted and credited as fully paid to The Gleaner Company Limited.

(ii) 1,211,243,827 new ordinary stock units of RJR were issued, allotted and credited as fully paid up to stockholders of The Gleaner Company Limited.

(iii) On March 16, 2016 the company transferred to RJR 1,211,243,827 ordinary shares of GCML, RJR issued, allotted and credited as fully paid up 1,211,243,827 new ordinary stock units to the company's stockholders on a one for one basis on March 24, 2016.

(iv) The company no longer has use of the name "The Gleaner" and is precluded from conducting any business in media for a period of 2 years from the date the scheme of amalgamation took effect (March 24, 2016.).

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34. Discontinued operations (continued)

The Media Business was not previously classified as held-for-sale or as a discontinued operations. The comparative Income Statements for the group and the company have been restated to show the discontinued operations separately from continuing operations.

(a) Results of discontinued operations

	Group		Company	
	2016 **$'000**	**2014** **$'000**	**2016** **$'000**	**2014** **$'000**
Revenue (note 24)	3,763,241	3,166,889	1,949,591	2,690,873
Cost of sales	(1,897,405)	(1,690,396)	(956,462)	(1,332,261)
Expenses (note 26)	(2,141,700)	(1,535,504)	(962,936)	(1,431,796)
Results from operating activities	(275,864)	(59,011)	30,193	(73,184)
Income tax [note 28(a)]	436	(43,578)	-	(36,574)
Results from operating activities, net being (loss)/profit from discontinued operations	(275,428)	(102,589)	30,193	(109,758)
Basic loss per share	(22.74¢)	(8.47¢)		
Diluted loss per share	(23.40¢)	(8.72¢)		

The loss from the discontinued operations of $275,428,000 [2014: $102,589,000] is attributable entirely to the owners of the group.

(b) Effect of disposal on the financial position of the group and company.

	Group **2016** **$'000**	**Company** **2014** **$'000**
Assets		
Interest in subsidiaries	-	64,528
Investment in associate	-	(150)
Taxation recoverable	6,294	-
Prepayments	-	52,144
Property, plant and equipment	271,850	129,946
Securities purchased under resale agreements	134,217	-
Intangible assets	20,675	14,254
Investment	478,168	665,800
Deferred tax assets	39,188	36,261
Cash and cash equivalents	60,539	-
Inventories and goods-in-transit	129,234	107,725
Trade and other receivables	499,929	406,270
Long-term receivables	763	-
Total assets transferred	1,640,857	1,476,778

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34. Discontinued operations (continued)

(b) Effect of disposal on the financial position of the group and company (continued).

	Group 2016 $'000	Company 2014 $'000
Liabilities		
Long-term liabilities	65,545	73,719
Finance lease obligation	67,531	17,116
Employee benefits obligation	94,515	93,150
Taxation payables	374	-
Trade and other payables	495,247	224,184
Deferred income	54,098	51,815
Bank overdraft	22,201	-
Total liabilities transferred	799,511	459,984
Net assets transferred	841,346	1,016,794
Cash and cash equivalents from discontinued operations	38,338	-

(c) Cash flows used in discontinued operations

	2016 $'000	2014 $'000
Net cash used in investing activities	38,338	-

35. Disposal of subsidiary

On January 12, 2016, the company sold its shares in GV Media Group Limited [note 40(a)]. The following table summarizes the disposal of the subsidiary:

	$'000
Investments	1,354
Cash and cash equivalents	6,227
Trade and other receivables	17,997
Long-term liabilities	(80,307)
Net liabilities disposed	(54,729)
Gain on disposal of subsidiary	54,729
Sales proceed net of transaction costs	-
Cash and cash equivalents disposed of	(6,227)
Net cash outflow	(6,227)

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36. Subsidiaries

During the period ended March 31, 2016, the company was the holding company of the following subsidiaries:

