Radio Jamaica Limited

Financial Statements
31 March 2014

Radio Jamaica Limited
Index
31 March 2014

	Page
Independent Auditors' Report to the Members	
Financial Statements	

pwc

Independent Auditors' Report

To the Members of
Radio Jamaica Limited

Report on the Consolidated and Company Stand Alone Financial Statements
We have audited the accompanying consolidated financial statements of Radio Jamaica Limited and its subsidiaries, set out on pages 1 to 63, which comprise the consolidated balance sheet as at 31 March 2014 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the accompanying financial statements of Radio Jamaica Limited standing alone, which comprise the balance sheet as at 31 March 2014 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Company Stand Alone Financial Statements
Management is responsible for the preparation of consolidated and company stand alone financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and company stand alone financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated and company stand alone financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and company stand alone financial statements are free from material misstatement.

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

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

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581, www.pwc.com/jm

Opinion

In our opinion, the consolidated financial statements of Radio Jamaica Limited and its subsidiaries, and the financial statements of Radio Jamaica Limited standing alone give a true and fair view of the financial position of the group and the company as at 31 March 2014, and of their financial performance and cash flows for the year then ended, so far as concerns the members of Radio Jamaica Limited, in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

PricewaterhouseCoopers

Chartered Accountants
30 May 2014
Kingston, Jamaica

Radio Jamaica Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	Restated 2013 $'000
Revenue		1,844,190	1,783,997
Direct expenses		(811,326)	(819,096)
Gross Profit		1,032,864	964,901
Other operating income	5	110,940	82,332
Selling expenses		(306,750)	(310,166)
Administration expenses		(405,390)	(443,142)
Other operating expenses		(330,959)	(329,724)
Impairment charge	14	-	(35,108)
Operating (Loss)/Profit		100,705	(70,907)
Finance costs	8	(27,800)	(5,721)
Profit/(Loss) before Taxation		72,905	(76,628)
Taxation	9	(13,429)	46,783
Net Profit/(Loss)		59,476	(29,845)
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	9	(42,307)	(18,213)
TOTAL COMPREHENSIVE INCOME		17,169	(48,058)
Earnings per Ordinary Stock Unit Attributable to Stockholders of the Company	12	$0.17	($0.09)

Radio Jamaica Limited

Consolidated Balance Sheet

31 March 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	Restated 2013 $'000	Restated 2012 $'000
Non-Current Assets				
Fixed assets	13	912,914	682,677	696,259
Intangible assets	14	178,112	83,553	37,978
Retirement benefit assets	15	189,802	205,791	199,291
Investment securities	19	16,356	11,416	8,182
Current Assets				
Inventories	20	40,658	50,833	43,687
Receivables	22	369,923	419,539	407,963
Taxation recoverable		5,140	2,426	4,215
Cash and short term investments	23	155,075	316,678	265,029
		570,796	789,476	720,894
Current Liabilities				
Payables	24	275,290	271,817	179,161
Taxation payable		19,603	4,445	46,860
		294,893	276,262	226,021
Net Current Assets		275,903	513,214	494,873
		1,573,087	1,496,651	1,436,583
Stockholders' Equity				
Share capital	25	467,656	467,656	467,656
Retained earnings		736,399	719,230	795,322
		1,204,055	1,186,886	1,262,978
Non-Current Liabilities				
Finance lease obligations	26	25,193	-	-
Long term loans	26	231,161	197,097	15,351
Deferred tax liabilities	16	59,597	77,290	132,372
Retirement benefit obligations	15	53,081	35,378	25,882
		1,573,087	1,496,651	1,436,583

Approved for issue by the Board of Directors on 30 May 2014 and signed on its behalf by:

J.A. Lester Spaulding — Director

Gary Allen — Director

Radio Jamaica Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2012, as previously stated		350,154	467,656	800,538	1,268,194
Effects of restatement		-	-	(5,216)	(5,216)
Balance at 1 April 2012, as restated		350,154	467,656	795,322	1,262,978
Total comprehensive income as restated	30	-	-	(48,058)	(48,058)
Ordinary dividends	11	-	-	(28,034)	(28,034)
Balance at 31 March 2013		350,154	467,656	719,230	1,186,886
Total comprehensive income		-	-	17,169	17,169
Balance at 31 March 2014		350,154	467,656	736,399	1,204,055

Radio Jamaica Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2014

(expressed in Jamaican dollars unless otherwise indicated)

	2014 $'000	Restated 2013 $'000
Cash Flows from Operating Activities		
Net profit/(loss)	59,476	(29,845)
Items not affecting cash:		
Amortisation of intangible assets	-	2,870
Depreciation	102,616	112,928
Fixed assets adjustment	72	723
Gain on disposal of fixed assets	(1,705)	(802)
Spares utilised	5,048	6,602
Interest income	(8,056)	(8,190)
Dividend income	(545)	(282)
Impairment charge	-	35,108
Interest expense	22,326	5,721
Income tax (credit)/charge	13,429	(46,783)
Exchange gain on foreign currency balances	(3,369)	(3,134)
Retirement benefits	(22,719)	(21,287)
Revaluation of investment securities	(4,940)	(3,234)
	161,633	50,395
Changes in operating assets and liabilities:		
Inventories	10,175	(7,146)
Receivables	49,618	(11,576)
Payables	(18,379)	89,738
	203,047	121,411
Income tax paid	(4,576)	(42,855)
Net cash provided by operating activities	198,471	78,556
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	2,230	2,851
Purchase of fixed assets	(306,643)	(108,720)
Purchase of intangible assets	(94,559)	(83,553)
Interest received	8,056	8,190
Dividends received	545	282
Net cash used in investing activities	(390,371)	(180,950)
Cash Flows from Financing Activities		
Loans received	75,000	201,500
Loans repaid	(24,300)	(16,836)
Principal lease repayments	(1,446)	-
Interest paid	(22,326)	(5,721)
Dividends paid	-	(28,034)
Net cash provided by financing activities	26,928	150,909
(Decrease)/increase in cash and cash equivalents	(164,972)	48,515
Exchange gains on cash and cash equivalents	3,369	3,134
Cash and cash equivalents at beginning of year	316,678	265,029
Cash and Cash Equivalents at End of Year (Note 23)	155,075	316,678

Radio Jamaica Limited

Company Statement of Comprehensive Income

Year ended 31 March 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	Restated 2013 $'000
Revenue		552,075	622,883
Direct expenses		(223,768)	(252,797)
Gross Profit		328,307	370,086
Other operating income	5	117,987	96,765
Selling expenses		(119,523)	(129,168)
Administration expenses		(181,518)	(202,983)
Other operating expenses		(150,293)	(154,241)
Impairment charge	17	-	(36,377)
Operating Loss		(5,040)	(55,918)
Finance costs	8	(19,247)	(3,825)
Loss before Taxation		(24,287)	(59,743)
Taxation	9	10,293	27,249
Net Loss		(13,994)	(32,494)
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	9	(36,138)	(19,582)
TOTAL COMPREHENSIVE INCOME		(50,132)	(52,076)

Radio Jamaica Limited

Company Balance Sheet
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	Restated 2013 $'000	Restated 2012 $'000
Non-Current Assets				
Fixed assets	13	283,943	280,912	298,131
Retirement benefit asset	15	157,757	176,551	183,634
Investment in subsidiaries	17	431,924	431,924	121,513
Long term receivables	18	-	2,950	2,950
Investment securities	19	16,356	11,416	8,182
Current Assets				
Inventories	20	10,558	7,189	8,588
Due from subsidiaries	21	275,591	162,630	370,410
Receivables	22	123,138	131,624	164,999
Taxation recoverable		4,632	1,990	3,918
Cash and short term investments	23	154,742	316,270	260,131
		568,661	619,703	808,046
Current Liabilities				
Payables	24	134,945	135,786	94,164
Taxation payable		-	3,181	20,435
		134,945	138,967	114,599
Net Current Assets		433,716	480,736	693,447
		1,323,696	1,384,489	1,307,857
Equity				
Share capital	25	467,656	467,656	467,656
Retained earnings		613,624	663,756	743,866
		1,081,280	1,131,412	1,211,522
Non-Current Liabilities				
Finance lease obligations	26	12,860	-	-
Long term loans	26	179,195	197,097	13,310
Deferred tax liabilities	16	13,324	31,401	65,176
Retirement benefit obligations	15	37,037	24,579	17,849
		1,323,696	1,384,489	1,307,857

Approved for issue by the Board of Directors on 30 May 2014 and signed on its behalf by:

J. A. Lester Spaulding Director

Gary Allen Director

Radio Jamaica Limited
Company Statement of Changes in Equity
Year ended 31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2012, as previously stated		350,154	467,656	744,782	1,212,438
Effects of restatement				(916)	(916)
Balance at 1 April 2012, as restated		350,154	467,656	743,866	1,211,522
Total comprehensive income	30	-	-	(52,076)	(52,076)
Ordinary dividends	11	-	-	(28,034)	(28,034)
Balance at 31 March 2013		350,154	467,656	663,756	1,131,412
Total comprehensive income		-	-	(50,132)	(50,132)
Balance at 31 March 2014		350,154	467,656	613,624	1,081,280

Radio Jamaica Limited

Company Statement of Cash Flows

Year ended 31 March 2014

(expressed in Jamaican dollars unless otherwise indicated)

	2014 $'000	Restated 2013 $'000
Cash Flows from Operating Activities		
Net loss	(13,994)	(32,494)
Items not affecting cash:		
Depreciation	31,708	34,914
Fixed assets adjustment	72	550
Gain on disposal of fixed assets	(1,705)	(70)
Spares utilised	1,635	2,658
Interest income	(6,758)	(7,901)
Dividend income	(545)	(10,282)
Interest expense	19,247	3,825
Income tax	(10,293)	(27,249)
Exchange gain on foreign currency balances	(3,369)	(3,134)
Retirement benefits	(16,933)	(12,295)
Revaluation of investment securities	(4,940)	(3,234)
	(5,875)	(54,712)
Changes in operating assets and liabilities:		
Inventories	(3,369)	1,399
Due from subsidiaries(1)	(110,011)	(102,631)
Receivables	8,487	33,375
Payables	(4,581)	28,501
	(115,349)	(94,068)
Income tax paid	(1,561)	(15,326)
Net cash used in operating activities	(116,910)	(109,394)
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	2,230	239
Purchase of fixed assets	(21,404)	(21,072)
Interest received	6,758	7,901
Dividends received(2)	545	10,282
Net cash used in investing activities	(11,871)	(2,650)
Cash Flows from Financing Activities		
Loan received	-	201,500
Loans repaid	(16,671)	(4,592)
Principal lease repayments	(198)	-
Interest paid	(19,247)	(3,825)
Dividends paid	-	(28,034)
Net cash(used in)/ provided by financing activities	(36,116)	165,049
Decrease/(increase) in cash and cash equivalents	(164,897)	53,005
Exchange gains on cash and cash equivalents	3,369	3,134
Cash and cash equivalents at beginning of year	316,270	260,131
Cash and Cash Equivalents at End of Year (Note 23)	154,742	316,270

(1) The principal non-cash transaction was the offset of the finance lease additions against the fixed assets additions.

