ZOOMERMEDIA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2012 and 2011

October 25, 2012

Independent Auditor's Report

To the Audit Committee of
ZoomerMedia Limited

We have audited the accompanying consolidated financial statements of ZoomerMedia Limited, which comprise the consolidated statements of financial position as at June 30, 2012 and June 30, 2011 and July 1, 2010 and the consolidated statements of loss and comprehensive loss, the consolidated statements of cash flows, and the consolidated statements of changes in equity for the years ended June 30, 2012 and June 30, 2011, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of ZoomerMedia Limited as at June 30, 2012 and June 30, 2011 and July 1, 2010 and their financial performance and their cash flows for the years ended at June 30, 2012 and June 30, 2011 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

ZOOMERMEDIA LIMITED
Consolidated Statements of Financial Position

(expressed in Canadian dollars)	June 30, 2012	June 30, 2011	July 1, 2010
ASSETS			
Current assets			
Cash	$ 5,069,754	$ -	$ 3,469,391
Trade and other receivables (Note 6)	13,876,209	13,189,703	10,121,263
Prepaid expenses	523,101	579,290	585,943
	19,469,064	13,768,993	14,176,597
Non-current assets			
Restricted cash and investments (Note 7)	6,420,758	-	-
Property and equipment (Note 8)	21,585,161	22,413,314	22,849,087
Deferred tax assets	1,465,000	1,466,000	745,000
Intangible assets (Note 9)	40,534,618	42,908,529	52,072,009
Goodwill (Note 9)	2,574,758	4,720,565	4,720,565
TOTAL ASSETS	$ 92,049,359	$ 85,277,401	$ 94,563,258
LIABILITIES			
Current liabilities			
Bank indebtedness	$ -	$ 579,644	$ -
Trade and other payables	7,375,350	6,664,551	6,260,372
Deferred revenue (Note 10)	2,142,306	2,335,224	3,151,000
Income tax liabilities (Note 14)	160,996	604,100	-
Current portion of debt (Note 11)	1,953,457	1,620,247	1,661,451
Current portion of other liabilities (Note 12)	6,747,779	6,891,150	7,236,493
Current portion of provisions (Note 13)	619,310	800,880	602,676
	18,999,198	19,495,796	18,911,992
Non-current liabilities			
Deferred revenue (Note 10)	1,224,496	1,390,518	775,885
Deferred tax liabilities (Note 14)	2,242,881	2,885,991	2,662,805
Deferred lease liability	-	37,379	-
Debt (Note 11)	33,403,709	21,322,601	22,843,474
Other liabilities (Note 12)	471,936	3,284,519	6,646,150
Provisions (Note 13)	403,540	611,456	946,326
	56,745,760	49,028,260	52,786,632
EQUITY			
Equity attributable to owners of the parent			
Share capital	63,411,344	63,379,214	59,290,393
Contributed surplus	2,036,255	1,380,472	919,586
Deficit	(30,144,000)	(28,510,545)	(18,797,798)
	35,303,599	36,249,141	41,412,181
Non-controlling interest	-	-	364,445
Total equity	35,303,599	36,249,141	41,776,626
TOTAL LIABILITIES AND EQUITY	$ 92,049,359	$ 85,277,401	$ 94,563,258

Commitments and contingent liabilities (Note 23)

APPROVED ON BEHALF OF THE BOARD:

signed Director — Moses Znaimer

signed Director — Peter Palframan

See accompanying notes to consolidated financial statements

ZOOMERMEDIA LIMITED
Consolidated Statements of Loss and Comprehensive Loss
For the years ended June 30, 2012 and 2011

	2012	2011
Revenue	$ 55,976,785	$ 59,988,403
Operating expenses (Note 16)	48,921,614	60,813,938
Depreciation	3,446,938	2,142,572
Amortization of other intangible assets	1,010,787	1,122,180
Impairment of goodwill and broadcast licenses	2,812,267	-
Operating loss	(214,821)	(4,090,287)
Interest income	2,183	-
Interest expense	2,179,649	2,393,808
Net interest expense	2,177,466	2,393,808
Loss before income taxes	(2,392,287)	(6,484,095)
Income tax (recovery) expense (Note 14)	(758,832)	76,529
Net loss and comprehensive loss for the period	(1,633,455)	(6,560,624)
Net loss and comprehensive loss attributable to:		
Owners of the parent	(1,633,455)	(6,806,593)
Non-controlling interest	-	245,969
	(1,633,455)	(6,560,624)
Net loss per share (basic and diluted) (Note 18)	$ (0.00)	$ (0.01)
Weighted average number of shares outstanding	655,128,602	641,800,330

See accompanying notes to consolidated financial statements

ZOOMERMEDIA LIMITED
Consolidated Statements of Cash Flows
For the years ended June 30, 2012 and 2011

	2012	2011
Operating activities		
Net loss for the period	$ (1,633,455)	$ (6,560,624)
Add (deduct) non-cash items:		
Depreciation	3,446,938	2,142,572
Amortization of program rights	11,203,955	18,765,267
Amortization of other intangibles	1,010,787	1,122,180
Impairment of goodwill and broadcast licenses	2,812,267	-
Stock-based compensation	664,963	523,339
Non-cash interest expense	654,694	935,286
Deferred tax expense	(642,110)	(561,815)
Change in deferred revenue	(358,940)	(201,143)
Net change in non-cash working capital balances (Note 17)	(749,313)	(2,298,206)
	16,409,786	13,866,856
Purchase of program rights	(10,459,008)	(10,414,832)
Change in other liabilities related to program rights	(3,375,063)	(4,187,463)
	(13,834,071)	(14,602,295)
	2,575,715	(735,439)
Investing activities		
Additions to restricted cash and securities	$ (6,420,758)	-
Additions to property and equipment	(2,618,785)	(1,642,799)
Purchase of other intangible assets	(48,283)	(309,135)
	(9,087,826)	(1,951,934)
Financing activities		
Issuance of common shares	$ -	3,862,651
Issuance of shares under stock option plan	22,950	163,717
Proceeds from property refinancing (Note 11)	13,843,472	-
Net additions / (repayment) of finance lease obligation	42,126	(39,902)
Repayment of other debt	(1,747,039)	(1,831,561)
Acquisition of additional ownership interest (Note 5)	-	(3,516,568)
	12,161,509	(1,361,663)
Change in cash	5,649,398	(4,049,036)
Cash (bank indebtedness), beginning of period	(579,644)	3,469,391
Cash (bank indebtedness), end of the period	$ 5,069,754	$ (579,645)
Supplementary cash flow information:		
Interest paid	$ 1,524,955	$ 1,458,522
Income taxes paid	$ -	$ -

See accompanying notes to consolidated financial statements

ZOOMERMEDIA LIMITED
Consolidated Statements of Changes in Equity
For the years ended June 30, 2012 and 2011

	Attributable to equity owners of ZoomerMedia Limited								
	Common shares		Preference Shares		Contributed Surplus	Deficit	Total	Non-controlling interest (Note 5)	Total
	#	$	#	$	$	$	$	$	$
Balance at July 1, 2010	249,206,896	20,502,480	387,879,129	38,787,913	919,586	(18,797,798)	41,412,181	364,445	41,776,626
Exercise of stock options	1,637,167	226,170	-	-	(62,453)	-	163,717	-	163,717
Issuance of common shares	16,211,400	4,052,850	-	-	-	-	4,052,850		4,052,850
Cost of share issuance	-	(190,199)	-	-	-	-	(190,199)		(190,199)
Stock based compensation	-	-	-	-	523,339	-	523,339	-	523,339
Acquisition of additional ownership interest (Note 5)	-	-	-	-	-	(2,906,154)	(2,906,154)	(610,414)	(3,516,568)
Net loss and comprehensive loss	-	-	-	-	-	(6,806,593)	(6,806,593)	245,969	(6,560,624)
Balance, June 30, 2011	267,055,463	24,591,301	387,879,129	38,787,913	1,380,472	(28,510,545)	36,249,141	-	36,249,141
Balance at July 1, 2011	267,055,463	24,591,301	387,879,129	38,787,913	1,380,472	(28,510,545)	36,249,141	-	36,249,141
Exercise of stock options	229,500	32,130	-	-	(9,180)	-	22,950	-	22,950
Stock based compensation	-	-	-	-	664,963	-	664,963	-	664,963
Net loss and comprehensive loss	-	-	-	-	-	(1,633,455)	(1,633,455)	-	(1,633,455)
							-		
Balance, June 30, 2012	267,284,963	24,623,431	387,879,129	38,787,913	2,036,255	(30,144,000)	35,303,599	-	35,303,599

See accompanying notes to consolidated financial statements

1. NATURE OF OPERATIONS

ZoomerMedia Limited (the "**Company**" or "**ZoomerMedia**") is a multimedia company that serves the 45plus "Zoomer" demographic through television, radio, magazine, internet, conferences and trade shows. ZoomerMedia's television properties include; Vision TV, Canada's only multi-faith specialty television service; ONE: the Body, Mind, Spirit and Love Channel, offering programs on exercise, meditation, yoga, natural health and living a planet-friendly lifestyle; Joytv 10 in Vancouver and Joytv 11 in Winnipeg, two conventional television stations, available over the air and on cable in their respective markets. ZoomerMedia's radio properties include CFMZ-FM Toronto – The New Classical 96.3FM, CFMX-FM Cobourg – The New Classical 103.1FM, and CFZM-AM 740 Toronto – The New AM740 Zoomer Radio. ZoomerMedia also publishes Zoomer Magazine. ZoomerMedia is Canada's provider of online content targeting the 45plus age group through many properties, the key one being www.50plus.com. ZoomerMedia also has a trade show and conference division that produces the ZoomerShows, annual consumer shows directed to the Zoomer demographic and ideaCity, an annual Canadian conference also known as 'Canada's Premiere Meeting of the Minds'.

The Company is incorporated and domiciled in Canada and its registered office is located at 70 Jefferson Avenue, Toronto, Ontario, M6K 1Y4. The Company's shares are publicly traded on the TSX Venture Exchange under the symbol "ZUM".

As the result of prevailing economic conditions the company may face liquidity risks. For a more detailed discussion of these risks please see note 20(ii).

2. BASIS OF PREPARATION AND ADOPTION OF IFRS

The Company prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles (**"GAAP"**) as set out in Part I of the Handbook of the Canadian Institute of Chartered Accountants (**"CICA Handbook"**). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards (**"IFRS"**) as issued by the International Accounting Standards Board (**"IASB"**), and to require publicly accountable enterprises to apply these standards effective for years beginning on or after January 1, 2011. Accordingly, these are the Company's first annual consolidated financial statements prepared in accordance with IFRS as issued by the IASB. In these consolidated financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

The consolidated financial statements have been prepared in compliance with IFRS. Subject to certain transition elections and exceptions disclosed in note 4, the Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at July 1, 2010 throughout all periods presented, as if these policies had always been in effect. Note 4 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended June 30, 2011 prepared under Canadian GAAP.