Subsidiary Company	**Note**	**Subsidiary of:**	**Country of incorporation**	**Percentage ownership 2016**	**Percentage ownership 2014**	**Nature of business**
Discontinued operations						
The Gleaner Company (Media) Limited	1	Parent Company	Jamaica	100	n/a	News in print and digital media
The Gleaner Company (USA) Limited	2,3	GCML	United States of America	100	100	News in print
Independent Radio Company Limited	2, 8	GCML	Jamaica	100	100	Radio Broadcasting
The Gleaner Online Limited	2	GCML	Jamaica	100	100	Online advertising and digital media
The Gleaner Company (UK) Limited	2	GCML	United Kingdom	100	100	News in print
Gleaner Media (Canada) Inc.	4	GCML	Canada	100	n/a	News in print
A-Plus Learning Limited	5	GCML	Jamaica	50	50	Software development
GV Media Group Limited	6	Parent Company	United Kingdom	-	100	News in print and online
Continuing operations						
Popular Printers Limited	7	Parent Company	Jamaica	100	100	Dormant
Selectco Publications Limited	5,11	Popular Printers Ltd.	Jamaica	100	100	Dormant
Associated Enterprise Limited	8	Popular Printers Ltd.	Jamaica	100	100	Dormant
digjamaica.com Limited	9	Parent Company	Jamaica	100	100	Dormant
1834 Investments (Canada) Inc	10	Parent Company	Canada	100	100	Real Estate holding Company
Jamaica Joint Venture Investment Company (JJVI) Limited	11	Parent Company	Jamaica	50	33 1/3	Real Estate Investment

36. Subsidiaries (continued)

Notes:

(1) On February 17, 2016, the court sanctioned the scheme of arrangement for amalgamation of the media business between Radio Jamaica Limited and the company. GCML and its subsidiaries were transferred on March 16, 2016. The financial performance of GCML and its subsidiaries for the period to March 31, 2016 have been consolidated in these financial statements.

(2) These wholly-owned subsidiaries were transferred to GCML during the hive off (restructuring) exercise.

(3) The shares of The Gleaner Company (USA) Limited, formerly a wholly owned subsidiary of The Gleaner Company (Canada) Inc. {now 1834 Investments (Canada) Inc.} were transferred to GCML during the hive off exercise.

(4) Gleaner Media (Canada) Inc. was incorporated as a wholly owned subsidiary of GCML on September 25, 2015. The media business of The Gleaner Company (Canada) Inc. [now 1834 Investments (Canada) Inc.] was transferred into this company by way of an agreement dated September 29, 2015.

(5) Selectco Publications Limited's 50% shareholding in A-Plus Limited, was transferred to GCML during the hive off exercise.

(6) GV Media Group Limited was sold during the year (note 35).

(7) The media business of Popular Printers Limited was transferred to GCML as a part of the hive off process.

(8) Associated Enterprise Limited's 32% ownership in Independent Radio Company Limited (IRC) was transferred to the parent company which then transferred all its 100% shareholding in IRC to GCML during the restructuring process.

(9) The media business of this entity, which was a wholly owned subsidiary of the company by virtue of it being a wholly-owned subsidiary of Associated Enterprise Limited, was hived off to GCML as part of the restructuring exercise. The entity's shares, previously held by Associate Enterprise Limited, were transferred to the parent company.

(10) This company's name was changed from The Gleaner Company (Canada) Inc. to 1834 Investments (Canada) Inc. effective March 26, 2016.

(11) JJVI, an investment in associate previously held by Selectco Publications Limited, a wholly owned subsidiary of Popular Printers Limited [itself a wholly owned subsidiary of GCL], was transferred to the parent company (now 1834 Investments Limited) during the hive off exercise. JJVI has a 100% shareholding in Manhart Properties Limited and City Properties Limited, two real estate investment companies owning property at 34 and 40 Duke Street respectively.

37. Related parties

(a) Identity of related party

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

(b) Transactions with key management personnel

In addition to salaries, the group provides non-cash benefits to executive officers and contributes to a post-employment defined contribution plan on their behalf, in accordance with the terms of the plan. Executive officers also participate in the group's share option programme [note 42(d)(ii)].