(2) The principal non-cash transaction for the prior year was the offset of the additional investment in subsidiaries against due from subsidiaries.

1. Identification and Principal Activities

Radio Jamaica Limited ("the company") is incorporated and domiciled in Jamaica. The company is listed on the Jamaica Stock Exchange, and has its registered office at 32 Lyndhurst Road, Kingston 5.

These financial statements present the results of operations and financial position of the company and its subsidiaries, which are collectively referred to as "the group".

The group's primary activities are the operation of a 'free-to-air' television station, cable television stations and radio stations.

All subsidiaries are wholly owned. The company's subsidiaries are as follows:

Television Jamaica Limited

Multi-Media Jamaica Limited

Media Plus Limited, and its subsidiaries –

Reggae Entertainment Television Limited

Jamaica News Network Limited

The subsidiaries are incorporated and domiciled in Jamaica, with the exception of Media Plus Limited, which is incorporated and domiciled in St. Lucia.

2. Summary of Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale investment securities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2. Summary of Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in the current year
Certain new standards, interpretations and amendments to existing standards that have been published, became effective during the current financial year. The group has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following IFRS, which are immediately relevant to its operations.

- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

- IAS 19, 'Employee benefits' was revised in June 2011. The changes on the Group's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). See note 15 for the impact on the financial statements.

- IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This did not impact on the financial statements as all subsidiaries are controlled.

- IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off statement of financial position vehicles. There were no additional disclosures which impacted the Group

- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP.

- Amendment to IAS 16, 'Property, plant and equipment which clarifies that spare parts and servicing equipment are classified as PP&E rather than inventory when they meet the definition of PP&E.

2. Summary of Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning after 1 April 2014 or later periods, but the Group has not early adopted them:

- IFRS 9, 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2015). This standard specifies how an entity should classify and measure financial instruments, including some hybrid contracts. It requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset; initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs; and subsequently measured at amortised cost or fair value. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39. They apply a consistent approach to classifying financial assets and replace the four categories of financial assets in IAS 39, each of which had its own classification criteria. They also result in one impairment method, replacing the two impairment methods in IAS 39 that arise from the different classification categories. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. There has been no significant change in the recognition and measurement of financial liabilities carried at amortised cost from what obtained under IAS 39.

  While adoption of IFRS 9 is mandatory from 1 January 2015, earlier adoption is permitted. The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

- IFRS 15, 'Revenue from Contracts with Customers'. The IASB has published its new revenue standard, IFRS 15 'Revenue from Contracts with Customers'. The U.S. Financial Accounting Standards Board (FASB) has concurrently published its equivalent revenue standard which is the result of a convergence project between the two Boards. IFRS 15 applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. It specifies how and when an entity will recognise revenue as well as requiring entities to provide more informative, relevant disclosures. The standard supersedes IAS 18, 'Revenue', IAS 11, 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for accounting periods beginning on or after 1 January 2017. The Group is assessing the impact of future adoption of the standard.

2. Summary of Accounting Policies (Continued)

(b) Basis of consolidation

Subsidiaries are all entities (including special purpose entities) over which the group has 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 group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Investments in subsidiaries are stated in the company's financial statements at cost.

(c) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of primary economic environment in which the entity operates, referred to as the functional currency. The functional currency of each entity is the same as its presentation currency. The consolidated financial statements are presented in Jamaican dollars, which is the group's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from such transactions and from the translation of foreign currency monetary assets and liabilities at the year end exchange rates are recognised in arriving at net profit or loss except when deferred in other comprehensive income.

(d) Revenue and income recognition

Revenue comprises the sale of airtime, programme material, and the rental of studios and equipment, net of General Consumption Tax. Revenue in respect of airtime and programming is recognised on performance of the underlying service. Rental income is recognised as it accrues.

Interest income is recognised as it accrues unless collectibility is in doubt.

Dividend income is recognised when the right to receive payment is established.

2. Summary of Accounting Policies (Continued)

(e) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

The group classifies its financial assets in the following categories: loans and receivables, available-for-sale, and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. At reporting date, trade receivables were classified as loans and receivables; cash and bank balances, short term investments and quoted investment securities were classified as financial assets at fair value through profit or loss; and unquoted investment securities were classified as available-for-sale.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Available-for-sale
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial liabilities

The group's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the balance sheet date, the following items were classified as financial liabilities: bank overdraft, finance lease obligations, long term loans and trade payables.

2. Summary of Accounting Policies (Continued)

(f) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The group's liability for current tax is calculated at tax rates that have been enacted at reporting date.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is charged or credited in arriving at profit or loss and other comprehensive income, except where it relates to items charged or credited to equity, in which case, deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Accounting Policies (Continued)

(g) Fixed assets

Freehold land and buildings are stated at deemed cost less subsequent depreciation for buildings. All other fixed assets are carried at historical cost less accumulated depreciation. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost o the item can be reliably measured. All other repairs and maintenance are charged to profit or loss during the financial period in which they were incurred.

Depreciation is calculated on the straight-line basis at rates estimated to write off the cost of the assets over their expected useful lives. Annual rates used are as follows:

Freehold buildings	2.5%
Improvements to leasehold property	2.5%
Furniture, office machinery and rental equipment	10 - 15%
Station equipment - Radio	10 - 15%
Station equipment - Television	6.67 - 25%
Computer equipment	10 - 33⅓%
Motor vehicles	10 - 25%

Land is not depreciated as it deemed to have an indefinite life.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amounts is greater than its estimated recoverable amount.

Gains and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining profit or loss.

(h) Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition, and is included in intangible assets on the balance sheet. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Brands

Brands acquired in a business combination are recognised at fair value at the acquisition date. Brands have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of brands over their estimated useful lives of 10 to 20 years.

2. Summary of Accounting Policies (Continued)

(h) Intangible assets (continued)

Broadcast rights

Broadcast rights acquired are recognised at fair value at the acquisition date. These represent the exclusive rights to broadcast FIFA events for the period 2015 to 2022. Broadcast rights have a finite useful life. Amortisation is calculated using the straight-line method to allocate the cost of the rights over their estimated contractual lives. Amortisation will commence once the first event under the rights have been broadcast.

(i) Investment securities

Investment securities classified as financial assets at fair value through profit or loss and available-for-sale are carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of investments classified as financial assets at fair value through profit or loss are included in the determination of profit or loss in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss.

The fair values of quoted investments are based on current bid prices. If the market for an investment is not active, the group establishes fair value by using valuation techniques. Where fair values cannot be reliably measured, the group carries the investment at cost.

(j) Retirement benefits

Pension plans

The group operates defined benefit plans, the assets of which are generally held in separate trustee-administered funds. A defined benefit plan is one that defines an amount of benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The asset or liability in respect of defined benefit plans is the difference between present value of the defined benefit obligation at the reporting date and the fair value of plan assets. Where a pension asset arises, the amount recognised is limited to the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The pension costs are assessed using the Projected Unit Credit Method. Under this method, the cost of providing pensions is charged in arriving at profit or loss so as to spread the regular cost over the service lives of the employees in accordance with the advice of the actuaries, who carry out a full valuation of the plans every year. The pension obligation is measured at the present value of the estimated future cash outflows using discount estimated rates based on market yields on government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

2. Summary of Accounting Policies (Continued)

(j) Retirement benefits (continued)

Other retirement benefits

The group provides retirement health care and life insurance to its retirees. The entitlement for these benefits is usually based on the employee remaining in services up to retirement age and the completion of a minimum period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans. Valuations for these benefits are carried out annually by independent qualified actuaries.

(k) Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined as follows:

Film, other - actual cost

Net realisable value is the estimated proceeds of disposal in the ordinary course of business, less applicable expenses.

(m) Trade receivables

Trade receivables are carried at original invoice amount less provision for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers.

(n) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and comprise balances which mature within 90 days of the date of acquisition, including cash and bank balances, net of bank overdrafts.

(o) Trade payables

Trade payables are stated at historical cost.

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Accounting Policies (Continued)

(p) Leases

Leases of fixed assets where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term liabilities. The interest element of the finance cost is charged in arriving at profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The fixed asset acquired under a finance lease is depreciated over the shorter of the useful life of the asset or the lease term.

(q) Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in arriving at profit or loss over the period of the borrowings.

(r) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group entity purchases the company's equity (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable transaction costs and income taxes) is included in equity attributable to the company's equity holders.

(s) Dividends

Dividends are recorded as a liability in the financial statements in the period in which they have been approved by shareholders.

(t) 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 the company's Board of Directors.

3. Financial Risk Management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

The group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. There has been no change to the group's exposure to financial risks or the manner in which it manages and measures the risks.