These financial statements were approved by the board of directors for issue on October 22, 2012.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

(a) Basis of Measurement

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets that are measured at fair value.

(b) Basis of Consolidation

These financial statements consolidate the accounts of the Company and its subsidiaries, all of which are wholly owned at June 30, 2012 (until March 22, 2011 ONE was 47.22% owned by the Company (see Note 5)). Subsidiaries are those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated

from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases. Intercompany transactions, balances, income and expenses, and profits and losses are eliminated.

Non-controlling interests represents equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income and comprehensive income is recognized directly in equity. Changes in the Company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as President and Chief Executive Officer.

(d) Cash

Cash includes cash on hand and deposits held with banks.

(e) Restricted Cash and Investments

Restricted cash and investments represents amounts the Company is required to deposit in escrow as collateral for a specified financing arrangement (see Note 7). These balances, together with any income earned on them, are restricted and cannot be used for any purpose other than to settle the Company's obligations under the specified financing arrangement. Income earned on escrow funds is included in interest income in the Company's Consolidated Statement of Loss.

(f) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories:

(i) Loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise trade and cash are included in current assets due to their short-term nature. Loans and receivables are initially recognized at fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(ii) Financial liabilities at amortized cost. Financial liabilities at amortized cost include trade and other payables, debt and other liabilities. Trade payables are initially recognized at fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method. Debt and other liabilities are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

(iii) Held-to-maturity investments. The Company's restricted cash and investments are classified as held-to-maturity investments. Held-to-maturity investments are non-derivative instruments with fixed or determinable payments and fixed maturities that the Company's management has the positive intent and ability to hold to maturity. These investments are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

(g) Impairment of Financial Assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss. For financial assets carried at amortized cost the loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(h) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are recognized in earnings during the period in which they are incurred and are presented under operating expenses.

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and depreciates separately each such part. The carrying amount of a replaced asset is derecognized.

Residual values, method of amortization and useful lives of assets are reviewed at least at each financial year-end and adjusted if appropriate.

The major categories of property and equipment are depreciated on a straight-line basis based on the useful life of each component as follows:

Land and assets not yet available for use	not depreciated
Building components:	
External structure	40 – 50 years
Interior upgrades	10 – 25 years
HVAC and building systems	18 – 25 years
Roof and parking lot	20 - 25 years
Broadcast equipment	5 – 10 years
Equipment and vehicles	5 – 10 years
Computer hardware	3 – 5 years
Leasehold improvements	Over the term of the lease

(i) Intangible Assets

Intangible assets, which include broadcast licenses, program rights, royalty stream rights, brand names, computer software and website domain names, are recorded at cost less accumulated impairment and accumulated amortization. Intangible assets with a definite life are amortized over the estimated useful life of these assets, as described below. Intangible assets that are subject to amortizations are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Broadcast licenses have indefinite lives and are not subject to amortization and are tested for impairment as described below. Intangible assets are tested for impairment in accordance with the policy for impairment of non-financial assets as noted in (k) below. Intangible assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Broadcast Licenses

Broadcast licenses represent broadcasting rights and terms granted by the Canadian Radio-Television Telecommunications Commission (the "**CRTC**") which were acquired as part of an acquisition of certain businesses. Broadcast licenses are recorded at cost and are not amortized as they are considered to have an

indefinite life based on the Company's intent and ability to renew the licenses without significant cost and without material modification of the existing terms and conditions of the license. Instead broadcast licenses are tested for impairment at least annually.

(ii) Program Rights

Program rights represent contract rights acquired from third parties to broadcast television programs and feature films. The assets and liabilities related to these rights are recorded when the license period has begun and all of the following conditions have been met: (i) the cost of the rights is known or reasonably determinable; (ii) the program material is accepted by the Company in accordance with the license agreement; and (iii) the material is available to the Company for airing.

Program rights also includes the cost of television programs produced by the Company. The costs capitalized in respect of these programs includes, production expenditures and other attributed costs that are expected to benefit future periods.

Program rights costs are amortized over the estimated period of use or to a maximum of the contracted exhibition period.

Canadian program rights with a contracted exhibition period of 4 years or more are amortized over a maximum period of 4 years using the following amortization rates per year 40%, 20%, 20% and 20%. Programs with an exhibition period of 3 years are amortized over 3 years using amortization rates of 50%, 25% and 25%. Programs with an exhibition period of less than 3 years are amortized on a straight-line basis over the exhibition period.

Foreign program rights with a contracted exhibition period of 3 years or more are amortized over a maximum period of 3 years using the following amortization rates per year 50%, 30% and 20%. Programs with an exhibition period of 2 years are amortized over 2 years using amortization rates of 70% and 30%. Programs with an exhibition period of less than 2 years are amortized on a straight-line basis over the exhibition period.

Program rights are carried at cost less accumulated amortization and accumulated impairment. If it is determined that program rights will not be aired and no future economic benefits are expected from the use or disposal of program rights, their carrying value is derecognized. Programs planned to be used are reviewed and tested for impairment along with other long-lived assets in accordance with the impairment policies for non-financial assets described in (k) below.

(iii) Royalty Stream Rights

Royalty stream rights relate to marketing and licensing rights associated with the Canadian Association of Retired Persons ("**CARP**") name which has a contract term expiring December 31, 2099. The asset is recorded at cost less accumulated amortization and impairment and is amortized on a straight-line basis over the shorter of the economic life or the duration of the contract term, which for the Company is estimated to be 15 years.

(iv) Brand Names

Brand names acquired in connection with the acquisition of businesses are recorded at cost less accumulated amortization and impairment. Brand names are amortized on a straight-line basis over an estimated useful life of 10 years which represents the period that future economic benefits attributable to the asset are expected to flow to the Company.

(v) Computer Software and Domain Names

Computer software and domain names are recorded at cost less accumulated amortization and impairment and are amortized over their estimated useful lives of 3 years and 5 years respectively.

(j) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to each cash-generating unit ("CGU") or group of CGUs that are expected to benefit from the related business combination. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is not amortized, but rather reviewed for impairment annually or at any time if an indicator of impairment exists. See the policy for impairment of non-financial assets as noted in (k) below.

(k) Impairment of Non-Financial Assets

Property and equipment and intangible assets with definite lives, (which includes program rights, royalty rights, brand names, computer software and domain names), are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (**cash-generating units or 'CGUs'**). Recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management).

Goodwill and indefinite life intangible assets are reviewed for impairment annually or at any time if an indicator of impairment exists. Management monitors goodwill for internal purposes based on its CGUs, which include the Television and Radio operating segments. The Company has identified several non-goodwill CGUs which include Vision TV, ONE, JOY 10, JOY 11, Zoomer Magazine, AM Radio, FM Radio, Royalty, Website and Shows and Conferences.

The company evaluates impairment losses, other than goodwill impairment, for potential reversals when events or circumstances warrant such consideration and accordingly, goodwill is assessed for impairment together with the assets and liabilities of the CGU.

(l) Leases

Leases are classified as either finance or operating. Leases that transfer substantially all of the risks and benefits of ownership of the leased asset to the Company are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of fair value of the leased asset and the present value of the minimum lease payments. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental payments, net of any incentives received from the lessor, are charged to earnings on a straight-line basis over the period of the lease.

Deferred lease liability relates to a property lease and is the cumulative difference between cash payments made under the lease and rental expenses calculated on a straight-line basis.

(m) Stock Based Compensation

The Company grants stock options to certain employees, directors and consultants providing services similar to those of employees. The options either vest on issuance or vest one-third upon issuance and one-third in each of the following two years, or one-third in each of the three years following issuance. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period, based on the number of awards expected to vest, by increasing contributed surplus. The number of awards expected to vest is reviewed at least annually, with any impact recognized immediately in compensation expense with a corresponding adjustment to contributed surplus.

The Company may also grant stock options to certain other key service providers in exchange for goods and services. These options are measured at the fair value of the goods or services received and are recognized when the goods or services are delivered.

(n) Provisions

Provisions for restructuring costs, legal claims and other matters (refer to Note 13) are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. The Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts.

(o) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case the income tax is also recognized directly in other comprehensive income or directly in equity, respectively.

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

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognized if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are presented as non-current.

(p) Revenue Recognition

Advertising revenues, net of agency commission, where applicable, are recognized when advertisements are aired or when the magazine in which the advertisements are placed is published and distributed.

Subscriber fee revenue from the Company's specialty television channels is recognized monthly based on subscriber levels.

Revenue from the sale of broadcast time, net of agency commissions, is recognized in the period in which the broadcast occurs.

Magazine subscription revenue is recognized upon delivery of each issue of the magazine over the term of the subscription period.

Royalty revenue is comprised of licensing fees from the CARP name and is calculated as a percentage of the volume of business conducted by the licensee in a given period. Royalty revenue is recognised in the period in which it is earned from each licensee.

Website revenue is primarily comprised of advertising and user maintenance fees. Website revenue is recognised when the related services are provided to customers. Revenue related to advertising and sponsorship exclusivity agreements is recognised over the term of the agreement.

Show and conference revenue is primarily comprised of sponsorships, booth rentals and ticket sales and is recognised when the related service or product has been delivered.

Cash payments or customer advances received relating to services to be delivered in future periods are recorded as deferred revenue until all of the foregoing conditions of revenue recognition are met.

In the normal course of business, the Company enters into non-monetary transactions to exchange advertising for various products and services. Revenue is recognized on these barter transactions only when the services exchanged are dissimilar in nature and when the fair value of the advertising services provided by the Company can be reliably measured by reference to non-barter transactions that:

a) Involve advertising similar to the advertising in the barter transaction;
b) Occur frequently;
c) Represent a predominant number of transactions and amount when compared to all transactions to provide advertising that is similar to the advertising in the barter transaction;
d) Involve cash and/or another form of consideration that has a reliably measurable fair value; and
e) Do not involve the same counterparty as in the barter transaction.

(q) Government Grants and Subsidies

Government grants and subsidies are reflected as a reduction of the cost of the asset or reduction of the expense to which they relate and are recognised when there is reasonable assurance that the Company complies with the conditions for receipt of the government assistance and the grants will be received. Such amounts are recognized as applicable costs or expenses are incurred (See Note 22).

(r) Net Loss per Share

Basic net loss per share is calculated by dividing the net loss for the period attributable to equity owners of the Company by the weighted average number of common shares and preference shares outstanding during the period.

The treasury stock method is used to calculate diluted net loss per share. Diluted net loss per share is similar to basic net loss per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding assuming that warrants and stock options with an average market price for the period greater than their exercise price are exercised and the proceeds used to repurchase common shares. The diluted net loss per share calculation excludes any potential conversion of options and warrants that would increase net income per share or decrease net loss per share.

(s) Accounting Standards Issued but not Yet Applied

The IASB has issued the following standards, which have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact these new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9, Financial Instruments

IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in *IAS 39, Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. IFRS 9 is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.