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37. Related parties (continued)

(c) Transactions with key management personnel

The key management personnel compensation is as follows:

	Group		Company	
	2016	**2014**	**2016**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Short-term employee benefits	73,991	208,837	73,991	188,708
Post-employment benefits	4,713	7,779	4,713	7,779
	78,704	216,616	78,704	196,487

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

	Company	
	2016	**2014**
	$'000	**$'000**
Long-term receivable:		
Subsidiary	39,999	60,403
Trade and other receivables:		
Subsidiaries	-	105,898
Associated companies	401	-
Trade and other payables:		
Subsidiaries	20,313	-

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

	Company	
	2016	**2014**
	$'000	**$'000**
	Discontinued operations	
Revenue:		
Subsidiaries	18,221	28,964
Other operating income:		
Subsidiaries	11,963	6,000
Administration expenses:		
Subsidiaries	20,574	29,270
Other subsidiary operating expense	11,665	75,754
Finance income:		
Subsidiaries	4,489	3,658

38. Authorised capital expenditure

	Group and Company	
	2016	**2014**
	$'000	**$'000**
Capital expenditure authorised and contracted for	-	3,928

39. Operating leases

As a term of the scheme of arrangement, certain real estate was hived off, by way of a lease. Under the arrangement which came into effect on March 24, 2016, the company leases out its investment property (see note 5).

(a) Future minimum lease payments

At March 31, 2016

	$'000
Less than one year	67
Between one and five years	500
More than five years	933
	1,500

(b) No property rental nor maintenance expense has been recorded as the scheme of arrangement came into effect on March 24, 2016.

40. Contingent liabilities

(a) As a condition to the sale of its shares in GV Media Limited, the company may be liable if a claim is received within one (1) year or six (6) years for tax warranties after the disposal of the subsidiary and if amount is equal to or exceeds £10,000 or its equivalent in any other currency.

(b) In the ordinary course of business, the group is involved in litigation proceedings, regulatory claims, investigations and reviews. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to a specific case is necessary or sufficient. Accordingly, significant management judgement relating to provisions and contingent liabilities is required since the outcome of litigation is difficult to predict. The group does not expect the ultimate resolution of the actions to which it is a party to have a significant adverse impact on the financial position of the group.

41. Changes in accounting policies

Except for the changes below, the group has consistently applied the accounting policies set out in note 42 to all periods presented in these consolidated financial statements.

The group has assessed them and has adopted those which are relevant to its consolidated financial statements.

The details, nature and effects of the changes are explained below:

41. Changes in accounting policies (continued)

New, revised and amended standards and interpretations that became effective during the period:

Certain new, revised and amended standards and interpretations came into effect during the current financial period. The group has assessed them and has adopted those which are relevant to its financial statements:

- *Improvements to* IFRS *2010-2012 and 2011-2013* cycles contain amendments to certain standards and interpretations. The main amendments applicable to the group are as follows:

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

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

- IAS 16, *Property, Plant and Equipment* and IAS 38*, Intangible Assets.* The standards have been amended to clarify that, at the date of revaluation:

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

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

41. Changes in accounting policies (continued)

New, revised and amended standards and interpretations that became effective during the period (continued):

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

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

The adoption of these amendments did not result in any change to the presentation and disclosures in the financial statements.

42. Significant accounting policies

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

(a) Basis of consolidation:

(i) Business combinations:

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

The group measures goodwill at the acquisition date as:

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

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

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

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

42. Significant accounting policies (continued)

(a) Basis of consolidation: (continued)

(ii) Subsidiaries

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

These consolidated financial statements comprise the financial results of the company and its subsidiaries. The principal operating subsidiaries are listed in note 36 and are referred to as "subsidiaries" or "subsidiary". The company and its subsidiaries are collectively referred to as the "group".

(iv) Loss of control:

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

(v) Associate

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

An associate is an entity in which the group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20% and 50% of the voting power of the entity.

Interest in associate is accounted for using the equity method. It is initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss of the associate, until the date on which significant influence or joint control ceases. In the previous years, the company did not adopt the equity method of accounting as the directors did not consider that they exercised significant influence over the financial or operating policy of the associate. Based on a reassessment in the current year, of its influence, the application of the equity method is now considered appropriate. The change was accounted for prospectively as the impact on the prior periods is not considered material (see note 9).

(vi) Transactions eliminated on consolidation:

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

42. Significant accounting policies (continued)

(a) Basis of consolidation: (continued)

(vii) Common control transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. The group applies book value (carry-over basis) accounting for business combinations for entities under common control in the consolidated financial statements on the basis that the investment has been moved from one part of the group to another.

(b) Property, plant and equipment:

(i) Owned assets:

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets.