The Board of Directors is ultimately responsible for the establishment and oversight of the group's risk management framework. The Board has established committees/departments for managing and monitoring risks, as follows:

3. Financial Risk Management (Continued)

Department of Finance and Administration

The Department of Finance and Administration is responsible for managing the group's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the group. The department identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The credit department is primarily responsible for managing the group's credit risk. It evaluates, monitors and manages credit risks through the close assessment of potential and present clients.

(a) Credit risk

Finance Committee

The Finance Committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

An important risk for the group is credit risk, other significant risks include liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

The group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the group by failing to discharge their contractual obligations. Credit risk is the most important financial risk for the group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the group's receivables from customers and investment activities. The group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to industry segments.

Credit review process

The Department of Finance and Administration has overall responsibility for the ongoing analysis of the ability of customers and other counterparties to meet repayment obligations.

(i) Trade and other receivables

Trade and other receivables relate mainly to the group's direct customers and advertising agencies. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Finance Committee reviews monthly all material direct client accounts with balances over 90 days. The Department of Finance and Administration has established a credit policy under which each customer is analysed individually for creditworthiness prior to the group offering them a credit facility. Credit limits are assigned to each customer and approval is required from the Credit Manager for all direct customer transactions. The group has procedures in place to restrict customer orders if the order will exceed their credit limits. Customers that fail to meet the group's benchmark creditworthiness may transact with the group on a prepayment basis.

Customer's credit risks are monitored according to their credit characteristics, such as whether it is an individual or company, geographic location, industry, aging profile, and previous financial difficulties.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The group addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

The group's average credit period for airing advertisements is 30 days for direct customers and 60 days for advertising agencies. The group has provided for most receivables over 90 days based on historical experience which indicates that amounts past due beyond 90 days are generally not recoverable.

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

(i) Trade and other receivables (continued)
Trade receivables between 60 and 90 days are provided for based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

(ii) Cash, deposits and investments
The group limits its exposure to credit risk by maintaining cash, deposits and monetary investments with counterparties that have high credit quality. Accordingly, management does not expect any counterparty to fail to meet its obligations. The Finance Committee performs monthly reviews of the investments and securities held as part of their assessment of the group's credit risk.

Trade receivables are primarily receivable from customers in Jamaica. The credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector, is as follows:

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Advertising agencies	154,372	153,085	36,904	43,632
Direct customers	168,350	197,630	38,896	64,700
	322,722	350,715	75,800	108,332
Less: Provision for impairment	(19,889)	(15,750)	(10,145)	(8,440)
	302,833	334,965	65,655	99,892

Ageing analysis of trade receivables that are past due but not impaired

Trade receivables that are less than three months past due are not considered impaired. At reporting dates trade receivables relating to the group and the company amounting to $73,827,000 (2013 – $77,882,000) and $18,372,000 (2013 – $22,450,000), respectively, were past due but not impaired. Trade receivables that are past due relate to a number of independent customers and advertising agencies for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
30 – 60 days	21,918	29,257	5,805	9,260
60 – 90 days	9,574	17,216	2,236	2,790
Greater than 90 days	42,335	31,409	10,331	10,400
	73,827	77,882	18,372	22,450

Radio Jamaica Limited

Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Ageing analysis of trade and other receivables that are impaired

At reporting dates, trade receivables and other receivables of $31,224,000 (2013 – $30,543,000) for the group and $21,480,000 (2013 – $23,233,000) for the company were considered impaired. These receivables are all aged over 90 days and were fully provided for. The individually impaired receivables mainly relate to direct customers and agencies that are in unexpected difficult economic situations. The creation and release of provision for impaired receivables have been included in administration expenses in the profit and loss account. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The movement on the provision for impairment was as follows:

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
At 1 April	30,543	10,669	23,233	6,675
Provision for receivables impairment	11,662	28,323	6,474	18,872
Receivables written off during the year as uncollectible	(524)	(6,140)	(292)	(742)
Unused amounts reversed/recovered	(10,457)	(2,309)	(7,935)	(1,572)
At 31 March	31,224	30,543	21,480	23,233

The provision includes amount relating to other receivables of $11,335,000 (2013 – $14,793,000) for the group and the company.

(b) Liquidity risk

Liquidity risk is the risk that the group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

Liquidity risk management process

The group's liquidity management process, as carried out within the group and monitored by the Department of Finance and Administration, includes:

(i) Monitoring future cash flows and liquidity on an ongoing basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required.

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Maintaining committed lines of credit;

(iv) Optimising cash returns on investment.

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Cash flows of financial liabilities
Trade payables are due within one month.

The maturity profile of long term liabilities at year end based on contractual undiscounted payments was as follows:

	The Group			
	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000
	2014			
Finance lease obligations	8,264	30,604	-	38,868
Long term loans	51,760	178,885	119,955	350,600
	60,024	209,489	119,955	389,468
	2013			
Long term loans	37,360	133,598	150,598	321,556

	The Company			
	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000
	2014			
Finance lease obligations	4,014	15,722	-	19,736
Long term loans	30,624	122,521	119,955	273,100
	34,648	138,243	119,955	292,836
	2013			
Long term loans	35,291	133,598	150,598	319,487

Assets available to meet all liabilities, including financial liabilities, include cash and short term deposits.

3. Financial Risk Management (Continued)

(c) Market risk

The group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Department of Finance and Administration which seeks to minimise potential adverse effects on the performance of the group by applying procedures to identify, evaluate and manage this risks, based on guidelines set by the Board of Directors.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The movements in market prices are not expected to have a significant impact on the net results or stockholders' equity as the group does not hold significant equity securities.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The group is exposed to foreign exchange risk, arising primarily with respect to the US dollar, from commercial transactions such as the purchase of investment securities and station equipment, and the recognised assets and liabilities arising therefrom. The group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. As the group has no significant foreign currency exposure, currency fluctuations are unlikely to have any material effect on the net results or stockholders' equity.

At 31 March 2014, the group and company had net USD dominated monetary assets carried at a Jamaican Dollar equivalent of $18,474,000 (2013 – $38,362,000) and $38,693,000 (2013 – $54,214,000) respectively.

Foreign currency sensitivity

The sensitivity analysis represents the impact on the profit or loss due to the movement in the US dollar exchange rate. If the rate adjusts for a 1% revaluation and 10% devaluation (2013 – 1% revaluation and 10% devaluation), the pre-tax impact on the profit or loss would amount to ($185,000) – revaluation, $2,771,000 –devaluation (2013 – ($384,000)/ $3,836,000) and ($387,000) – revaluation and $5,804,000 – devaluation (2013 – ($542,000)/ $5,421,000) for the group and the company respectively.

3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the group to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk.

The group earns interest on its short term deposits disclosed in Note 23. As these deposits have a short term to maturity and are constantly reinvested at current market rates, they are not significantly exposed to interest rate risk.

The group incurs interest on its borrowings disclosed in Note 26. These borrowings are at fixed rates, and expose the group to fair value interest rate risk. Interest rate fluctuations are not expected to have a material effect on the net results or stockholders' equity. The group analyses its interest rate exposure arising from borrowings on an ongoing basis, taking into consideration the options of refinancing, renewal of existing positions and alternative financing.

(d) Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the group defines as net operating income divided by total stockholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

No company within the group is subject to externally imposed capital requirements.

(e) Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. At 31 March 2014, these instruments are quoted investment securities (Note 19), which are grouped in Level 1. The group has no financial assets group in Levels 2 and 3.

The following methods and assumptions have been used in determining fair values:

(i) The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and bank balances, short term investments, and trade receivables and payables.

(ii) The carrying values of long term loans, approximate their fair values, as these loans are carried at amortised cost reflecting their contractual obligations and the interest rates are reflective of current market rates for similar transactions.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the company's accounting policies

In the process of applying the group's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Retirement benefit obligations

The cost of these benefits and the present value of the future obligations depend on a number of factors that are determined by actuaries using a number of assumptions. The assumptions used in determining the net periodic cost or income for retirement benefits include the expected long-term rate of return on the relevant plan assets, the discount rate, and, in the case of health benefits, the expected rate of increase in health costs. Any changes in these assumptions will impact the net periodic cost or income recorded for retirement benefits and may affect planned funding of the pension plan. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns.

The group determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations. In determining the appropriate discount rate, the group considered interest rate of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the related obligations. The expected rate of increase of health costs has been determined by comparing the historical relationship of the actual health cost increases with the rate of inflation. Other key assumptions for the retirement benefits are based on current market conditions.

The principal actuarial assumptions used in valuing retirement benefits are disclosed in Note 15.

Intangible assets arising from the acquisition of subsidiaries

The fair market value of the intangible assets arising from the group's acquisition of subsidiaries (Note 14) was determined by professional valuers. On the instructions of management, the valuers used the excess of earnings method to determine fair market value. The approach used was deemed by management to be most appropriate to value the respective intangible assets. The excess of earnings method utilises discounted cash flow techniques. The cash flows discounted are derived by applying certain growth rates that management hads determined are reasonable and deem to be best estimates, considering all known information about the markets and industries in which the acquired entities operate at the time of acquisition.

The intangibles are tested annually for impairment by utilising discounted cash flows derived by applying certain growth rates that management has determined are reasonable and deem to be best estimates, considering all known information about the markets and industries in which these acquired entities operate and applying an appropriate long term growth rate and discount rate. As a result of the impairment testing performed by management an impairment charge of $35,108,000 was recognised in 2013 (Note 14).

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(b) Key sources of estimation uncertainty (continued)

Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Recognition of deferred tax assets

Deferred tax assets have not been recognised on tax losses carried forward in respect of certain subsidiaries based on management's expectation that the subsidiaries will not generate sufficient taxable profits to utilise the tax losses carried forward (Note 16). At 31 March 2014, unrecognised deferred tax assets in respect of tax losses carried forward amounted to $66,740,000 (2013 – $72,144,000).