IFRS 10, Consolidated Financial Statements

IFRS 10, Consolidated Financial Statements, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces *SIC-12, Consolidation—Special Purpose Entities* and parts of *IAS 27, Consolidated and Separate Financial Statements*. IFRS 10 is effective for annual periods beginning on or after January 1, 2013.

IFRS 11, Joint Arrangements

IFRS 11, *Joint Arrangements*, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly Controlled Entities—Non-monetary Contributions by Venturers.* IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

IFRS 12, Disclosure of Interests in Other Entities

IFRS 12, *Disclosure of Interests in Other Entities*, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013.

IFRS 13, Fair Value Measurement

IFRS 13, *Fair Value Measurement*, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that 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. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. IFRS 13 is effective for annual periods beginning on or after January 1, 2013.

Amendments to standards

IFRS 7, *Financial Instruments: Disclosures*, has been amended to include additional disclosure requirements in the reporting of transfer transactions and risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets. The amendment is applicable for annual periods beginning on or after July 1, 2011 with earlier application permitted.

IFRS 7, *Financial Instruments: Disclosures,* has been amended to enhance disclosure requirements related to offsetting of financial assets and financial liabilities. The amendment is effective for annual periods beginning on or after January 1, 2013.

IAS 1, *Presentation of items of other comprehensive income ("OCI"),* has been amended to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future. The amendment is effective for annual periods beginning on or after July 1, 2012.

IAS 32, *Financial Instruments: Presentation,* has been amended to clarify requirements for offsetting of financial assets and financial liabilities. The amendment is effective for annual periods beginning on or after January 1, 2014.

(t) Significant Accounting Judgements and Estimation Uncertainties

Critical accounting judgements and estimates

The preparation of financial statements under IFRS requires management to use judgement in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgements are continuously evaluated and are based on management's historical experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ materially from these estimates.

The key judgements, estimates and assumptions made in applying accounting policies which have the most significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

(i) Cash Generating Units (CGU's)

The determination of the CGU's involves significant judgement. The Company has identified several non-goodwill CGUs which include Vision TV, ONE, JOY 10, JOY 11, Zoomer Magazine, AM Radio, FM Radio, Royalty, Website and Shows and Conferences. Goodwill recorded in the consolidated financial statements relates to the Television group CGU and Radio group CGU. The Company performs its annual test for goodwill impairment in accordance with the policy described in note 3 (k). The determination of the recoverable amount involves significant management judgement. (refer to note 9).

(ii) Impairment of goodwill and indefinite life intangible assets

The values associated with indefinite life intangible assets and goodwill involve significant estimates and assumptions by management with respect to future cash flows, growth rates and discount rates. These significant estimates and judgements could affect future results if the current estimates of future performance and fair values change.

The Company reviews goodwill and indefinite life intangible assets at least annually for impairment. The impairment test is carried out by allocating these assets to the relevant CGUs and comparing the aggregate recoverable amount of the assets included in the CGUs to their respective carrying amounts. Recoverable amount has been determined based on the fair value less costs to sell of the CGUs using discounted cash flows models that require assumptions about future cash flows, margins and discount rates. Refer to Note 9 for more details about the methods and assumptions used to estimate recoverable amounts.

(iii) Estimated period of use of program rights

The Company amortizes program rights over the estimated period of use. The amount of amortization recognized for any period is affected by management's estimated period of use. These significant estimates are reviewed at least annually and are updated if expectations change as a result of changes in the broadcast schedules of the Company's television stations. It is possible that changes in the broadcast schedules of the television stations may cause significant changes in the estimated period of use of the Company's program rights. When there is a change in the intended use of the program rights' the useful life will be revised and an additional amortization will be recorded. Refer to Note 9.

(iv) Estimated useful lives

Management estimates the useful lives of non-financial assets with definite useful lives, such as property and equipment and intangible assets with definite useful lives, based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for the depreciation and amortization on these assets are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence of other limits of use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of these assets in the future. Refer to Note 8.

(v) Income taxes

Income tax liabilities must be estimated for the Company, including an assessment of temporary differences. Any temporary differences will generally result in the recognition of deferred tax assets and liabilities in the financial statements. Significant judgement is required regarding future profitability of the Company to be able to realize deferred taxes. Changes in market conditions, changes in tax legislation and other factors could adversely affect the ongoing value of deferred taxes. Refer to Note 14.

4. TRANSITION TO IFRS

The effect of the Company's transition to IFRS, described in Note 2, is summarized in this note as follows: (i) transition elections; (ii) reconciliation of equity and comprehensive income as previously reported under Canadian GAAP to IFRS; and (iii) adjustments to the consolidated statement of cash flows.

(i) Transition elections

IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1"), provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS effective at the end of the Company's first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions from retrospective application. The Company has complied with all of the mandatory exceptions from retrospective application, where applicable, and has applied the following transitional exemptions from full retrospective application of IFRS in its preparation of these consolidated financial statements. The Company has prepared an opening IFRS statement of financial position as of July 1, 2010, which is the Company's date of transition to IFRS (**"Transition Date").**

a. IAS 23, Borrowing Costs - The Company has elected to apply IAS 23 prospectively from the Transition Date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets.

b. IFRS 3, Business Combinations - The Company has elected to apply IFRS 3 prospectively from the Transition Date and therefore not restate business combinations that took place prior to the Transition Date. As such, the Canadian GAAP balances applicable to business combinations entered into before the Transition Date have been applied and carried forward.

(ii) Reconciliation of equity and net loss and comprehensive loss as previously reported under Canadian GAAP to IFRS

	Reference	June 30, 2011			July 1, 2010		
	Note 4(ii)	Cdn GAAP	Adj	IFRS	Cdn GAAP	Adj	IFRS
ASSETS							
Current assets							
Cash and cash equivalents		$ -	$ -	$ -	$ 3,469,391	$ -	$ 3,469,391
Trade and other receivables	a.	13,189,703	-	13,189,703	10,116,912	4,351	10,121,263
Prepaid expenses	a.	579,290	-	579,290	374,727	211,216	585,943
		13,768,993	-	13,768,993	13,961,030	215,567	14,176,597
Non-current assets							
Property and equipment	a.	22,413,314	-	22,413,314	22,964,044	(114,957)	22,849,087
Deferred tax assets		1,466,000	-	1,466,000	745,000	-	745,000
Intangible assets	a., b.	44,848,232	(1,939,703)	42,908,529	55,295,690	(3,223,681)	52,072,009
Goodwill	a., b.	8,838,349	(4,117,784)	4,720,565	8,365,032	(3,644,467)	4,720,565
TOTAL ASSETS		$ 91,334,888	$ (6,057,487)	$ 85,277,401	$101,330,796	$ (6,767,538)	$ 94,563,258
LIABILITIES							
Current liabilities							
Bank indebtedness		$ 579,644	$ -	$ 579,644	$ -	$ -	$ -
Trade and other payables	a., e., f.	7,833,315	(1,168,764)	6,664,551	7,057,707	(797,335)	6,260,372
Deferred revenue		2,335,224	-	2,335,224	3,151,000	-	3,151,000
Income tax liabilities	f.	-	604,100	604,100	-	-	-
Current portion of debt		1,620,247	-	1,620,247	1,661,451	-	1,661,451
Current portion of other liabil	a., d.	7,127,366	(236,216)	6,891,150	8,750,136	(1,513,643)	7,236,493
Current portion of provisions	d., e.	-	800,880	800,880	-	602,676	602,676
		19,495,796	-	19,495,796	20,620,294	(1,708,302)	18,911,992
Non-current liabilities							
Deferred revenue		1,390,518	-	1,390,518	775,885	-	775,885
Deferred tax liabilities	a., b., c.	2,691,000	194,991	2,885,991	986,000	1,676,805	2,662,805
Deferred lease liability	a.	37,379	-	37,379	771,207	(771,207)	-
Debt		21,322,601	-	21,322,601	22,843,474	-	22,843,474
Other liabilities	d.	3,895,975	(611,456)	3,284,519	7,052,122	(405,972)	6,646,150
Provisions	d., e.	-	611,456	611,456	-	946,326	946,326
		48,833,269	194,991	49,028,260	53,048,982	(262,350)	52,786,632
EQUITY							
Equity attributable to owners of the parent							
Share capital		63,379,214	-	63,379,214	59,290,393	-	59,290,393
Contributed surplus		1,380,472	-	1,380,472	919,586	-	919,586
Deficit	a., b., c.	(22,258,067)	(6,252,478)	(28,510,545)	(12,292,610)	(6,505,188)	(18,797,798)
		42,501,619	(6,252,478)	36,249,141	47,917,369	(6,505,188)	41,412,181
Non-controlling interest		-	-	-	364,445	-	364,445
Total equity		42,501,619	(6,252,478)	36,249,141	48,281,814	(6,505,188)	41,776,626
TOTAL LIABILITIES AND EQUITY		$ 91,334,888	$ (6,057,487)	$ 85,277,401	$101,330,796	$ (6,767,538)	$ 94,563,258

	Reference Note 4(ii)	Year ended June 30, 2011 Cdn GAAP	Adj	IFRS
Revenue		$ 59,988,403	$ -	$ 59,988,403
Operating expenses [1]	a.	59,908,166	905,772	60,813,938
Depreciation	a.	2,142,572	-	2,142,572
Amortization of other intangible assets	a.	1,135,988	(13,808)	1,122,180
Impairment of other intangibles		15,859	(15,859)	-
		(3,214,182)	(876,105)	(4,090,287)
Interest expense		2,393,808	-	2,393,808
Income (loss) before income taxes		(5,607,990)	(876,105)	(6,484,095)
Income taxes - deferred tax expense		567,000	(1,128,815)	(561,815)
Income taxes - current		638,344	-	638,344
Net income (loss) and comprehensive income (loss) for the period		$ (6,813,334)	$ 252,710	$ (6,560,624)
Net income (loss) and comprehensive income (loss) attributable to:				
Owners of the parent		$ (7,059,303)	$ 252,710	$ (6,806,593)
Non-controlling interest		245,969	-	245,969
		$ (6,813,334)	$ 252,710	$ (6,560,624)
Net loss per share (basic and diluted)		$ (0.01)		$ (0.01)
Weighted average number of shares outstanding		641,800,330		641,800,330

[1] Adjustments to operating expenses includes a $605,322 adjustment for restructuring provisions (see Note 4(ii)(a))

a. As discussed in Note 4(i) the Company elected to apply IFRS 3, Business Combinations prospectively to business combinations occurring on or after its Transition Date. The Company acquired various assets that constituted a business from VisionTV: Canada's Faith Network/Réseau Religieux Canadien before the Transition Date. The acquisition was accounted for using the purchase method under Canadian GAAP and the Canadian GAAP balances have been carried forward and adjusted as described below.