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

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

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

(ii) Leased assets:

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

(iii) Depreciation:

Property, plant and equipment, with the exception of freehold land on which no depreciation is provided, are depreciated on both the straight-line basis 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	-	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%

42. Significant accounting policies (continued)

(b) Property, plant and equipment:

(iii) Depreciation (continued):

Typesetting equipment	-	33%
Leased assets	-	over the period of the leases

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

(c) Intangible asset:

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

(d) Employee benefits:

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

(i) Pension and other post-retirement obligations:

The group operates a defined-contribution pension scheme (see note 16); the assets of which are held separately from those of the group.

(a) Post-retirement obligations:

During the restructuring exercise which took place on September 30, 2015 (note 1), sponsor's obligations for the defined contribution pension fund were transferred by way of a deed of substitution to The Gleaner Company (Media) Limited.

On May 1, 2010, 1834 Investments Limited (formerly The Gleaner Company Limited) established a defined-contribution pension fund for employees who satisfied certain minimum service requirements. As of December 1, 2015, all employees who were members of the fund became employees of The Gleaner Company (Media) Limited on the same terms and conditions, in connection with the acquisition of the media business. The fund is administered by JN Fund Managers Limited.

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

The discount rate is the yield at the reporting date on long-term government instruments that have maturity dates approximating the terms of the group's obligations. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

42. Significant accounting policies (continued)

(d) Employee benefits (continued):

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

(a) Post-retirement obligations (continued):

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

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

(b) Defined contribution schemes:

On May 1, 2010, The Gleaner Company Limited established a defined-contribution pension fund for employees who satisfied certain minimum service requirements. As of December 1, 2015, all employees who were members of the fund became employees of the company on the same terms and conditions, in connection with the acquisition of the media business. The fund is administered by JN Fund Managers Limited.

During the restructuring exercise which took place on September 30, 2016 as described in note (1), the defined contribution pension fund was transferred from the Gleaner Company Limited to the Gleaner Company (Media) Limited.

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

(ii) Share-based payment transactions:

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

42. Significant accounting policies (continued)

(d) Employee benefits (continued):

(iii) Termination benefits:

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

(iv) Bonus plans:

A liability for employee benefits in the form of 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 and the amount can be determined before the time of issuing the financial statements.

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

(e) Financial instruments:

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

(i) Classification of investments:

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

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

42. Significant accounting policies (continued)

(e) Financial instruments (continued):

(ii) Measurement:

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

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

All non-trading financial liabilities and loans and receivables are measured at amortised cost, less impairment losses. Amortised cost is calculated on the effective interest 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] Sovereign bonds, including Government of Jamaica and corporate securities are classified as available-for-sale and measured at fair value.

[ii] Other interest-bearing deposits are stated at amortised cost, less impairment losses.

[iii] Interest in subsidiaries:

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

(iii) Gains and losses on subsequent measurement:

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

(iv) Derecognition:

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

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

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

42. Significant accounting policies (continued)

(f) Cash and cash equivalents:

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

(g) Resale agreements

Securities purchased under resale agreements ("reverse repurchase or resale agreements") are accounted for as short-term collateralised lending, and are classified as loans and receivables.

On initial recognition they are carried at amortised cost. The difference between the purchase cost and the resale consideration is recognised in profit or loss as interest income over the life of the contract using the effective interest method.

(h) Trade and other receivables:

These are stated at amortised cost, less impairment losses.

(i) Taxation:

(i) Income tax:

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

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

(ii) Deferred tax

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

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

42. Significant accounting policies (continued)

(j) Inventories:

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

(k) Trade and other payables and provisions:

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

(l) Finance leases:

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

(m) Revenue recognition:

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

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

(iii) Interest income:

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

(iv) Dividend income:

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

42. Significant accounting policies (continued)

(n) Expenses:

(i) Finance costs:

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

(ii) Lease payments:

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

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

(o) Foreign currencies

Foreign currency balances outstanding at the reporting date are translated at the rates of exchange ruling on that date [US$1 = J$121.70 £1= J$172.73; Can$1 = J$91.46]. Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions.

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

The reporting currencies of the foreign subsidiaries (note 36) are also the currencies in which their economic decisions are formulated. For the purpose of the financial statements, revenues, expenses, gains and losses have been translated at the average rates of exchange for the year; assets and liabilities have been translated at exchange rates ruling at the reporting date.