5. Other Operating Income

	The Group		The Company	
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**
Interest income	8,056	8,190	6,758	7,901
Dividend income	545	282	545	10,282
Net foreign exchange gains	7,127	4,876	6,967	5,460
Unrealised losses on revaluation of investment securities classified as financial assets at fair value through profit or loss	4,940	3,234	4,940	3,234
Gain on disposal of fixed assets	1,705	802	1,705	70
Rental income	55,180	44,263	70,159	58,726
Compensation for damages	5,736	3,404	5,737	3,404
Other income	27,651	17,281	21,176	7,688
	110,940	82,332	117,987	96,765

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

6. Expenses by Nature

Total direct, selling, administration and other operating expenses:

	The Group		The Company	
	2014 $'000	Restated 2013 $'000	2014 $'000	Restated 2013 $'000
Auditors' remuneration	7,288	6,353	3,607	3,294
Commissions	159,838	158,896	47,782	55,464
Depreciation	102,616	112,928	31,708	34,914
Distribution costs	1,160	22,007	-	-
Impairment charge	-	35,108	-	36,377
Insurance	57,983	54,167	23,442	22,703
Programming expenses	63,409	61,127	18,518	16,800
Publicity	24,958	28,693	14,579	18,079
Repairs and maintenance	88,422	76,178	36,776	39,101
Special events	166,450	186,861	4,066	10,219
Staff costs (Note 7)	744,711	744,891	304,709	304,303
Utilities	168,121	154,051	70,082	78,247
Other	269,469	295,976	119,833	156,065
	1,854,425	1,937,236	675,102	775,566

7. Staff Costs

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Wages and salaries	650,548	644,018	258,565	255,995
Statutory contributions	63,153	58,529	33,243	31,091
Pension benefits (Note 15)	(131)	(478)	(3,014)	(3,934)
Other retirement benefits (Note 15)	6,093	6,325	4,165	4,205
Redundancy costs	-	915	-	579
Other	25,048	35,582	11,750	16,367
	744,711	744,891	304,709	304,303

8. Finance Costs

	The Group		The Company	
	2014 \$'000	**2013 \$'000**	**2014 \$'000**	**2013 \$'000**
Interest expense –				
Bank borrowings	20,106	3,811	18,620	2,820
Finance leases	1,014	359	136	359
Other	1,206	1,551	491	646
Foreign exchange losses	22,326	5,721	19,247	3,825
	5,474	-	-	-
	27,800	5,721	19,247	3,825

9. Taxation Expense

During the year, the Government of Jamaica continued its reform of taxes. As a result of this the Fiscal Incentives Act dated 20 December 2013 was signed into law. Under this Act the tax rate for large unregulated companies was reduced from 30% to 25% effective 1 January 2014. As such a blended rate of 28.75% was used in computing the income tax for a major subsidiary.

Taxation is computed on the profit or loss for the year adjusted for tax purposes. The charge for taxation comprises income tax at 25%/28.75%:

	The Group		The Company	
	2014 \$'000	**Restated 2013 \$'000**	**2014 \$'000**	**Restated 2013 \$'000**
Current tax	21,282	2,229	-	-
Prior year over accrual	(4,262)	-	(4,262)	-
Deferred tax (Note 16)	(3,591)	(49,012)	(6,031)	(27,249)
	13,429	(46,783)	(10,293)	(27,249)

Radio Jamaica Limited

Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

9. Taxation Expense (Continued)

The tax on the group and the company's profit was derived as follows. Deferred tax was derived as detailed in Note 16.

	The Group		The Company	
	2014 $'000	**Restated 2013 $'000**	**2014 $'000**	**Restated 2013 $'000**
Profit/Losse before taxation	72,905	(76,628)	(24,287)	(59,743)
Tax calculated at a tax rate of 25%	18,226	(19,157)	(6,071)	(14,936)
Adjusted for the effects of :				
Effect of change in the income tax rate	324	(31,447)	-	(15,435)
Effect of different tax rates	2,305	-		
Prior year over accrual	(4,262)	-	(4,262)	-
Income not subject to tax	(1,008)	(688)	(1,008)	(688)
Expenses not deductible for tax purposes	3,891	12,536	506	9,452
Tax loss carried forward for which no deferred tax has been accounted for	-	2,794	-	-
Recognition of previously unrecognized deferred taxes	(1,095)	-	(211)	-
Tax losses utilised	(5,365)	(3,692)	-	-
Other	413	(7,129)	753	(5,643)
	13,429	(46,783)	(10,293)	(27,249)

Tax (charge)/credit relating to components of other comprehensive income are as follows:

		Group		
		Before Tax $'000	**Tax Effect $'000**	**After Tax $'000**
Remeasurements of post-employment benefit liabilities	**2014**	(56,409)	14,102	(42,307)
Remeasurements of post-employment benefit liabilities	**2013**	(24,283)	6,070	(18,213)

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

9. Taxation Expense (Continued)

Tax (charge)/credit relating to components of other comprehensive income are as follows:

		Company		
		Before Tax	Tax Effect	After Tax
		$'000	$'000	$'000
Remeasurements of post-employment benefit liabilities	2014	(48,184)	12,046	(36,138)
Remeasurements of post-employment benefit liabilities	2013	(26,110)	6,528	(19,582)

10. Net Profit and Retained Earnings Attributable to Stockholders of the Company

(a) The net (loss)/profit attributable to stockholders of the company is dealt with in the financial statements as follows:

	2014	Restated 2013
	$'000	$'000
The company	(13,994)	(32,494)
The subsidiaries	73,470	2,649
	59,476	(29,845)

(b) Retained earnings are dealt with in the financial statements as follows:

	2014	Restated 2013
	$'000	$'000
The company	613,624	663,756
The subsidiaries	122,775	55,474
	736,399	719,230

11. Ordinary Dividends

	2014	2013
	$'000	$'000
Interim dividends – Nil (2013 – 8 cents) per stock unit	-	28,034

Radio Jamaica Limited

12. Earnings per Ordinary Stock Unit

Basic earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue during the year.

	2014	Restated 2013
Net profit/(loss) attributable to stockholders $'000	59,476	(29,845)
Weighted average number of ordinary stock units in issue ('000)	350,154	350,154
Basic earnings per ordinary stock unit	$0.17	($0.09)

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

13. Fixed Assets

	The Group							
	Freehold Land	Freehold Buildings	Improvements to Leasehold Property	Furniture, Fixtures & Equipment	Motor Vehicles	Spares	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost -								
1 April 2012 (restated)	5,516	333,166	16,901	1,129,667	87,415	30,072	10,097	1,612,834
Additions	-	8,319	-	27,051	4,230	-	69,120	108,720
Disposals	-	-	-	(1,105)	(5,093)	(6,602)	-	(6,198)
Adjustment	-	-	-	-	-	-	(723)	(723)
Transfers	-	-	-	1,046	-	-	(1,046)	-
31 March 2013 (restated)	5,516	341,485	16,901	1,156,659	86,552	23,470	77,448	1,708,031
Additions	-	4,668	-	42,852	32,596	4,836	253,546	338,498
Disposals	-	-	-	(550)	(7,246)	(5,048)	-	(12,844)
Adjustment	-	-	-	-	-	-	(72)	(72)
Transfers	-	-	100,615	107,605	-	-	(208,220)	-
31 March 2014	5,516	346,153	117,516	1,306,566	111,902	23,258	122,702	2,033,613
Depreciation -								
1 April 2012 (restated)	-	75,175	6,966	775,312	55,741	3,381	-	916,575
Charge for the year	-	8,226	3,486	88,958	8,200	4,058	-	112,928
Relieved on disposals	-	-	-	(864)	(3,285)	-	-	(4,149)
31 March 2013 (restated)	-	83,401	10,452	863,406	60,656	7,439	-	1,025,354
Charge for the year	-	8,356	742	80,122	9,172	4,224	-	102,616
Relieved on disposals	-	-	-	(24)	(7,247)	-	-	(7,271)
31 March 2014	-	91,757	11,194	943,504	62,581	11,663	-	1,120,699
Net Book Value -								
31 March 2014	5,516	254,396	106,322	363,062	49,321	11,595	122,702	912,914
31 March 2013	5,516	258,084	6,449	293,253	25,896	16,031	77,448	682,677

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

13. Fixed Assets (Continued)

	The Company						
	Freehold Land	Freehold Buildings	Furniture, Fixtures & Equipment	Motor Vehicles	Spares	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost -							
1 April 2012 (restated)	5,516	279,841	323,321	27,247	13,547	1,115	650,587
Additions	-	8,051	11,003	-	-	2,018	21,072
Disposals	-	-	(973)	-	(2,658)	-	(3,631)
Transfers	-	-	207	-	-	(207)	-
Adjustments	-	-	-	-	-	(550)	(550)
31 March 2013 (restated)	5,516	287,892	333,558	27,247	10,889	2,376	667,478
Additions	-	1,468	9,385	16,309	1,281	8,528	36,971
Disposals	-	-	(550)	(7,246)	(1,635)	-	(9,431)
Transfers	-	-	2,014	-	-	(2,014)	-
Adjustments	-	-	-	-	-	(72)	(72)
31 March 2014	5,516	289,360	344,407	36,310	10,535	8,818	694,946
Depreciation -							
1 April 2012 (restated)	-	65,105	262,268	23,521	1,562	-	352,456
Charge for the year	-	6,892	24,989	1,090	1,943	-	34,914
Relieved on disposals	-	-	(804)	-	-	-	(804)
31 March 2013 (restated)	-	71,997	286,453	24,611	3,505	-	386,566
Charge for the year	-	6,983	21,527	1,091	2,107	-	31,708
Relieved on disposals	-	-	(25)	(7,246)	-	-	(7,271)
31 March 2014	-	78,980	307,955	18,456	5,612	-	411,003
Net Book Value -							
31 March 2014	5,516	210,380	36,452	17,854	4,923	8,818	283,943
31 March 2013	5,516	215,895	47,105	2,636	7,384	2,376	280,912

The tables above include carrying values of $30,561,000 (2013: Nil) and $16,309,000 (2013: Nil) for the Group and the company, respectively, representing assets being acquired under finance leases. All amounts related to finance leases are shown in the 'Motor Vehicles' category of fixed assets.