Under Canadian GAAP the July 1, 2010 financial statements included preliminary estimated values of the assets acquired and liabilities assumed as the Company had not finalized the determination of the fair value of these assets and liabilities at that date. The Company subsequently determined that the final fair values and has concluded that the final fair values established under Canadian GAAP should be used as the deemed cost of these assets and liabilities at the date of acquisition. As a result, the opening IFRS balance sheet reflects an adjustment to the assets and liabilities as well as an adjustment to opening retained earnings. The effect is as follows:

		July 1, 2010
Balance sheet item		
Trade and other receivables	$	4,351
Prepaid expenses		211,216
Property and equipment		(114,957)
Intangible assets:		
Broadcast licenses		(6,744,165)
Brand names		790,000
Program rights		4,699,854
		(1,254,311)
Goodwill		473,317
Trade and other payables		632,790
Other liabilities		(910,967)
Deferred tax liabilities		369,000
Deferred lease liability		(771,207)
Total equity		-

Additionally, under Canadian GAAP the Company recognized a liability of $605,322 for severance related to a restructuring program in respect of this acquisition. Under IFRS a liability for severances may only be recognized when an obligating event has occurred. No obligating event had occurred at the Transition Date as the program was not announced and communicated to the affected employees until the first quarter of fiscal 2011. Accordingly, the Company has reduced its deficit in the opening IFRS balance sheet by $605,322 and has recognized these severance costs in the year ended June 30, 2011. The Company's opening IFRS deficit has also been increased to reflect taxes of $151,331 related to this adjustment.

Purchase consideration has also been adjusted by $300,450 to exclude certain transaction costs that had been capitalized under Canadian GAAP which should be expensed under IFRS. As a result, other operating expenses for the year ended June 30, 2011 have been increased by $300,450.

b. Under IFRS goodwill and broadcast licenses are assessed for impairment by comparing the aggregate recoverable amount of the assets included in the relevant CGUs to their respective carrying amount. Under Canadian GAAP broadcast licenses are tested for impairment by comparing their carrying value to their fair value and goodwill is tested for impairment by comparing the estimated fair value of the relevant reporting units to their carrying amounts. The Company has re-performed its impairment tests at the Transition Date and has recorded an impairment charge of $1,895,070 related to intangible assets of a CGU in the Radio operating segment and an impairment charge of $3,609,441 for goodwill attributable to the segment. The Company has also recognized impairment charges of $74,300 and $207,893 for intangible assets and goodwill attributable to its website and has reduced amortization expense on other intangible assets for the year ended June 30, 2011 by $29,667. The tax impact of these adjustments was $457,886. Refer to Note 3(t)(ii) for more details about methods and assumptions used to determine these impairments.

c. Under IFRS the difference between the tax basis and carrying value of certain acquired assets has increased. As a result, the Company has recognized additional deferred tax liabilities of $1,676,805 in its opening IFRS balance sheet and has been reduced to reflect the recoverable amount during the year ended June 30, 2011 by $977,484.

d. Certain liabilities that were previously classified as other liabilities have been reclassified as provisions.

e. Obligations relating to the settlement of working capital issues and for a restructuring provision have been reclassified from trade and other payables to provisions.

f. Current income tax liabilities have been reclassified from trade and other payables to income tax liabilities.

g. The following is a summary of transition adjustments (each net of related tax) to the Company's deficit from Canadian GAAP to IFRS:

	Reference Note 4(ii)		**June 30, 2011**		**July 1, 2010**
Deficit as reported under Canadian GAAP		$	(22,258,067)	$	(12,292,610)
IFRS adjustments increase (decrease):					
Finalization of fair values	a.		-		-
Restructuring liability	a.		-		453,991
Adjustment of consideration	a.		(300,450)		-
Impairment of goodwill and intangible assets	b.		(5,299,151)		(4,693,818)
Deferred income taxes	c.		(652,877)		(2,265,361)
Deficit as reported under IFRS		$	(28,510,545)	$	(18,797,798)

(iii) Adjustments to consolidated statements of cash flows

The transition from Canadian GAAP to IFRS had no significant impact on cash flows generated by the Company.

5. BUSINESS ACQUISITION

Acquisition of Additional Ownership Interest in ONE

On March 22, 2011 the Company purchased the remaining 52.78% of the shares of ONE from the non-controlling interests for cash consideration of $3,516,568. This purchase has been accounted for as an equity transaction. The consideration paid was debited to deficit and partially offset by the reclassification of $610,414 of non-controlling interests on the balance sheet. Prior to March 22, 2011 ONE was consolidated as the Company had the right to vote the shares of certain minority shareholders.

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables includes a receivable of $1,480,558 (2011- $491,983) related to an Interactive Digital Media Tax Credit from the Province of Ontario (refer to Note 22).

7. RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments consist of cash and Government of Canada bonds that have been pledged to First National Financial LP as security for a mortgage. The amounts and any income earned are held by a third party in an escrow account and can only be used to fund principal and interest payments on the mortgage held by First National Financial LP (refer to Note 11(iii)). Restricted cash and investments is held until June 2014.

8. PROPERTY AND EQUIPMENT

	Land & building	Broadcast equipment	Equipment and vehicles	Computer hardware	Leasehold improvements	Total
At 1 July 2010						
Cost	$ 15,888,415	$ 4,054,986	$ 526,834	$ 790,917	$ 2,252,296	$ 23,513,448
Accumulated depreciation	-	-	(142,512)	(455,321)	(66,528)	(664,361)
Net book value	$ 15,888,415	$ 4,054,986	$ 384,322	$ 335,596	$ 2,185,768	$ 22,849,087
Year ended June 30, 2011						
Opening net book value	$ 15,888,415	$ 4,054,986	$ 384,322	$ 335,596	$ 2,185,768	$ 22,849,087
Additions	1,345,425	186,065	62,370	112,939	-	1,706,799
Depreciation for the period	(374,683)	(814,224)	(76,140)	(142,468)	(735,057)	(2,142,572)
Closing net book value	16,859,157	3,426,827	370,552	306,067	1,450,711	22,413,314
At June 30, 2011						
Cost	17,233,840	4,241,051	589,204	903,856	2,252,296	25,220,247
Accumulated depreciation	(374,683)	(814,224)	(218,652)	(597,789)	(801,585)	(2,806,933)
Net book value	$ 16,859,157	$ 3,426,827	$ 370,552	$ 306,067	$ 1,450,711	$ 22,413,314
Period ended June 30, 2012						
Opening net book value	$ 16,859,157	$ 3,426,827	$ 370,552	$ 306,067	$ 1,450,711	$ 22,413,314
Additions	1,694,494	596,353	157,184	170,754	-	2,618,785
Depreciation for the period	(327,239)	(1,567,720)	(122,809)	(129,024)	(1,300,146)	(3,446,938)
Closing net book value	18,226,412	2,455,460	404,927	347,797	150,565	21,585,161
At June 30, 2012						
Cost	18,928,334	4,837,404	746,388	1,074,610	2,252,296	27,839,032
Accumulated depreciation	(701,922)	(2,381,944)	(341,461)	(726,813)	(2,101,731)	(6,253,871)
Net book value	$ 18,226,412	$ 2,455,460	$ 404,927	$ 347,797	$ 150,565	$ 21,585,161

Certain long-term debt is secured by a first mortgage on land and buildings with a net book value of $17,599,662 at June 30, 2012 (2011 - $16,216,031). (Refer to note 11)

Property and equipment includes the following amounts in respect of computer hardware held under finance leases:

	June 30, 2012	June 30, 2011	July 1, 2010
Cost - capitalized finance leases	$ 282,640	$ 175,827	$ 175,827
Accumulated depreciation	(138,976)	(86,593)	(49,888)
	$ 143,664	$ 89,234	$ 125,939

9. INTANGIBLE ASSETS AND GOODWILL

Details of intangible assets and goodwill are as follows:

	Broadcast licenses	Program rights	Royalty stream rights	Brand names	Computer software	Domain names	Total intangible assets	Goodwill
At 1 July 2010								
Cost	$ 22,611,485	$ 19,944,695	$ 12,650,072	$ 790,000	$ 282,197	$ 110,942	$ 56,389,391	$ 8,537,899
Accumulated amortization	-	-	(2,108,345)	-	-	-	(2,108,345)	-
Accumulated impairment	(1,895,070)	-		-	(226,633)	(87,334)	(2,209,037)	(3,817,334)
Net book value	$ 20,716,415	$ 19,944,695	$ 10,541,727	$ 790,000	$ 55,564	$ 23,608	$ 52,072,009	$ 4,720,565
Year ended June 30, 2011								
Opening net book value	$ 20,716,415	$ 19,944,695	$ 10,541,727	$ 790,000	$ 55,564	$ 23,608	$ 52,072,009	$ 4,720,565
Additions	9,032	10,414,832	-	-	269,810	30,293	10,723,967	-
Amortization for the period	-	(14,571,876)	(843,336)	(79,000)	(170,544)	(13,441)	(15,678,197)	-
Accelerated amortization	-	(4,193,391)	-	-	-	(15,859)	(4,209,250)	-
Closing net book value	20,725,447	11,594,260	9,698,391	711,000	154,830	24,601	42,908,529	4,720,565
At June 30, 2011								
Cost	22,620,517	30,359,527	12,650,072	790,000	552,007	141,235	67,113,358	8,537,899
Accumulated amortization	-	(18,765,267)	(2,951,681)	(79,000)	(170,544)	(13,441)	(17,786,542)	-
Accumulated impairment	(1,895,070)	-	-	-	(226,633)	(103,193)	(6,418,287)	(3,817,334)
Net book value	$ 20,725,447	$ 11,594,260	$ 9,698,391	$ 711,000	$ 154,830	$ 24,601	$ 42,908,529	$ 4,720,565
Year ended June 30, 2012								
Opening net book value	$ 20,725,447	$ 11,594,260	$ 9,698,391	$ 711,000	$ 154,830	$ 24,601	$ 42,908,529	$ 4,720,565
Additions	-	10,459,008	-	-	48,283	-	10,507,291	-
Amortization for the period	-	(11,203,955)	(843,336)	(79,000)	(80,632)	(7,819)	(12,214,742)	-
Impairment for the period	(666,460)	-	-	-	-	-	(666,460)	(2,145,807)
Closing net book value	20,058,987	10,849,313	8,855,055	632,000	122,481	16,782	40,534,618	2,574,758
At June 30, 2012								
Cost	22,620,517	40,818,535	12,650,072	790,000	600,290	141,235	77,620,649	8,537,899
Accumulated amortization	-	(29,969,222)	(3,795,017)	(158,000)	(251,176)	(21,260)	(34,194,675)	-
Accumulated impairment	(2,561,530)	-	-	-	(226,633)	(103,193)	(2,891,356)	(5,963,141)
Net book value	$ 20,058,987	$ 10,849,313	$ 8,855,055	$ 632,000	$ 122,481	$ 16,782	$ 40,534,618	$ 2,574,758

At the end of fiscal 2011 the Company reduced the expected useful lives of certain program rights and recorded accelerated amortization of $4,193,391.