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

(p) Impairment of assets:

(i) Financial assets:

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

42. Significant accounting policies (continued)

(p) Impairment of assets (continued):

(i) Financial assets (continued):

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

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

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

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

(ii) Non-financial assets:

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

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

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

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

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42. Significant accounting policies (continued)

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

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

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

This retrospective restatement resulted in the adjustment of the amounts recognised in revenue and finance income in the prior year. The comparative figures for the year ended December 31, 2014 has therefore been restated. The operating segments reported for the prior year were also restated to include investment. The restatement did not result in any change to the statement of financial position or the prior profit for the years previously reported.

(r) Discontinued operation:

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group and which:

- represents a separate major line of business or geographical area of operations;
- is a part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative year.

(s) Investment properties:

Investment properties, comprising principally land and buildings, are held for long-term rental yields and capital appreciation and are treated as long-term investments. They are measured initially at cost, including related transaction costs and are subsequently carried at fair value.

42. Significant accounting policies (continued)

(s) Investment properties (continued):

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Fair value is determined annually by an independent registered valuer. Fair value is based on current prices in an active market for similar properties in the same location and condition.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to income during the financial period in which they are incurred.

(t) New, revised and amended standards and interpretations not yet effective:

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Company [*or group*] has not early-adopted. The Company [*or group*] has assessed the relevance of all such new standards, amendments and interpretations with respect to the Company's [*or group's*] operations and has determined that the following are likely to have an effect on the [*consolidated]* financial statements.

- IAS 1, *Presentation of Financial Statements*, effective for accounting periods beginning on or after January 1, 2016, has been amended to clarify or state the following:

  - specific single disclosures that are not material do not have to be presented even if they are the minimum requirement of a standard;
  - the order of notes to the financial statements is not prescribed;
  - line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material;
  - specific criteria is now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI; and
  - the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows the IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.

The group is assessing the impact that this amendment will have on its 2017 financial statements.

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

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

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

The group is assessing the impact that this amendment will have on its 2017 financial statements.

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Notes to the Financial Statements (Continued)
March 31, 2016
(Fifteen month period with twelve month comparatives)

42. Significant accounting policies (continued)

(t) New, revised and amended standards and interpretations not yet effective (continued):

- Amendments to IAS 16, *Property, Plant and Equipment*, and IAS 41, *Biological Assets, which are* effective for annual reporting periods beginning on or after January 1, 2016, require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 instead of IAS 41. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41. The group is assessing the impact that these amendments will have on its 2017 financial statements.

- Amendments to IAS 27, *Equity Method in Separate Financial Statements*, effective for accounting periods beginning on or after January 1, 2016 allow the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures. The group is assessing the impact that these amendments will have on its 2017 financial statements.

- Amendments to IFRS 10, *Consolidated Financial Statements,* and IAS 28, *Investments in Associates and Joint Ventures,* in respect of *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, are effective for annual reporting periods beginning on or after January 1, 2016. The amendments require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognised when the assets transferred meet the definition of a ‘business’ under IFRS 3, *Business Combinations*. The group is assessing the impact that this amendment will have on its 2017 financial statements.

- Amendments to IFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*, effective for accounting periods beginning on or after January 1, 2016, require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value but previously held interests will not be remeasured. The group is assessing the impact that the amendments will have on its 2017 financial statements.

- Amendments to IFRS 10, *Consolidated Financial Statements*, IFRS 12, *Disclosure of Interests in Other Entities* and IAS 28, *Investments in Associates and Joint Ventures*, effective for accounting periods beginning on or after January 1, 2016, have been amended to introduce clarifications on which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit or loss. IFRS 10 was amended to confirm that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity. An investment entity shall measure at fair value through profit or loss all of its subsidiaries that are themselves investment entities. IAS 28 was amended to provide an exemption from applying the equity method for investment entities that are subsidiaries and that hold interests in associates and joint ventures. IFRS 12 was amended to clarify that the relevant disclosure requirements in the standard apply to an investment entity in which all of its subsidiaries are measured at fair value through profit or loss.

  The group is assessing the impact that these amendments will have on its 2017 financial statements.