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

14. Intangible Assets

Goodwill and brands

Intangible assets in the balance sheet were determined as follows:

	Goodwill	Brands	Broadcast Rights	Total
	$'000	$'000	$'000	$'000
		2014		
Cost and net book value at 31 March 2014	-	-	178,112	178,112
		2013		
Cost	53,726	50,472	83,553	187,751
Accumulated amortisation and impairment	(53,726)	(50,472)	-	(104,198)
Net book value at 31 March 2013	-	-	83,553	83,553

The movement in intangible assets was due to the following:

	Goodwill	Brands	Broadcast Rights	Total
	$'000	$'000	$'000	$'000
Net book value at 31 March 2012	2,813	35,165	-	37,978
Additions	-	-	83,553	83,553
Amortisation charge	-	(2,870)	-	(2,870)
Impairment charge	(2,813)	(32,295)	-	(35,108)
Net book value at 31 March 2013	-	-	83,553	83,553
Additions	-	-	94,559	94,559
Net book value at 31 March 2014	-	-	178,112	178,112

The goodwill balance of $2,813,000 at prior year reporting date was allocated to Reggae Entertainment Television Limited.

Amortisation and impairment charges are included in administration expenses in arriving at net profit or loss.

Impairment charge
At 31 March 2013, goodwill and brands were deemed to be impaired based on current and projected losses being experienced by the related subsidiaries. The amount of the goodwill and brands impairment is based on the recoverable amount of the related subsidiary or cash generating unit (CGU).

The recoverable amount of a CGU was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate. The growth rate did not exceed the long-term average growth rate for the business in which the CGU operates.

14. Intangible Assets (Continued)

Goodwill and brands (continued)
The key assumptions used for value-in-use calculations were as follows:

- Discount rate – 21.5%;
- Projected revenue growth rates – 10% in year 2, 10% to 30% in year 3, and 10% to 20% thereafter;
- Projected expense growth rate – 10%;

The discount rate used is pre-tax and reflects specific risks relating to the respective subsidiaries. The rate was derived by computing the cost of equity for similar companies within the industry using imputs from Bloomberg as well as the risk free rate for GOJ long term bond. Management projected the revenue and expense growth rates based on past performance and its expectations of market development.

Broadcast rights
The amount of $83,553,000 represents the exclusive rights to broadcast FIFA events for the period 2015 to 2022. Amortisation will commence once the first event under the rights have been broadcast.

15. Retirement Benefits

	The Group		The Company	
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**
Amounts recognised in the balance sheet –				
Pension schemes	189,802	205,791	157,757	176,551
Other retirement benefits	(53,081)	(35,378)	(37,037)	(24,579)
Amounts recognised in profit or loss –				
Pension schemes	(131)	(478)	(3,014)	(3,934)
Other retirement benefits	6,093	6,325	4,165	4,205

Pension schemes

The company operates a defined benefit pension scheme covering all permanent employees of Radio Jamaica Limited, Multi-Media Jamaica Limited and Television Jamaica Limited.

The scheme is managed by an outside agency under a management contract, and by Trustees. The scheme is funded at 13.18% of pensionable salaries, being 5% by members and 10% (2012 - 8.18%) by the sponsoring entity. Members may contribute up to an additional 5%.

The scheme is valued annually by independent actuaries. The latest actuarial valuation was done as at 28 February 2014.

The Board of the pension fund is required by law and its articles and association to act in the interest of the fund and all relevant stakeholders. The Board of the fund is responsible for the investment policy with regard to the assets of the fund. The funds are managed by First Global Financial Services who has responsibilities for the general management of the portfolio of investments and the administration of the fund.

Radio Jamaica Limited

15. Retirement Benefits (Continued)

Pension schemes (continued)

The amounts recognised in the balance sheet were determined as follows:

	The Group		The Company	
	2014 $'000	**Restated 2013 $'000**	**2014 $'000**	**Restated 2013 $'000**
Fair value of plan assets	738,071	666,182	598,323	554,616
Present value of funded obligation	(548,269)	(460,391)	(440,566)	(378,065)
Asset in the balance sheet	(189,802)	205,791	157,757	176,551

The movement in the present value of the funded obligation was as follows:

	The Group		The Company	
	2014 $'000	**Restated 2013 $'000**	**2014 $'000**	**Restated 2013 $'000**
Balance at start of year	460,391	425,749	378,065	356,892
Current service cost	16,666	15,085	11,400	10,595
Interest cost	48,170	42,181	39,237	35,099
	525,227	483,015	428,702	402,586
Remeasurements -				
Experience gains	(7,508)	(8,206)	(1,803)	(4,084)
Losses from change in demographic assumptions	-	19,730	-	16,810
Losses/(gains) from change in financial assumptions	45,790	(28,315)	35,003	(22,454)
	38,282	(16,791)	33,200	(9,728)
Employee contributions	20,981	19,545	13,081	8,244
Benefits paid	(36,221)	(25,378)	(34,417)	(23,037)
	548,269	460,391	440,566	378,065

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

15. Retirement Benefits (Continued)

Pension schemes (continued)

The movement in the fair value of plan assets was as follows:

	The Group		The Company	
	2014 $'000	Restated 2013 $'000	2014 $'000	Restated 2013 $'000
Balance at start of year	666,182	625,040	554,616	540,526
Employee contributions	20,981	19,545	13,081	8,244
Employer contributions	27,648	26,262	17,245	11,873
Interest income on plan assets	71,008	63,135	58,505	54,055
Benefits paid	(36,221)	(25,378)	(34,417)	(23,037)
Administrative fees	(6,041)	(5,391)	(4,854)	(4,427)
Remeasurements of the plan assets	(5,486)	(37,031)	(5,853)	(32,618)
Balance at end of year	738,071	666,182	598,323	554,616

The amounts recognised in arriving at profit or loss were determined as follows:

	The Group		The Company	
	2014 $'000	Restated 2013 $'000	2014 $'000	Restated 2013 $'000
Current service cost	16,666	15,085	11,400	10,595
Interest cost	48,170	42,181	39,237	35,099
Interest income on plan assets	(71,008)	(63,135)	(58,505)	(54,055)
Administrative fees	6,041	5,391	4,854	4,427
Total included in staff costs (Note 7)	(131)	(478)	(3,014)	(3,934)

The amounts recognised in other comprehensive income were determined as follows:

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Remeasurements of the defined benefit obligation	38,282	(16,791)	33,200	(9,728)
Remeasurements of the plan assets	5,486	37,031	5,853	32,618
Total	43,768	20,240	39,053	22,890

Radio Jamaica Limited

Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

15. Retirement Benefits (Continued)

Pension schemes (continued)

At the last valuation date, the present value of the defined benefit obligation was comprised of approximately $327,898,000 and $224,072,0000 relating to active members, $1,841,000 relating to deferred members and $218,530,000 and $214,653,000 relating to the members in retirement for the group and the company respectively.

Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

Expected employer contributions to the plan for the year ended 31 March 2015 amount to $29,690,000 for the group and $18,700,000 for the company.

The distribution of plan assets was as follows:

	The Group & Company	
	2014	**2013**
	%	%
Equities	19	17
Government of Jamaica securities	54	61
Repurchase agreements	13	13
Corporate bonds	4	3
Other	10	6
	100	100

Plan assets include the company's ordinary shares with a fair value of $968,000 (2013 - $896,000).

The sensitivity of the defined benefit obligation to changes in the principal assumptions is :

	The Group		
	Impact on post-employment obligations		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
		$'000	**$'000**
Discount rate	1%	(66,770)	84,705
Future salary increases	1%	34,800	(29,854)
Pension increases	1%	42,271	(37,153)

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

15. Retirement Benefits (Continued)

Pension schemes (continued)

The sensitivity of the defined benefit obligation to changes in the principal assumptions is :

	The Company		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(49,988)	62,477
Future salary increases	1%	22,857	(19,853)
Pension increases	1%	34,293	(30,175)

	The Group	
	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000
Life expectancy	16,300	(16,800)

	The Company	
	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000
Life expectancy	14,300	(14,400)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

15. Retirement Benefits (Continued)

Other retirement benefits

In addition to pension benefits, the group offers retiree medical and life insurance benefits that contribute to the health care and life insurance coverage of employees after retirement. The method of accounting and frequency of valuations are similar to those used for defined benefit pension schemes.

The amounts recognised in the balance sheet were determined as follows:

	The Group		The Company	
	2014 $'000	Restated 2013 $'000	2014 $'000	Restated 2013 $'000
Present value of unfunded obligations	53,081	35,378	37,037	24,579

The movement in the present value of unfunded obligations was as follows:

	The Group		The Company	
	2013 $'000	Restated 2013 $'000	2014 $'000	Restated 2013 $'000
Balance at start of year	35,378	25,882	24,579	17,849
Current service cost	2,433	2,326	1,629	1,348
Interest cost	3,660	2,646	2,536	1,851
Past service cost	-	1,353	-	1,006
	41,471	32,207	28,744	22,054
Remeasurements -				
Experience gains	8,750	289	6,522	283
Losses from change in demographic assumptions	-	1,818	-	1,159
Losses from change in financial assumptions	3,893	1,938	2,610	1,778
	12,643	4,045	9,132	3,220
Benefits paid	(1,033)	(874)	(839)	(695)
Balance at end of year	53,081	35,378	37,037	24,579

15. Retirement Benefits (Continued)

Other retirement benefits

The amounts recognised in arriving at net profit or loss were as follows:

	The Group		The Company	
	2014 $'000	**Restated 2013 $'000**	**2014 $'000**	**Restated 2013 $'000**
Current service cost	2,433	2,326	1,629	1,348
Interest cost	3,660	2,646	2,536	1,851
Past service cost	-	1,353	-	1,006
Total included in staff costs (Note 7)	6,093	6,325	4,165	4,205

The amounts recognised in other comprehensive income were determined as follows:

	The Group		The Company	
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**
Remeasurements of the defined benefit obligation	12,643	4,045	9,132	3,220

At the last valuation date, the present value of the defined benefit obligation was comprised of approximately $31,382,000 and $18,440,000 relating to active members and $1,698,000 and $18,596,000 relating to the members in retirement for the group and the company respectively.