The net carrying amount of indefinite life intangibles and goodwill has been allocated to the following CGU's:

	June 30, 2012	June 30, 2011	July 1, 2010
Television:			
Broadcast licenses	$ 7,864,000	$ 7,864,000	$ 7,864,000
Goodwill	2,574,758	2,574,758	2,574,758
	10,438,758	10,438,758	$ 10,438,758
Radio:			
Broadcast licenses	12,194,987	12,861,447	12,852,415
Goodwill	-	2,145,807	2,145,807
	12,194,987	15,007,254	14,998,222
Total			
Broadcast licenses	20,058,987	20,725,447	20,716,415
Goodwill	2,574,758	4,720,565	4,720,565
	$ 22,633,745	$ 25,446,012	$ 25,436,980

Goodwill and indefinite lived intangible assets, such as broadcast licenses, are tested for impairment, annually on June 30, as part of the CGU to which they belong or when circumstances indicate the carrying value of the CGU may be impaired. The details of these impairment tests are discussed below.

The goodwill recorded in the consolidated financial statements relates to two groups of CGUs: the Radio group CGU and the Television group CGU. Broadcast licenses are recorded at the lowest level of CGU within each group of CGUs: AM radio CGU and FM radio CGU form the Radio group CGU and ONE TV CGU and Vision TV CGU form the Television group CGU respectively. The Company's assumptions used in testing goodwill and broadcast licenses for impairment are affected by current market conditions, which may affect expected revenue. In addition, while the Company continually monitors operating costs, these operating costs cannot be lowered as quickly in response to declines in revenue. The Company also has significant competition in the radio and television markets in which it operates, which may impact its revenues and operating costs.

In assessing goodwill and long lived intangible assets for impairment, the Company compared the aggregate recoverable amount of the assets included in the relevant CGU's to their respective carrying amounts. This impairment testing was performed at the lowest CGU level followed by the impairment testing of the group of CGUs into which the goodwill was allocated. The recoverable amount was determined based on the fair value less costs to sell of the CGU's. This amount was determined with the financial budget approved by management, which was adjusted for market participants' expectations over a one year period. Cash flows for the years thereafter are extrapolated using the estimated annual growth rates reflecting management's best estimate of the growth of the related markets based on industry reports. The key assumptions used to determine the recoverable amount for the different CGU's is discussed below with respect to the most recently completed impairment calculation as of the IFRS transition date and as of the fiscal year ended June 30, 2012 and June 30, 2011.

During the fiscal year the Toronto radio market in which the Radio group CGU operates suffered a decline in advertising revenues as the advertising industry feared the onset of a recession in late calendar 2011. Based on management's estimates and review of industry reports, management estimates that revenue will recover and the market for radio advertising will continue to grow. Accordingly at June 30, 2012 it was determined that the decline in revenue experienced by the Radio group CGU during the fiscal year led to the recoverable amount being less than the carrying value. Accordingly in its June 30, 2012 balance sheet the Company has recorded an impairment charge of $2,145,807 related to goodwill and $666,460 related to broadcast licenses in the Radio group CGU.

In its July 1, 2010 balance sheet the Company has recorded an impairment charge of $1,895,070 related to intangible assets of a CGU in the Radio group CGU and an impairment charge of $3,609,441 for goodwill attributable to the CGU. The Company has also recognized impairment charges of $74,300 and $207,893 for intangible assets and goodwill attributable to its website operations, which are included in the Other operating CGU (refer to Note 4(ii)(b)).

As at June 30, 2012 and June 30, 2011, the Company's estimate of the recoverable amounts for each of the ONE TV CGU and Vision TV CGU exceeded their respective carrying values by a significant margin, and as such the Company determined that the Television group CGU with goodwill had not impaired.

Key assumptions used in fair value less costs to sell calculations

	June 30, 2012		**June 30, 2011**		**July 1, 2010**		
	Television	**Radio**	**Television**	**Radio**	**Television**	**Radio**	**Other**
Growth rate - year 1	1% - 4%	8% - 18%	2% - 5%	4% - 7%	2% - 5%	4% - 7%	5%
Growth rate - years 2 to 5	2% - 5%	3% - 5%	2% - 5%	4% - 7%	2% - 5%	4% - 7%	5%
Discount rate	17.3%	14.9% - 15.6%	17.3%	12.6%	17.3%	12.6%	17%
Long-term growth rate	4.0%	2.0% - 3.0%	4.0%	0.9%	4.0%	0.9%	6.0%

The calculations of fair value less costs to sell for the CGU's are most sensitive to the following assumptions:

- Growth rates
- Discount rates
- Long-term growth rates

Growth rates – Growth rates over the five-year period are a combination of managements estimate of annual growth for the next fiscal year largely based on historical growth rates achieved for the two or three proceeding years and the review of available market forecasts and data for growth rates for years two to five.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU regarding the time value of money and individual risks of the underlying assets.

Long-term growth rates – Cash flows beyond the five-year period are based largely on management's estimate of the ability of the CGU to grow in a mature market.

Sensitivity to changes in assumptions

The determination of fair value less costs to sell is sensitive to the growth rate, discount rate and long-term growth rates used. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flow may differ, depending on economic conditions and other events. Accordingly, it is reasonably possible that future changes in assumptions may negatively impact future assessments of the recoverable amount for the Radio group and the Television group CGUs and the Company would be required to recognize an impairment loss.

10. DEFERRED REVENUE

	June 30, 2012	June 30, 2011	July 1, 2010
Magazine subscriptions revenue	$ 1,877,745	$ 1,800,298	$ 1,876,121
Royalty revenue (i)	763,889	882,937	1,001,984
Canada periodical fund (ii)	493,437	526,749	577,885
Show and conference	127,079	88,841	117,965
Advertising revenue	104,652	426,917	352,930
	$ 3,366,802	$ 3,725,742	$ 3,926,885
Less: Current portion	(2,142,306)	(2,335,224)	(3,151,000)
	$ 1,224,496	$ 1,390,518	$ 775,885

(i) Pursuant to an affinity agreement entered into with MBNA Canada Bank ("**MBNA**"), effective December 1, 2008, the Company received $1,250,000 from MBNA as an advance against future royalties ("**Advanced Amount**") to be earned over the ten year period ending November 30, 2018. All royalties accrued in each contract year shall be applied against the Advanced Amount to a maximum of $125,000. Any royalties accrued in a contract year in excess of $125,000 will be payable to the Company. The Company is guaranteed to earn royalties equal to the Advanced Amount by the end of the ten-year contract term. If the agreement is terminated for whatever reason, other than material breach by MBNA, the unearned balance would be repayable.

(ii) On April 1, 2010 the department of Canadian Heritage of the Government of Canada replaced both the Canada Magazine Fund and the Periodical Assistance Program for Canadian magazines with the Canada Periodical Fund. At June 30, 2012 the Company had deferred revenue of $493,437 (June 30, 2011 -$526,749; July 1, 2010 - $577,885) related to grants received from the Canada Periodical Fund. This amount will be recognized as a reduction of operating expense during the next fiscal year as each issue of the magazine is published (see Note 21).

11. DEBT

	June 30, 2012	June 30, 2011	July 1, 2010
Note payable - Megadak Enterprises (i)	$ 2,428,308	$ 2,752,552	$ 2,943,166
Note payable - Vision charity (ii)	9,367,901	10,212,418	11,000,000
Mortgage - First National Financial (iii)	5,742,943	6,027,201	6,197,175
Note payable - Davpart (iii)	3,744,168	3,862,043	3,970,881
Term loan - Royal Bank of Canada (iv)	7,000,000	-	-
Mortgage - Royal Bank of Canada (v)	6,943,083	-	-
Toronto-Dominion Bank (vi)	-	-	265,167
Finance lease obligation (vii)	130,762	88,634	128,536
	$ 35,357,166	$ 22,942,848	$ 24,504,925
Less: Current portion	(1,953,457)	(1,620,247)	(1,661,451)
	$ 33,403,709	$ 21,322,601	$ 22,843,474

(i) The Company acquired certain marketing rights related to CARP and royalty revenues from Megadak Enterprises ("**Megadak**"). In exchange the Company agreed to pay Megadak $50,000 per month for 115 months. The loan is unsecured and non-interest bearing. The fair value of the loan was determined using a discount rate of 11% and the Company recorded non-cash interest expense of $275,757 during the current fiscal year (2011 - $309,386). The note matures on July 1, 2017.

(ii) As part of the acquisition of the television properties the Company agreed to pay $11 million to VTV by way of a promissory note payable, secured by a general security agreement covering the assets of the Company excluding the property located at 64 Jefferson Avenue, over 10 years at an interest rate of 7% per annum in blended monthly payments. The note matures on June 30, 2020.

(iii) As part of the acquisition of the property at 64 Jefferson Avenue the Company assumed a mortgage held by First National Financial LP ("**First National**"). On June 27, 2012, First National's security interest on the 64 Jefferson Avenue property was discharged and as a substitute, the Company pledged its interest in the restricted cash and investments of $6,420,758 described in Note 7 to First National as security for its mortgage. The Company incurred transaction fees of $99,610 to modify the security pledged under this mortgage. These fees have been adjusted against the carrying value of the mortgage and will be amortized over the remaining term of the liability. The remaining principal plus accrued interest of $5,742,943 (June 30, 2011 - $6,027,201, July 1, 2010 - $6,197,175) is payable over 17 years at an interest rate of 6.47%. The current 5 year term ends June 1, 2014.

The Company also assumed an unsecured promissory note payable to Davpart Inc., a former owner of the building, with remaining principal plus accrued interest of $3,744,168 (June 30, 2011 - $3,862,043, July 1, 2010 - $3,970,881) payable over 17 years, 3 months at an interest rate of 7%. The current 5 year term ends June 1, 2014.

(iv) On June 27, 2012 the Company entered into an amended and restated credit agreement with the Royal Bank of Canada. The amended credit facility consists of a $3 million revolving line of credit and a $7 million term loan, payable over 25 years and is secured by a general security agreement covering all of the assets of the Company.

Advances under the revolving line of credit bear interest at a variable rate of prime plus 2.0%. At June 30, 2012 no amounts had been drawn against the revolving line of credit. At June 30, 2012 $589,321 in letters of credit were issued against the line of credit to guarantee certain land transfer tax obligations. At June 30, 2012 $2,410,679 was available under the line of credit.

The term loan's remaining principal plus accrued interest of $7,000,000 is payable over 25 years at an interest rate of 6.297%. The current 3 year term ends June 27, 2015.

During the year the Company recorded interest expense of $182,496 (2011 - $26,424) in connection with this facility.

The Company incurred transaction fees of $47,708 to amend the credit facility. These amounts have been expensed.

As at June 30, 2012 the Company was in compliance with its debt covenant.

(v) On June 27, 2012 the Company refinanced the property located at 64 Jefferson Avenue and entered into a $7,000,000 mortgage agreement with the Royal Bank of Canada. The mortgage is secured by a first mortgage on the property. The remaining principal plus accrued interest of $6,943,082 is payable over 25 years at an interest rate of 6.297%. The current 3 year term ends June 27, 2015. Transaction costs of $62,849 have been netted against the carrying amount of the loan and will be amortized over the remaining term.