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Notes to the Financial Statements (Continued)
March 31, 2016
(Fifteen month period with twelve month comparatives)

42. Significant accounting policies (continued)

(t) New, revised and amended standards and interpretations not yet effective (continued):

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

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

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

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

  - Amendments to IAS 7, *Statement of Cash Flows*, effective for accounting periods beginning on or after January 1, 2017, requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows. The group is assessing the impact that this amendment will have on its 2018 financial statements.

- Amendments to IAS 12, *Income Taxes*, effective for accounting periods beginning on or after January 1, 2017, clarifies the following:

  - the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

42. Significant accounting policies (continued)

(t) New, revised and amended standards and interpretations not yet effective (continued):

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

  - Amendments to IAS 12, *Income Taxes*, effective for accounting periods beginning on or after January 1, 2017, clarifies the following:

    - the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

    - a deferred tax asset can be recognised if the future bottom line of the tax return is expected to be a loss, if certain conditions are met.

    - Future taxable profits used to establish whether a deferred tax can be recognised should be the amount calculated before the effect of reversing temporary differences.

    An entity can assume that it will recover an asset for more than its carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

    Deductible temporary differences related to unrealised losses should be assessed on a combined basis for recognition unless a tax law restricts the use of losses to deductions against income of a specific type.

    The group is assessing the impact that this amendment will have on its 2018 financial statements.

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services.* It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

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

42. Significant accounting policies (continued)

(t) New, revised and amended standards and interpretations not yet effective (continued):

- IFRS 15, *Revenue From Contracts With Customers* (continued)

  There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The group is assessing the impact that the standard will have on its 2019 financial statements.

- IFRS 9, *Financial Instruments,* which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39, *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised. The group is assessing the impact that the standard will have on its 2019 financial statements.

- IFRS 16, *Leases,* which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Entities will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of US$5,000 or less.

  Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

  Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

  The group is assessing the impact that this amendment will have on its 2020 financial statements.

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Financial Summary 2011 – 2016

	2016* $'000	2014 $'000	2013 $'000	2012 $'000	2011 $'000
Turnover	3,963,896	3,320,245	3,338,219	3,194,665	3,178,900
Group profit before taxation	(12,194)	224,725	91,458	86,885	123,973
Taxation (charge)/credit	18,930	(43,578)	(5,616)	46,647	(13,690)
Profit attributable to Gleaner's stockholders	6,736	181,147	85,842	133,532	110,283
Ordinary stockholders' funds:					
Share capital	605,622	605,622	605,622	605,622	605,622
Reserves	1,209,113	2,067,403	1,988,079	1,765,148	1,680,147
	1,814,735	2,673,025	2,593,701	2,370,770	2,285,769
Long-term liabilities	-	65,926	93,534	99,001	26,529
Employee benefits obligation	-	87,000	66,300	118,300	118,300
Deferred tax liabilities	165,706	333,036	338,906	317,275	516,323
Total funds employed	1,980,441	3,158,987	3,092,441	2,905,346	2,946,921
Represented by:					
Long-term receivable	52,780	10,327	6,317	4,735	18,788
Other non-current assets and investments	1,868,731	2,053,178	1,922,464	1,566,031	1,327,720
Working capital	58,930	1,095,482	1,163,660	1,334,580	1,600,413
	1,980,441	3,158,987	3,092,441	2,905,346	2,946,921
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]	0.56¢	14.96¢	7.09¢	11.02¢	9.78¢
Stockholders' fund per stock unit [see note (i) below]	154.74¢	228.38¢	212.87¢	194.58¢	188.04¢
Dividends per stock unit [see note (ii) below]	8.04¢	8.04¢	7.17¢	8.34¢	28.28¢
Exchange rates ruling at the reporting date were:					
UK 1£ to J$1	172.73	175.97	173.56	152.64	134.44
US$1 to J$1	121.70	114.12	105.72	92.14	86.60
Can$1 to J$1	91.46	96.34	98.99	93.01	84.20

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

(ii) The calculation of dividends per ordinary stock unit is based on the actual dividends for each year divided by the stock units in issue, less stock units held by GCLEIT. The number of units at the end of the reporting period/year was 1,177,069,000 (2014: 1,170,443,000).

* Represents fifteen month period from January 1, 2015 to March 31, 2016 and includes the financial performance of the media business for the period then ended.