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	The Group		
	Impact on post-employment obligations		
	Change in assumption	**Increase in assumption $'000**	**Decrease in assumption $'000**
Discount rate	1%	(4,941)	6,186
Future salary increases	1%	5,995	(4,868)

	The Company		
	Impact on post-employment obligations		
	Change in assumption	**Increase in assumption $'000**	**Decrease in assumption $'000**
Discount rate	1%	(7,387)	9,274
Future salary increases	1%	9,012	(7,302)

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

15. Retirement Benefits (Continued)

Other retirement benefits

	The Group	
	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000
Life expectancy	2,377	(1,904)

	The Company	
	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000
Life expectancy	1,628	(1,271)

Principal actuarial assumptions used in valuing retirement benefits

The principal actuarial assumptions used were as follows:

	The Group & The Company	
	2014	2013
Discount rate	9.5%	10.5%
Inflation rate	5.5%	6.0%
Future salary increases	6.5%	7.0%
Future pension increases	2.75%	3.0%
Long term increase in health cost	7%	7.5%
Expected remaining working lives (years)	24	24

15. Retirement Benefits (Continued)

Risks associated with pension plans and post-employment plans

Through its defined benefit pension plans and post-employment medical plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The Government bonds represent investments in Government of Jamaica securities.

The Company believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Company's long term strategy to manage the plans efficiently. See below for more details on the Company's asset-liability matching strategy.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities. The majority of the plan's assets are either unaffected by fixed interest bonds, meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension scheme. Within this framework, the company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2014 consists of bonds and equities.

Funding levels are monitored on an annual basis and the current agreed contribution rate is 10% of pensionable salaries. The next triennial valuation is due to be completed as at 31 December 2014. The Company considers that the contribution rates set at the last valuation date to be sufficient to prevent a deficit and that regular contributions, which are based on service costs, will not increase significantly.

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

16. Deferred Taxation

Deferred income taxes are calculated in full on all temporary differences under the liability method using a principal rate of 25%.

	The Group		The Company	
	2014 $'000	Restated 2013 $'000	2014 $'000	Restated 2013 $'000
Deferred income tax assets	45,684	26,917	34,742	20,740
Deferred income tax liabilities	(105,281)	(104,207)	(48,066)	(52,141)
	(59,597)	(77,290)	(13,324)	(31,401)

The movement on the deferred income tax account is as follows:

	The Group		The Company	
	2014 $'000	Restated 2013 $'000	2014 $'000	Restated 2013 $'000
Balance as at 1 April restated	(77,290)	(132,372)	(31,401)	(65,176)
Credited/(charged) in arriving at profit or loss	3,591	49,012	6,031	27,247
Credited/(charged) to other comprehensive income	14,102	6,070	12,046	6,528
Balance as at 31 March	(59,597)	(77,290)	(13,324)	(31,401)

The movement in the deferred tax assets and liabilities (prior to appropriate offsetting of balances) during the year is as follows:

	Group				
Deferred tax liabilities	Accelerated Tax Depreciation $'000	Retirement Benefit Assets $'000	Unrealised Foreign Exchange Gains $'000	Interest Receivable $'000	Total $'000
At 1 April 2012 restated	80,698	67,754	-	147	148,599
(Credited)/charged to profit or loss	(28,302)	(11,246)	161	55	(39,332)
(Credited)/charged to other comprehensive income	-	(5,060)	-	-	(5,060)
At 31 March 2013	52,396	51,448	161	202	104,207
(Credited)/charged to profit or loss	4,892	6,943	85	95	12,015
(Credited)/charged to the statement of comprehensive income	-	(10,941)	-	-	(10,941)
At 31 March 2014	57,288	47,450	246	297	105,281

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

16. Deferred Taxation (Continued)

The movement in the deferred tax assets and liabilities (prior to appropriate offsetting of balances) during the year is as follows:

	Group				
Deferred tax assets	**Retirement Benefit Obligation**	**Accrued Vacation**	**Tax losses**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 1 April 2012 restated	4,950	11,101	-	176	16,227
(Credited)/charged to profit or loss	2,884	(1,591)	8,331	55	9,679
Credited/(charged) to the statement of comprehensive income	1,011	-	-	-	1,011
At 31 March 2013	8,845	9,510	8,331	231	26,917
(Credited)/charged to profit or loss	1,264	(1,664)	8,355	7,651	15,606
(Charged)/credited to the statement of comprehensive income	3,161	-	-	-	3,161
At 31 March 2014	13,270	7,846	16,686	7,882	45,684

	Company			
Deferred tax liabilities	**Accelerated Tax Depreciation**	**Retirement Benefit Assets**	**Interest Receivable**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
At 1 April 2012 restated	15,087	60,753	147	75,987
(Credited)/charged to profit or loss	(7,286)	(10,892)	55	(18,123)
(Credited)/charged to other comprehensive income	-	(5,723)	-	(5,723)
At 31 March 2013	7,801	44,138	202	52,141
(Credited)/charged to profit or loss	-	(9,763)	-	(9,763)
(Credited)/charged to other comprehensive income	524	5,064	100	5,688
At 31 March 2014	8,325	39,439	302	48,066

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

16. Deferred Taxation (Continued)

The movement in the deferred tax assets (prior to appropriate offsetting of balances) during the year is as follows:

	Company				
Deferred tax assets	**Retirement Benefit Obligation**	**Tax Losses**	**Accrued Vacation**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 1 April 2012 restated	3,415	-	7,364	32	10,811
(Credited)/charged to profit or loss	1,925	8,331	(1,331)	199	9124
(Credited)/charged to other comprehensive income	805	-	-	-	805
At 31 March 2013	6,145	8,331	6,033	231	20,740
(Credited)/charged to profit or loss	831	8,355	(1,078)	3,611	11,719
(Credited)/charged to other comprehensive income	2,283	-	-	-	2,283
At 31 March 2014	9,259	16,686	4,955	3,842	34,742

Deferred income tax assets/liabilities amounts which are expected to be recovered/settled within one year:

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax assets	-	231	-	231
Deferred income tax liabilities	543	202	302	202

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. Subject to agreement with the Taxpayer Audit and Assessment Department, tax losses available for offset against future taxable profits amounted to $333,702,000 (2013 – $321,901,000) for the group and $66,743,000 (2013 – $33,326,000) for the company, and these losses may be carried forward indefinitely. Deferred income tax assets have not been recognised for tax losses carried forward in respect of certain subsidiaries. These tax losses amounted to $266,958,000 (2013 – $288,575,000).

17. Investment in Subsidiaries

	2014 $'000	2013 $'000
Multimedia Jamaica Limited	50	50
Television Jamaica Limited	20,002	20,002
Media Plus Limited –		
Reggae Entertainment Television Limited	174,930	174,930
Jamaica News Network Limited	236,942	236,942
	431,924	431,924

In the previous year a decision was taken to convert the amount receivable from Reggae Entertainment Television Limited and Jamaica News Network to an investment in these entities. An impairment charge of $36,377,000 was recorded based on impairment assessment undertaken.

18. Long Term Receivables

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
GV Media Group Limited	10,829	10,829	10,829	10,829
Less: Provision for impairment	(10,829)	(10,829)	(10,829)	(10,829)
	-	-	-	-
Subsidiary	-	-	-	2,950
	-	-	-	2,950

GV Media Group Limited

In a revised shareholders' deed dated 1 December 2007, the company disposed of its 20% shareholding in GV Media Group Limited. Arising from this revision, an unsecured loan ('Layer One Debt') from GV Media Group Limited of £179,000 was created.

Management has determined that this is fully impaired and should, therefore, be carried at nil value in the financial statements. No foreign exchange gains/losses have been recognised in respect of this receivable since the date of impairment in 2007.

Subsidiary

This represents the amount receivable in respect of the background music equipment transferred by the company to Multi-Media Jamaica Limited.

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

19. Investment Securities

	The Group & The Company	
	2014 $'000	2013 $'000
At fair value through profit or loss –		
One Caribbean Media Limited, quoted	16,349	11,409
Available-for-sale –		
Caribbean News Agency, unquoted	7	7
	16,356	11,416

20. Inventories

	The Group		The Company	
	2014 $'000	Restated 2013 $'000	2014 $'000	Restated 2013 $'000
Spares	3,055	3,173	1,049	1,161
Film	18,119	23,897	-	-
Goods in transit	11,434	16,492	3,606	1,368
Other	8,050	7,271	5,903	4,660
	40,658	50,833	10,558	7,189

21. Due from Subsidiaries

	2014 $'000	2013 $'000
Multi-Media Jamaica Limited	83,633	67,260
Television Jamaica Limited	144,615	95,370
Reggae Entertainment Television Limited	8,259	-
Jamaica News Network Limited	39,084	-
	275,591	162,630

In the previous year a decision was taken to convert the amount receivable from Reggae Entertainment Television Limited and Jamaica News Network to an investment in these entities.

22. Receivables

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	322,722	350,715	75,809	108,332
Prepayments	14,286	54,624	7,299	7,780
Other	64,139	44,743	61,519	38,745
	401,147	450,082	144,618	154,857
Less: Provision for impairment	(31,224)	(30,543)	(21,480)	(23,233)
	369,923	419,539	123,138	131,624

23. Cash and Cash Equivalents

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Cash	57,591	55,822	57,258	55,414
Short term investments	97,484	260,856	97,484	260,856
	155,075	316,678	154,742	316,270

(a) Cash comprises amounts held in current accounts, which currently attract interest at a rate of 1% per annum.