As at June 30, 2012 the Company was in compliance with its debt covenant.

(vi) As part of the acquisition of the radio properties the Company assumed an equipment loan held by Toronto-Dominion Bank with remaining principal of $265,167 payable at $7,167 per month over 37 months plus interest at prime plus 0.50%. On November 30, 2010, the Company paid off the remaining balance on this loan.

(vii) The Company has entered into various finance leases for computer hardware. The monthly payments under these leases consist of principal repayments and interest. At June 30, 2012 the minimum payments under these agreements is as follows:

Gross payments:		
Due within 1 year	$	64,210
Due between 2 and 5 years		81,598
Due after 5 years		-
	$	145,808
Future interest		(15,046)
Present value of finance lease obligation	$	130,762
Less current portion		(54,912)
	$	75,850

The present value of the finance lease obligation is repayable as follows:

Due within 1 year	$	54,912
Due between 2 and 5 years		75,850
Due after 5 years		-
Present value of capital lease obligation	$	130,762

12. OTHER LIABILITIES

	June 30, 2012	June 30, 2011	July 1, 2010
Program rights obligation - bulk purchase (i)	$ 2,889,280	$ 6,546,868	$ 10,920,968
Other program rights obligations	3,858,499	3,233,562	2,421,025
Other	471,936	395,239	540,650
	$ 7,219,715	$ 10,175,669	$ 13,882,643
Less: Current portion	(6,747,779)	(6,891,150)	(7,236,493)
	$ 471,936	$ 3,284,519	$ 6,646,150

(i) During 2010 the Company acquired certain program rights under a bulk purchase agreement. In exchange the Company is contractually committed to pay $12 million, starting July 1, 2010, over three years for the acquired rights. For the year ended June 30, 2012 the Company made payments of $4,000,000 (2011 - $5,000,000). The fair value of this liability was determined using a discount rate of 7% and the Company recorded non-cash interest expense during the year of $342,412 (2011 - $625,900).

13. PROVISIONS

The analysis of provisions is as follows:

	Working capital settlement (i)	Restructuring provision (ii)	CRTC license requirements (iii)	Lease assignment (iv)	Total
Current	$ -	$ -	$ 602,676	$ -	$ 602,676
Long-term	540,354	-	405,972	-	946,326
At July 1, 2010	**$ 540,354**	**$ -**	**$ 1,008,648**	**$ -**	**$ 1,549,002**
Current	$ 540,354	$ 24,310	$ 236,216	$ -	$ 800,880
Long-term	-	-	611,456	-	611,456
At June 30, 2011	**$ 540,354**	**$ 24,310**	**$ 847,672**	**$ -**	**$ 1,412,336**
Current	$ 260,796	$ -	$ 279,648	$ 78,866	$ 619,310
Long-term	-	-	382,676	20,864	403,540
At June 30, 2012	**$ 260,796**	**$ -**	**$ 662,324**	**$ 99,730**	**$ 1,022,850**

The movement in provisions during year is as follows:

	Working capital settlement (i)	Restructuring provision (ii)	CRTC license requirements (iii)	Lease assignment (iv)	Total
At July 1, 2010	**$ 540,354**	**$ -**	**$ 1,008,648**	**$ -**	**$ 1,549,002**
Additional provisions	-	605,322	11,310	-	616,632
Paid during the year	-	(581,012)	(172,286)	-	(753,298)
At June 30, 2011	**$ 540,354**	**$ 24,310**	**$ 847,672**	**$ -**	**$ 1,412,336**
Additional provisions	-	-	50,969	146,097	197,066
Paid during the year	(279,558)	(24,310)	(236,317)	(46,367)	(586,552)
At June 30, 2012	**$ 260,796**	**$ -**	**$ 662,324**	**$ 99,730**	**$ 1,022,850**

(i) Company has recognized a provision for the settlement of working capital items in connection with the acquisition of the television properties that took place in fiscal 2010 (refer to note 23(f)).

(ii) A restructuring program was put in place at the time of the acquisition of the television properties and the Company recognized a provision for severance costs that were subsequently paid out.

(iii) The Company is committed to pay amounts to third parties related to the transfer of radio broadcast licenses on change of control. These were recorded as constructive obligations in the purchase accounting related to the Company's radio stations. Payments of $279,648 are due within the next twelve months.

(iv) In May 2012 the Company assigned its interest and obligations under a property lease to a third party. Under this arrangement, the Company has committed to make certain expenditures over the next 3 years. Management has determined that the cost of these expenditures will exceed the economic benefits to be obtained by $146,097 and has recognized a provision for this unfavourable amount.

14. INCOME TAX

The components of income tax (recovery) expense for the years ended June 30, 2012 and 2011 were as follows:

	2012	2011
Current tax expense:		
Current tax on profits for the year	$ 55,174	$ 604,000
Adjustments in respect of prior years	(165,278)	34,344
Total current tax expense	$ (110,104)	$ 638,344
Deferred tax expense:		
Originiation and reversal of temporary differences	$ 36,272	49,669
Reversal of previous write-down of deferred tax assets	(685,000)	(611,484)
Total deferred tax expense	$ (648,728)	$ (561,815)
Total income tax (recovery) expense	$ (758,832)	$ 76,529

Income tax (recovery) expense varies from the amounts that would be computed by applying the statutory rate to loss before income taxes as follows:

	2012	2011
Statutory income tax rate	27.25%	29.25%
Expected income tax recovery	$ (500,000)	$ (1,896,000)
Impairment of goodwill	-	-
Stock based compensation not deductible for income tax purposes	181,000	153,000
Impact of future changes in enacted income tax rates	(150,000)	-
Permanent differences not deductible for income tax purposes	500,000	287,882
Change in valuation allowance	(739,000)	1,480,516
Other	(50,832)	51,131
Income tax (recovery) expense	$ (758,832)	$ 76,529

The weighted average applicable tax rate was 27.25% (2011 – 29.25%). The change in rate is the result of a change in both the federal and Ontario provincial income tax rates.

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	June 30, 2012	June 30, 2011	July 1, 2010
Deferred tax assets:			
Deferred tax asset to be recovered after more than 12 months	$ 246,748	$ 1,397,020	$ 745,000
Deferred tax asset to be recovered within 12 months	61,687	68,980	-
	$ 308,435	$ 1,466,000	$ 745,000
Deferred tax liabilities:			
Deferred tax liability to be recovered after more than 12 months	$ 587,467	$ 3,407,231	$ 82,035
Deferred tax liability to be recovered within 12 months	34,410	113,760	3,215,770
	$ 621,877	$ 3,520,991	$ 3,297,805

The movement of deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax asset	Goodwill and intangible assets	Tax losses	Property and equipment	Other	Total
At July 1, 2010	$ -	$ (366,000)	$ (300,000)	$ (79,000)	$ (745,000)
Charge/(credit) to income statement	-	(764,000)	(36,000)	79,000	(721,000)
At June 30, 2011	$ -	$ (1,130,000)	$ (336,000)	$ -	$ (1,466,000)
Charge/(credit) to income statement	-	1,130,000	28,000	-	1,158,000
At June 30, 2012	$ -	$ -	$ (308,000)	$ -	$ (308,000)

Deferred tax liabilities	Goodwill and intangible assets	Provision and loans	Property and equipment	Other	Total
At July 1, 2010	$ 3,199,805	$ -	$ 98,000	$ -	$ 3,297,805
Charge/(credit) to income statement	(87,814)	249,000	62,000	-	223,186
At June 30, 2011	$ 3,111,991	$ 249,000	$ 160,000	$ -	$ 3,520,991
Charge/(credit) to income statement	(1,518,991)	(249,000)	(39,000)	-	(1,806,991)
Charge/(credit) to equity	(634,000)	-	-	-	(634,000)
Charge/(credit) to goodwill	(458,000)	-	-	-	(458,000)
At June 30, 2012	$ 501,000	$ -	$ 121,000	$ -	$ 622,000

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. At June 30, 2012 deferred tax assets of $4,466,000 (June 30, 2011 - $5,035,000; July 1, 2010 - $3,878,000) have not been recognized in respect of losses amounting to $17,413,483 (June 30, 2011 - $19,181,519; July 1, 2010 - $15,516,017) that can be carried forward and used to reduce future taxable income. The losses expire over the following fiscal years:

Year	Amount
2014	$ -
2025	835,952
2026	1,143,912
2027	1,849,490
2028	3,175,593
2029	4,278,870
2030	1,726,373
2031	837,133
2032	3,566,160
	$ 17,413,483

15. SHARE CAPITAL

(a) Authorized

Unlimited preference shares that may be issued in one or more series by the Board of Directors. Preference shares are non-voting, are convertible into common shares at the option of the holder on a one for one basis at any time and have rights to dividends. As at June 30, 2012 the Company had 387,879,129 preference shares outstanding (June 30, 2011 – 387,879,129, July 1, 2010 - 387,879,129).

Unlimited number of common shares. As at June 30, 2012 the Company had 267,284,963 common shares outstanding (June 30, 2011 – 267,055,463; July 1, 2010 - 249,206,896).

(b) Private Placement Offering

On April 5, 2011 the Company completed a private placement offering. The offering consisted of 16,211,400 common shares at $0.25 per share for gross proceeds of $4,052,850. Transaction costs for the offering were

$190,199 resulting in net proceeds of $3,862,651.

(c) Issued upon Exercise of Options

During the year ended June 30, 2012, 229,500 (2011 – 1,637,167) stock options were exercised for net proceeds of $22,950 (2011 – $163,717). The attributed value of the stock options in the amount of $9,180 (2011 – $62,453) was reallocated from contributed surplus to capital stock when the options were exercised.

(d) Stock Options

The Company has a stock option plan for the benefit of employees and directors of the Company and certain key service providers to the Company. Under the plan the Company is authorized to issue stock options up to 10% of the shares issued and outstanding at the time of the grant.

The options either vest on issuance or vest one-third upon issuance and one-third in each of the following two years, or one-third in each of the following three years.

For the year ended June 30, 2012 the value ascribed to unexercised options recorded in contributed surplus in shareholder's equity was $2,036,255 (2011 - $1,380,472).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2012		2011	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	24,325,910	$ 0.16	21,863,077	$ 0.14
Issued	150,000	0.16	4,200,000	0.25
Exercised	(229,500)	0.10	(1,637,167)	0.10
Expired	-	-	(100,000)	0.10
Balance, end of year	24,246,410	$ 0.16	24,325,910	$ 0.16

Options exercised in 2012 resulted in 229,500 shares (2011 – 1,637,167 shares) at a weighted average price of $0.10 (2011 - $0.10). The related weighted average share price at the date of exercise was $0.17 (2011 - $0.20) per share.