(b) Short term investments comprise securities purchased under resale agreements and are classified as financial assets at fair value through profit or loss. The average maturity of these investments was under 90 days. The weighted average effective interest rate on these instruments was as follows:

	The Group & Company	
	2014	**2013**
	%	**%**
United States dollar	3.46	2.46
Jamaican dollar	6.68	6.65

(c) The group has unsecured bank overdraft facilities. The effective interest rate on account overrun is between 24.75% - 48%.

24. Payables

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade	121,747	123,566	46,158	48,140
Accrued vacation leave	32,055	38,897	19,819	24,132
Other accruals	20,645	30,168	13,115	12,236
Current portion of finance leases (Note 26)	5,216	-	2,509	-
Current portion of long term loans (Note 26)	35,347	18,711	17,901	16,670
Statutory deductions	17,554	17,960	9,294	9,947
Other	42,726	42,515	26,149	24,661
	275,290	271,817	134,945	135,786

25. Share Capital

Authorised –

50,000 5% Cumulative participating preference shares

378,000,000 Ordinary shares

	2014 $'000	2013 $'000
Issued and fully paid –		
357,467,991 (2012 – 357,476,991) Ordinary shares of no par value	472,695	472,695
7,323,100 Treasury shares (2012 – 7,323,100) Ordinary shares of no par value	(5,039)	(5,039)
	467,656	467,656

The treasury shares are held by the RJR Employee Share Scheme.

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

26. Long Term Loans & Finance Leases

Long term loans

	The Group		The Company	
	2014 **$'000**	**2013** **$'000**	**2013** **$'000**	**2012** **$'000**
(a) RBC Bank Jamaica Limited	9,759	13,308	9,759	13,308
(b) RBC Bank Jamaica Limited		2,041	-	-
(c) RBC Bank Jamaica Limited	187,337	200,459	187,337	200,459
(d) Prime Sports Limited	69,412	-	-	-
	266,508	215,808	197,096	213,767
Less: Current portion (Note 24)	(35,347)	(18,711)	(17,901)	(16,670)
	231,161	197,097	179,195	197,097

(a) This loan is repayable on a monthly basis, maturing in December 2016 and attracts interest at 9.5% (2013 –9.5%). It is secured by a second mortgage over commercial properties owned by the company.

(b) This loan was repayable on a monthly basis and matured in April 2013 and attracted interest at 11% (2013 – 11%). It was secured by a first mortgage over commercial properties owned by the company.

(c) This loan is repayable on a monthly basis, maturing in September 2019 and attracts interest at 9% (2013 – 9%). It is secured by a first mortgage over commercial properties owned by the company.

(d) This loan is unsecured and repayable on a monthly basis, maturing in November 2017 and attracts interest at 6% (2013 – Nil).

Finance leases

Finance lease liabilities – minimum lease payments

	The Group		The Company	
	2014 **$'000**	**2013** **$'000**	**2014** **$'000**	**2013** **$'000**
Not later than 1 year	8,264	-	4,014	-
Later than 1 year and not later than 5 years	30,604	-	15,722	-
	38,868	-	19,736	-
Future finance charges on finance leases	(8,459)	-	(4,367)	-
Present value of finance lease obligations	30,409	-	15,369	-

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

26. Long Term Loans & Finance Leases (Continued)

The present value of finance lease obligations is as follows:

	The Group		The Company	
	2014 **$'000**	**2013** **$'000**	**2014** **$'000**	**2013** **$'000**
Not later than 1 year	5,216	-	2,509	
Later than 1 year and not later than 5 years	25,193	-	12,860	-
	30,409	-	15,369	-

Radio Jamaica Limited

Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

27. Segment Reporting

Management has determined the group's operating segments based on the reports reviewed by the company's Board of Directors that are used to make strategic decisions. The group is organised and managed in two main business segments based on its business activities. Operating results for each segment are used to measure performance, as management deems that information to be the most relevant in evaluating segments relative to other entities that operate within these industries.

The designated segments are:

(a) Audio visual, comprising the operations of the group's free-to-air television station and its cable stations; and

(b) Radio and other, comprising the operations of the group's radio stations.

The group's operations are primarily located in Jamaica. Transactions between segments are done under terms similar to that with third parties.

	Audio Visual $'000	Radio and Other $'000	Sub-total $'000	Eliminations $'000	Total $'000
			2014		
Revenues	1,350,339	611,744	1,962,083	(117,893)	1,844,190
Operating profit	112,095	47	112,142	(11,437)	100,705
Assets	1,319,986	1,567,664	2,887,650	(1,019,670)	1,867,980
Liabilities	752,063	480,062	1,232,125	(568,200)	663,925
Capital expenditure	298,080	40,418	338,498	-	338,498
Depreciation	69,566	33,050	102,616	-	102,616
Finance costs	8,543	19,257	27,800	-	27,800
			2013 Restated		
Revenues	1,214,662	692,158	1,906,820	(122,823)	1,783,997
Operating loss	(8,456)	(52,451)	(60,907)	(10,000)	(70,907)
Assets	942,197	1,610,611	2,552,808	(779,895)	1,772,913
Liabilities	449,253	476,636	925,889	(339,862)	586,027
Capital expenditure	86,411	22,309	108,720	-	108,720
Depreciation & amortisation	76,571	35,169	111,740	-	111,740
Finance costs	1,882	3,839	5,721	-	5,721
Impairment charge	35,108	-	35,108	-	35,108

The Group's customers are mainly resident in, and operate from, Jamaica.

The result of its revenue from external customers in Jamaica is $1,812,354,000 (2013 - $1,744,658,000), and the total of revenue from external customers from other countries is $31,836,000 (2013 - $39,339,000).

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

28. Related Party Transactions and Balances

(a) Sale of services
The company did not have any sale of services to its subsidiaries.

(b) Purchase of services

	2014 $'000	2013 $'000
Multi-Media Jamaica Limited	26,658	37,009
Jamaica News Network Limited	10,220	12,890
	36,878	49,899

(c) Rental expense – The company has rental expense with its subsidiaries as follows

	2014 $'000	2013 $'000
Television Jamaica Limited	14,315	13,671
Multi-Media Jamaica Limited	245	93
Reggae Entertainment Television Limited	240	135
Jamaica News Network Limited	240	135
	15,039	14,034

(d) Key management compensation for the group was as follows:

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Wages and salaries	35,509	29,129	35,509	29,129
Statutory contributions	2,178	1,769	2,178	1,769
Other	3,251	2,913	3,251	2,913
	40,938	33,811	40,938	33,811

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Directors' emoluments –				
Fees	4,284	4,138	2,324	2,114
Management remuneration (included in staff costs)	13,230	13,206	13,230	13,206

29. Contingencies

The company and its subsidiaries are subject to various claims, disputes and legal proceedings, in the normal course of business. Provision is made for such matters when, in the opinion of management and its legal counsel, it is probable that a payment will be made by the group, and the amount can be reasonably estimated. In respect of claims asserted against the group which has not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended or will result in exposure to the group which is immaterial to both financial position and results of operations.

30. Restatement

Restatement of prior year balances relate to both the adoption of a new standard and the correction of prior year errors.

Adoption of new standard –

(a) The impact of the adoption of IAS 19 (Revised) and consequential adjustments to deferred tax. The amendment eliminates the corridor approach to recognition of actuarial gains and losses arising from IAS 19 pension valuations and results in the recognition of all actuarial gains and losses in other comprehensive income (OCI) as they occur. Additionally, all past service costs are immediately recognised and interest cost and expected return on plan assets are replaced with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. The effect of these revisions on 2012 statement of comprehensive income was the immediate recognition in other comprehensive income of actuarial losses of $3,478,000 and $2,911,000 on pension benefits and actuarial losses $1,241,000 and $1,143,000 on other retirement obligations, the recognition in profit or loss of $29,000 of past service cost and the recognition of a net interest expense decrease of $ 329,000 and $538,000 for group and company respectively. The effect of these revisions on 2013 statement of comprehensive income was the immediate recognition of actuarial losses of $9,801,000 and $13,977,000 on pension benefits and actuarial losses $2,812,000 and $2,079,000 on other retirement obligations, and the recognition of a net interest expense decrease of $646,000 and $596,000 for group and company respectively. As a result of the impact of the restatement in relation to IAS 19 (Revised) the effect of the change in tax rate from 331/3% to 25% on the restated amounts are also included.

(b) The impact of adopting amendments to IAS 16 resulted in amounts being reclassified from inventory to fixed assets with the amounts being depreciated.

The impact on the statement of changes in equity of the adoption of IAS 19 (revised) and the corrections are represented by the movements in the statement of comprehensive income as no other equity accounts were affected.

In accordance with the requirements of IAS 8 par 28 (f) the company is required to show the effect on each financial statement line item of the adoption of IAS 19 (revised) for the 2014 amounts presented. In the opinion of management this effect is not material and hence this disclosure has not been presented in these financial statements.