The fair value of options granted during the year has been estimated using the Black-Scholes Pricing Model based on the following assumptions:

	2012	2011
Risk-free interest rate	1.45%	2.23%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	138.86%	132.39%
Forfeiture rate	1.0%	1.0%
Expected life of stock options	5 years	5 years
Weighted-average grant date fair value of stock options	$0.12	$0.18

At June 30, 2012, the range of exercise prices, the weighted average exercise price and the weighted average contractual life of the outstanding stock options are as follows:

	Options Outstanding as at June 30, 2012				Options Exerciseable as at June 30, 2012		
Exercise Price	Number Outstanding	Weighted Average Remaining Life (years)		Weighted Average Exercise Price	Number Exercisable		Weighted Average Exercise Price
$0.10 - $0.15	16,299,347	1.3	$	0.13	16,199,347	$	0.13
$0.16 - $0.20	3,197,063	2.5		0.20	480,392		0.19
$0.21 - $0.25	2,900,005	3.9		0.23	1,400,003		0.21
$0.26 - $0.30	1,499,995	3.5		0.30	200,000		0.28
$0.31 - $0.38	350,000	0.7		0.38	350,000		0.38
	24,246,410	1.9	$	0.16	18,629,742	$	0.14

16. OPERATING EXPENSES

		2012		2011
Employee benefits:				
Salaries and wages	$	13,834,627	$	14,120,040
Stock based compensation		664,963		523,339
Other employee costs		4,454,460		4,825,391
	$	18,954,050	$	19,468,770
Amortization of program rights		11,203,955		18,765,267
Distribution and transmission costs		11,634,066		12,784,584
Other operating expenses		7,129,543		9,795,317
	$	48,921,614	$	60,813,938

17. CONSOLIDATED STATEMENTS OF CASH FLOWS

The net change in non-cash working capital balances consists of the following:

		2012		2011
Trade and other receivables	$	(686,506)	$	(3,068,440)
Prepaid expenses		56,189		6,653
Trade and other payables		710,799		404,179
Provisions		(426,009)		(136,666)
Income tax liabilities		(443,104)		604,100
Deferred leasehold liability		(37,379)		37,379
Other liabilities		76,697		(145,411)
	$	(749,313)	$	(2,298,206)

18. BASIC AND DILUTED LOSS PER SHARE

For the years ended June 30, 2012 and 2011, the diluted net loss per share is the same as the basic net loss per share because the determination of the diluted weighted average number of shares outstanding does not include the effect of 24,246,410 (2011 – 24,325,910) outstanding stock options since they are anti-dilutive.

19. RELATED PARTY TRANSACTIONS

The Company is controlled by Olympus Management Limited (**"OML**"), which owns 64.3% of the Company's shares. The President and Chief Executive Officer of the Company controls OML and is the ultimate controlling party of the Company. Fairfax Financial Holdings Limited ("**Fairfax**") holds 26.9% of the Company's shares. The remaining 9% of shares are widely held.

The Company's related party transactions are summarized below. These transactions are in the normal course of operations.

(a) Transactions with a related special purpose entity

The Company publishes a magazine called ZOOMER (formerly called "CARP, the magazine") which is directed to adults 45 years of age and up and whose subscribers are primarily members of CARP. The majority shareholder of the Company, who is also the President and Chief Executive Officer and a director of the Company, is also the President of CARP. CARP is a not-for-profit organization that is focused on providing support for adults 45 years of age and up in Canada. During the year ended June 30, 2012, the Company paid royalties and subsidies of $1,036,001 (2011 – $1,121,768). As the Company receives royalties from affinity programs and other programs that benefit from increasing membership in CARP, the Company benefits from supporting CARP. The Company received from CARP computer maintenance services fees of $39,600 (2011 - $39,600) and accounting services fees of $42,000 (2011- $42,000). In 2011 the Company also recorded revenue for the production of CARP infomercials, the provision of creative services and advertising of $203,796. No such revenue was recorded in 2012. The Company and CARP have an agreement with a third party that provides magazine subscriber and membership management services including the cash collection and processing of subscriptions and CARP memberships. Funds collected on behalf of the Company for subscriptions as well as CARP membership funds are forwarded to CARP at which point CARP forwards the subscription funds onto the Company. Included in accounts receivable is a receivable from CARP as at June 30, 2012 of $969,663 and a payable related to cash received by the Company on behalf of CARP of $202,480 (June 30, 2011 net receivable of $205,735; July 1, 2010 net receivable of $147,420). These balances are unsecured, non-interest bearing, with no fixed terms of repayment.

(b) Transactions with the parent company

During the year ended June 30, 2012 the Company paid management fees of $1,200,000 (2011 - $1,200,000) and fees for ancillary services of $184,942 (2011 – $74,063) to OML, the majority shareholder of the Company, for the provision of executive management, home office costs, contractor services and talent fees. The Company charged computer maintenance service fees of $6,480 (2011 - $6,480) to OML. In 2011 the Company also purchased $156,853 in programming from OML and recognized production and creative service revenues of $98,780. No such amounts were recognized during 2012. Included in accounts receivable is a receivable from OML as at June 30, 2012 of $19,800 and included in accounts payable and accrued liabilities is a payable to OML as at June 30, 2012 of $445,809 (June 30, 2011 net payable - $197,076; July 1, 2010 net payable of - $85,384). These balances are unsecured, non-interest bearing, with no fixed terms of payment.

(c) Transactions with entities controlled by a principal shareholder

During the year ended June 30, 2012 the Company received royalty revenues from Northbridge Financial Corporation (**"Northbridge"**, formerly Lombard Canada Limited), a wholly owned subsidiary of Fairfax who is a principal shareholder of the Company, of $2,092,041 (2011- $1,999,689) and advertising revenues of $269,838 (2011 – $297,492). The Company also received advertising revenues of $374,670 (2011 - $273,325) from The McLennan Insurance Group Inc. a wholly-owned subsidiary of Northbridge. Included in accounts receivable is a receivable from these companies of $310,993 (June 30, 2011 - $316,347; July 1, 2010 - $10,181).

In 2011 the Company also recognized production and advertising revenue from Fairfax totalling $66,855. There was no such revenue during 2012.

A director of the Company is employed by a subsidiary of Fairfax.

(d) Compensation of key management

Compensation recognized in employee benefits for key management included:

	2012	2011
Salaries and short-term employee benefits	$ 2,161,407	$ 2,198,504
Stock based compensation	281,937	445,535
	$ 2,443,344	$ 2,644,039

20. FINANCIAL INSTRUMENTS AND FAIR VALUES

a) Measurement categories and fair values

As described in Note 3(f), the Company's financial instruments are classified into three categories: loans and receivables, held-to-maturity investments and financial liabilities at amortized cost. The following table shows the carrying values of assets and liabilities included in each of these categories:

	June 30, 2012	June 30, 2011	July 1, 2010
Assets			
Loans and receivables:			
Cash and cash equivalents	$ 5,069,754	$ -	$ 3,469,391
Trade and other receivables	13,876,209	13,189,703	10,121,263
	$ 18,945,963	$ 13,189,703	$ 13,590,654
Held to maturity:			
Restricted cash and investments	6,418,578	-	-
	$ 25,364,541	$ 13,189,703	$ 13,590,654
Liabilities			
Liabilities at amortized cost:			
Bank indebtedness	$ -	$ 579,644	$ -
Trade and other payables	7,375,350	6,664,551	6,260,372
Debt	35,357,166	22,942,848	24,504,925
Other liabilties	7,219,715	10,175,669	13,882,643
	$ 49,952,231	$ 40,362,712	$ 44,647,940

The carrying amounts of the Company's cash, trade and other receivables, bank indebtedness and trade and other payables approximate their fair value due to their short-term nature. At June 30, 2012 the fair value of restricted cash and investments was $6,420,758.

The fair value of the non-current portion of long-term debt and other liabilities at June 30, 2012 is approximately $34,052,000. The fair value is estimated using discounted cash flow analysis based on discount rates that reflect current market conditions for instruments with similar terms and risks. Fair value estimates are made at a specific point in time on relevant market information. These are estimates and involve uncertainties and matters of significant judgement and cannot be determined with precision. Changes in assumptions and estimates could significantly affect fair values.

b) Liquidity risk

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 21. It also manages liquidity risk by monitoring actual and projected cash flows, taking into account the Company's revenues and receipts and matching the maturity profile of financial assets and liabilities. The Board of Directors reviews and approves the Company's annual operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on acquisitions and other major investments.

The Company has expended and will continue to expend cash to integrate the recently acquired television businesses, complete the renovations of new office facilities, invest in new programming and increase subscribers to the magazine. The Company has experienced net losses for the current fiscal year, fiscal 2011 and 2010 periods and has an accumulated deficit of $30,144,000 as at June 30, 2012. Cash flows from operating activities were $2,575,715 during the year (2011 – cash used $735,439). Cash used for investing activities was $9,087,826 (2011 – $1,951,934). During the year cash generated from financing activities was $12,161,509 (2011 –cash used $1,361,663). At June 30, 2012, excluding current deferred revenue, the Company had working capital of $2,612,172 (June 30, 2011 – negative working capital of $3,391,579; July 1, 2011 – negative working capital of $2,108,748).

While some of the Company's costs are variable based on the revenue generated, a significant portion of the costs, including programming and interest costs, are fixed and some cannot be reduced quickly. Some of these factors are beyond the Company's control and may impact the future cash flows from operating activities.

Management's current cash flow projections reflect positive cash flow from operations for the next twelve months and then improving significantly in the subsequent two years. Over the remainder of the current fiscal year, there are major cash requirements for the capital improvements to 64 Jefferson Avenue.

The following table reflects the contractual maturity of the Company's undiscounted cash flows for its financial liabilities at June 30, 2012:

	1 year	2-3 years	4-5 years	Beyond 5	Total
Trade and other payables	$ 7,375,350	$ -	$ -	$ -	$ 7,375,350
Long-term debt - principal	1,953,457	4,156,459	4,760,594	24,486,656	35,357,166
Long-term debt - interest	2,268,700	4,286,681	3,601,130	13,576,745	23,733,256
Other liabilities	6,747,779	471,936	-	-	7,219,715
Provisions	619,310	331,254	72,286	-	1,022,850
	$ 18,964,596	$ 9,246,330	$ 8,434,010	$ 38,063,401	$ 74,708,337

The Company also has significant contractual obligations in the form of operating leases and commitments to purchase programming (refer to Note 23).

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's credit risk is attributable to cash and short term deposits and accounts receivable. Cash and short term deposits consist of deposits with major commercial banks and accordingly credit risk is minimal. With respect to accounts receivable, the Company performs periodic credit evaluations of the financial condition of its customers and typically does not require collateral from them. Management assesses the need for allowances for the potential credit losses by considering the credit risk of specific customers, historical trends and other information.

Trade and other outstanding receivables are impaired when there is evidence that collection is unlikely. The factors that are considered in determining if collection is unlikely include the aging of the balance owing, the customer's financial condition and history of collections, whether the customer is in bankruptcy, under administration or the payments are in dispute, and general business conditions. At June 30, 2012, the Company had accounts receivable of $13,876,209 (June 30, 2011 - $13,189,703; July 1, 2010 - $10,121,263) net of an allowance for doubtful accounts of $950,725 (June 30, 2011 - $1,049,370; July 1, 2010 - $641,309), which adequately reflects the Company's credit risk. The aging of accounts receivable past due is as follows:

	June 30, 2012	June 30, 2011	July 1, 2010
Trade accounts receivable			
Current	$ 4,572,343	$ 3,273,253	$ 2,383,580
30 - 90 days past due date	3,685,576	5,226,011	3,172,070
Over 90 days past due date	2,823,730	3,317,958	1,503,595
	$ 11,081,649	11,817,222	7,059,245
Other receivables	3,745,284	2,421,851	3,703,327
	$ 14,826,933	14,239,073	10,762,572
Less: Allowance for doubtful accounts	(950,724)	(1,049,370)	(641,309)
	$ 13,876,209	$ 13,189,703	$ 10,121,263

The Company believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk based on the history of collections. The activity of the allowance for doubtful accounts for the period is as follows:

	June 30, 2012	June 30, 2011	July 1, 2010
Allowance for doubtful accounts - beginning of year	$ (1,049,370)	$ (641,309)	$ (72,178)
Provision for doubtful accounts	(873,676)	(851,953)	15,794
Write-off of bad debts	972,322	443,892	22,757
Provision for doubtful accounts - acquired		-	(607,682)
Allowance for doubtful accounts - end of year	$ (950,724)	$ (1,049,370)	$ (641,309)

d) Market and price risk

(i) Market Risk

All of the Company's operations take place within Canada serving the Canadian market. Market risk concerns the potential loss associated with a general market decline in which the Company operates. Market risk is driven by changes in demand, price and costs of the advertising market. The Company is responsible for developing and marketing its brand names in the Canadian market and is impacted by changes in price and demand; therefore the Company is exposed to market risk.

(ii) Price risk

There is limited exposure to foreign currency denominated assets or liabilities. Other price risk is that the interest rate that the future cash of a financial instrument will fluctuate because of changes in market interest rates. The Company's short-term and long-term liabilities have fixed interest rates, thereby minimizing the exposure to cash flow interest rate risk.

21. CAPITAL MANAGEMENT

The Company considers its capital structure as the aggregate of shareholders' equity and long-term debt less cash and short-term deposits. The Company manages its capital structure and makes adjustments to it in order to have funds available to support the business activities which the Board of Directors intends to pursue in addition to

maximizing the return to shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to carry out current operations and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended June 30, 2012.

The Company is not subject to externally imposed capital requirements.

22. GOVERNMENT ASSISTANCE

The Company currently receives government assistance through two programs. Firstly, the Company receives Interactive Digital Media Tax Credits from the Province of Ontario. During the current year Tax Credits totalling $1,480,558 (2011 – $491,983) have been netted against operating expenses in the statement of loss and comprehensive loss.

The Company also receives an annual grant from the Canada Periodical Fund administered by the Department of Canadian Heritage. This grant is recognized as a reduction of operating expenses as each issue of the magazine is published. The annual grant for the current fiscal year is $740,155 (2011 - $ 790,123). These grants are recognized as a reduction of operating expenses in the following periods:

	Year ending June 30,				
	2013	**2012**	**2011**	**2010**	**Total**
Annual grant - June 30, 2012	$ 493,437	$ 246,718	$ -	$ -	$ 740,155
Annual grant - June 30, 2011	-	526,749	263,374	-	790,123
Annual grant - June 30, 2010	-	-	577,885	288,942	866,827
	$ 493,437	$ 773,467	$ 841,259	$ 288,942	$ 2,397,105

At June 30, 2012 $493,437 of the annual grant for the current fiscal year remained in deferred revenue (June 30, 2011 - $526,749; July1, 2010 - $577,885).

23. COMMITMENTS AND CONTINGENCIES

(a) The Company is committed to fixed and contingent royalty payments for certain marketing rights and royalty revenue derived from the CARP name which has a term expiring December 31, 2099. The Company also earns royalty revenues earned from other affinity partners for the use of the CARP name.

(b) Future minimum lease payments under operating leases for premises (excluding the Company's proportionate share of building operating costs) and equipment over the next five fiscal years and thereafter in aggregate are as follows:

2013	$ 2,095,568
2014	252,033
2015	149,509
2016	67,495
2017	33,747
Thereafter	-
	$ 2,598,352

(c) At June 30, 2012, the Company has entered into various agreements for the right to broadcast certain television programs in the future. The acquisition of these broadcast rights is contingent on the actual delivery of the productions. Management estimates that these arrangements will result in future program expenditures of approximately $4 million.

(d) As part of the CRTC approval of business acquisitions involving the transfer of the ownership of television broadcast licences, the Company has committed to spend 10% of the value of the transaction, as determined by the CRTC, on activities that are intended to benefit the Canadian broadcasting system. As part of the decision relating to the VTV acquisition the Company has committed to spend $3,315,557 over 7 years on programming and other activities. At June 30, 2012 $653,817 had been spent leaving a remaining commitment of $2,661,740. Approximately $1,090,720 of the remaining commitment must be spent by August 31, 2013.

(e) In May 2012 the Company assigned its interests under a property lease to a third party. In the event that the third party does not fulfill its obligations, the Company will be liable for the remaining payments due under the lease. The Company's continuing obligation under the lease is secured by a general security agreement covering the assets of the Company excluding the property located at 64 Jefferson Avenue and the assets of the Radio business segment. At June 30, 2012 the remaining future minimum payments due under the lease is $3,483,480. The lease expires in April 2021.

(f) The acquisition of the television properties in June, 2010 required a minimum level of working capital to be delivered. Currently the Company is in dispute with the former owners on the working capital. The Company has made a provision (refer to Note 13(i)) representing 50% of the difference between the Company's claim and the claims of the former owner. Upon settlement if the former owners claim is deemed to be valid the Company will have to pay the remainder of the provision plus approximately $540,000.

24. SEGMENTED INFORMATION

Management has determined that during the year the Company operated within five reportable business segments: Television, Radio, Print, Royalty and Other operations. These business segments reflect the management structure of the Company and the way in which management reviews business performance. The Company evaluates the performance of its operating segments primarily based on segment income (loss), as presented below.

The Television segment consists of the Company's specialty and conventional television stations and generates revenues from subscriber fees, the sale of broadcast time and advertising. The Radio segment consists of the Company's three radio stations and generates revenues primarily from the sale of advertising. The Print segment publishes Zoomer Magazine and generates revenue from advertising, subscriptions and sundry sources. The Royalty segment provides exclusive membership and marketing services to CARP and earns revenue from royalties.

Other activities include the operation of a number Canadian websites and the production of ZoomerShows, and other trade and consumer shows directed to the 45plus age group. Other activities generate revenue from advertising, sponsorship, booth rentals and ticket sales.

Corporate results primarily represent the incremental cost of corporate overhead in excess of the amount allocated to the segments. During the year ended June 30, 2011, Corporate results also includes revenue earned from the rental of the Company's commercial property located in Toronto and the associated expenses.

The accounting policies for the segments are the same as those described in Note 3. The Royalty segment does not utilize any equipment to a significant degree.

Segment income (loss) for the years ending June 30, 2012 and 2011 is as follows:

	2012						
	Television	**Radio**	**Print**	**Royalty**	**Other**	**Corporate**	**Total**
Revenue	$ 34,876,143	$ 8,873,414	$ 5,672,520	$ 2,501,454	$ 3,811,624	$ 241,630	$ 55,976,785
Operating expenses	24,569,066	7,979,066	6,407,671	1,186,832	3,055,413	5,723,566	48,921,614
Depreciation	2,741,825	165,935	107,717	-	110,291	321,170	3,446,938
Amortization of other intangible assets	108,700	5,421	25,706	843,336	27,103	521	1,010,787
Impairment of goodwill and broadcast license	-	2,812,267	-	-	-	-	2,812,267
	$ 27,419,591	$ 10,962,689	$ 6,541,094	$ 2,030,168	$ 3,192,807	$ 6,045,257	$ 56,191,606
Non-cash interest expense	342,412	36,525	-	275,757	-	-	654,694
Interest (net of income)	688,116	527	-	-	4,209	829,920	1,522,772
Segmented income (loss)	$ 6,426,024	$ (2,126,327)	$ (868,574)	$ 195,529	$ 614,608	$ (6,633,547)	$ (2,392,287)

	2011						
	Television	**Radio**	**Print**	**Royalty**	**Other**	**Corporate**	**Total**
Revenue	$ 35,194,616	$ 10,246,680	$ 5,661,354	$ 2,352,920	$ 4,269,522	$ 2,263,311	$ 59,988,403
Operating expenses	34,178,621	8,818,347	6,700,940	1,121,768	4,276,495	5,717,767	60,813,938
Depreciation	1,422,795	184,445	57,091	-	112,570	365,671	2,142,572
Amortization of other intangible assets	104,801	1,248	88,432	843,336	48,160	36,203	1,122,180
	$ 35,706,217	$ 9,004,040	$ 6,846,463	$ 1,965,104	$ 4,437,225	$ 6,119,641	$ 64,078,690
Non-cash interest expense	625,900	-	-	309,386	-	-	935,286
Interest	754,008	4,620	-	-	-	699,894	1,458,522
Segmented income (loss)	$ (1,891,509)	$ 1,238,020	$ (1,185,109)	$ 78,430	$ (167,703)	$ (4,556,224)	$ (6,484,095)

In fiscal 2011 the Company reduced the expected useful lives of certain program rights assets and as a result operating expenses of the television segment for the year ended June 30, 2011 includes accelerated amortization of $4,193,391.

Segment asset information at June 30, 2012, June 30, 2011 and July 1, 2010 is as follows:

	June 30, 2012						
	Television	**Radio**	**Print**	**Royalty**	**Other**	**Corporate**	**Total**
Total assets	$ 33,797,419	$ 15,541,036	$ 4,571,076	$ 9,427,163	$ 2,512,597	$ 26,200,068	$ 92,049,359
Additions - property and equipment	618,930	7,752	149,148	-	137,292	1,705,663	2,618,785
Additions - program rights	10,459,008	-	-	-	-	-	10,459,008
Additions - other intangible assets	17,700	17,370	8,803	-	4,410	-	48,283
	June 30, 2011						
Total assets	$ 34,369,258	$ 19,318,733	$ 3,819,387	$ 10,027,159	$ 1,307,201	$ 16,435,663	$ 85,277,401
Additions - property and equipment	142,466	37,858	46,576	-	108,838	1,307,061	1,642,799
Additions - program rights	10,414,832	-	-	-	-	-	10,414,832
Additions - other intangible assets	39,276	10,056	92,459	-	128,919	38,425	309,135
	July 1, 2010						
Total assets	$ 43,957,215	$ 18,403,643	$ 3,949,771	$ 11,143,968	$ 1,698,934	$ 15,409,727	$ 94,563,258
Additions - property and equipment	-	-	21,756	-	8,066	-	29,822
Additions - program rights	-	-	-	-	-	-	-
Additions - other intangible assets	-	-	7,466	-	2,768	-	10,234