The financial statements for the years ended 31 March 2013 and 2012 have been restated to reflect the financial position and results for these corrections. The financial effects of these corrections are as follows:

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

30. Restatement (Continued)

Effect on statement of financial position at 1 April 2012

	Group			
	As at 31 March 2012 $'000	(a) $'000	(b) $'000	As at 31 March 2012 $'000 presented
Non-Current Assets				
Fixed assets	669,568	-	26,691	696,259
Retirement benefit assets	195,813	3,478	-	199,291
Other non-current assets	46,160	-	-	46,160
Total Non-Current Assets	911,541	3,478	26,691	941,710
Inventory	73,759	-	(30,072)	43,687
Other current assets	677,207	-	-	677,207
Total Current Assets	750,966	-	(30,072)	720,894
Total Current Liabilities	226,021	-	-	226,021
Net Current Assets	524,945	-	(30,072)	494,873
	1,436,486	3,478	(3,381)	1,436,583
Stockholders' Equity				
Share capital	467,656	-	-	467,656
Retained earnings	800,538	(1,835)	(3,381)	795,322
	1,268,194	(1,835)	(3,381)	1,262,978
Non-Current Liabilities			-	
Long term liabilities	15,351	-	-	15,351
Deferred tax liabilities	125,789	6,583	-	132,372
Retirement benefit obligations	27,152	(1,270)	-	25,882
	1,436,486	3,478	(3,381)	1,436,583

30. Restatement (Continued)

Effect on statement of financial position at 31 March 2013

	Group			
	As at 31 March 2013 $'000	**(a) $'000**	**(b) $'000**	**As at 31 March 2013 $'000 presented**
Non-Current Assets				
Fixed assets	666,646	-	16,031	682,677
Retirement benefit assets	215,592	(9,801)	-	205,791
Other non-current assets	94,969	-	-	94,969
Total Non-Current Assets	977,207	(9,801)	16,031	983,437
Inventory	74,303	-	(23,470)	50,833
Other current assets	738,643	-	-	738,643
Total Current Assets	812,946	-	(23,470)	789,476
Total Current Liabilities	276,262	-	-	276,262
Net Current Assets	536,684	-	(23,470)	513,214
	1,513,891	(9,801)	(7,439)	1,496,651
Stockholders' Equity				
Share capital	467,656	-	-	467,656
Retained earnings	736,129	(9,460)	(7,439)	719,230
	1,203,785	(9,460)	(7,439)	1,186,886
Non-Current Liabilities			-	
Long term liabilities	197,097	-	-	197,097
Deferred tax liabilities	80,443	(3,153)	-	77,290
Retirement benefit obligations	32,566	2,812	-	35,378
	1,513,891	(9,801)	(7,439)	1,496,651

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

30. Restatement (Continued)

Effect on statement of comprehensive income at 31 March 2013

	Group			
	As at 31 March 2013 $'000	**(a) $'000**	**(b) $'000**	**As at 31 March 2013 $'000 presented**
Revenue	1,783,997	-	-	1,783,997
Direct expenses	(819,096)	-	-	(819,096)
Gross Profit	964,901	-	-	964,901
Other operating income	82,332	-	-	82,332
Selling expenses	(310,166)	-	-	(310,166)
Administration expenses	(446,006)	6,922	(4,058)	(443,142)
Other operating expenses	(329,724)	-	-	(329,724)
Impairment charge	(35,108)	-	-	(35,108)
Operating Loss	(73,771)	6,922	(4,058)	(70,907)
Finance costs	(5,721)	-	-	(5,721)
Loss before Taxation	(79,492)	6,922	(4,058)	(76,628)
Taxation	43,117	3,666	-	46,783
Net Loss	(36,375)	10,588	(4,058)	(29,845)
Other Comprehensive Income, net of taxes -				
Item that will not be reclassified to profit or loss -				
Re-measurements of post-employment benefits	-	(18,213)	-	(18,213)
TOTAL COMPREHENSIVE INCOME	(36,375)	(7,625)	(4,058)	(48,058)
Earnings per Ordinary Stock Unit Attributable to Stockholders of the Company	($0.10)	0.02	(0.01)	($0.09)

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

30. Restatement (Continued)

Impact on statement of cashflows for the year ended 31 March 2013

	Group		
	2013 **$'000**	**(a), (b)** **$'000**	**Restated 2013** **$'000**
Cash Flows from Operating Activities			
Net loss	(36,375)	6,530	(29,845)
Items not affecting cash:			
Amortisation of intangible assets	2,870	-	2,870
Depreciation	108,870	4,058	112,928
Fixed assets adjustment	723	-	723
Spares utilised	-	6,602	6,602
Gain on disposal of fixed assets	(802)	-	(802)
Interest income	(8,190)	-	(8,190)
Dividend income	(282)	-	(282)
Impairment charge	35,108	-	35,108
Interest expense	5,721	-	5,721
Income tax credit	(43,117)	(3,666)	(46,783)
Exchange gain on foreign currency balances	(3,134)	-	(3,134)
Retirement benefits	(14,365)	(6,922)	(21,287)
Revaluation of investment securities	(3,234)	-	(3,234)
	43,793	6,602	50,395
Changes in operating assets and liabilities:			
Inventories	(544)	(6,602)	(7,146)
Receivables	(11,576)	-	(11,576)
Payables	89,738	-	89,738
	121,411	-	121,411
Income tax paid	(42,855)	-	(42,855)
Net cash provided by operating activities	78,556	-	78,556
Cash Flows from Investing Activities			
Proceeds from disposal of fixed assets	2,851	-	2,851
Purchase of fixed assets	(108,720)	-	(108,720)
Purchase of intangible assets	(83,553)	-	(83,553)
Interest received	8,190	-	8,190
Dividends received	282	-	282
Net cash used in investing activities	(180,950)	-	(180,950)
Cash Flows from Financing Activities			
Net cash provided by financing activities	150,909	-	150,909
Increase in cash and cash equivalents	48,515	-	48,515
Exchange gains on cash and cash equivalents	3,134	-	3,134
Cash and cash equivalents at beginning of year	265,029	-	265,029
Cash and Cash Equivalents at End of Year (Note 23)	316,678	-	316,678

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

30. Restatement (Continued)

Effect on statement of financial position at 1 April 2012

	Company			
	As at 31 March 2012 $'000	**(a) $'000**	**(b) $'000**	**As at 31 March 2012 $'000 presented**
Non-Current Assets				
Fixed assets	286,146	-	11,985	298,131
Retirement benefit assets	180,723	2,911	-	183,634
Other non-current assets	132,645	-	-	132,645
Total Non-Current Assets	599,514	2,911	11,985	614,410
Inventory	22,135	-	(13,547)	8,588
Other current assets	799,458	-	-	799,458
Total Current Assets	821,593	-	(13,547)	808,046
Total Current Liabilities	114,599	-	-	114,599
Net Current Assets	706,994	-	(13,547)	693,447
	1,306,508	2,911	(1,562)	1,307,857
Stockholders' Equity				
Share capital	467,656	-	-	467,656
Retained earnings	744,782	646	(1,562)	743,866
	1,212,438	646	(1,562)	1,211,522
Non-Current Liabilities			-	
Long term liabilities	13,310	-	-	13,310
Deferred tax liabilities	61,739	3,437	-	65,176
Retirement benefit obligations	19,021	(1,172)	-	17,849
	1,306,508	2,911	(1,562)	1,307,857

Radio Jamaica Limited

Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

30. Restatement (Continued)

Effect on statement of financial position at 31 March 2013

	Company			
	As at 31 March 2013 $'000	(a) $'000	(b) $'000	As at 31 March 2013 $'000 presented
Non-Current Assets				
Fixed assets	273,528	-	7,384	280,912
Retirement benefit assets	190,528	(13,977)	-	176,551
Other non-current assets	446,290	-	-	446,290
Total Non-Current Assets	910,346	(13,977)	7,384	903,753
Inventory	18,078		(10,889)	7,189
Other current assets	612,514	-	-	612,514
Total Current Assets	630,592	-	(10,889)	619,703
Total Current Liabilities	138,967	-	-	138,967
Net Current Assets	491,625	-	(10,889)	480,736
	1,401,971	(13,977)	(3,505)	1,384,489
Stockholders' Equity				
Share capital	467,656	-	-	467,656
Retained earnings	679,303	(12,042)	(3,505)	663,756
	1,146,959	(12,042)	(3,505)	1,131,412
Non-Current Liabilities			-	
Long term liabilities	197,097	-	-	197,097
Deferred tax liabilities	35,415	(4,014)	-	31,401
Retirement benefit obligations	22,500	2,079	-	24,579
	1,401,971	(13,977)	(3,505)	1,384,489

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

30. Restatement (Continued)

Effect on statement of comprehensive income at 31 March 2013

	Company			
	As at 31 March 2013 $'000	(a) $'000	(b) $'000	As at 31 March 2013 $'000 presented
Revenue	622,883	-	-	622,883
Direct expenses	(252,797)	-	-	(252,797)
Gross Profit	370,086	-	-	370,086
Other operating income	96,765	-	-	96,765
Selling expenses	(129,168)	-	-	(129,168)
Administration expenses	(207,009)	5,969	(1,943)	(202,983)
Other operating expenses	(154,241)	-	-	(154,241)
Impairment charge	(36,377)	-	-	(36,377)
Operating Loss	(59,944)	5,969	(1,943)	(55,918)
Finance costs	(3,825)	-	-	(3,825)
Loss before Taxation	(63,769)	5,969		(59,743)
Taxation	26,324	925	-	27,249
Net Loss	(37,445)	6,894	(1,943)	(32,494)
Other Comprehensive Income, net of taxes - Item that will not be reclassified to profit or loss -				
Re-measurements of post-employment benefits	-	(19,582)	-	(19,582)
TOTAL COMPREHENSIVE INCOME	(37,445)	(12,688)	(1,943)	(52,076)

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

30. Restatement (Continued)
Impact on statement of cashflows for the year ended 31 March 2013

	Company		
	2013 **$'000**	**(a), (b)** **$'000**	**Restated 2013** **$'000**
Cash Flows from Operating Activities			
Net loss	(37,445)	4,951	(32,494)
Items not affecting cash:			
Depreciation	32,971	1,943	34,914
Fixed assets adjustment	550	-	550
Gain on disposal of fixed assets	(70)	-	(70)
Spares utilsed	-	2,658	2,658
Interest income	(7,901)	-	(7,901)
Dividend income	(10,282)	-	(10,282)
Interest expense	3,825	-	3,825
Income tax credit	(26,324)	(925)	(27,249)
Exchange gain on foreign currency balances	(3,134)	-	(3,134)
Retirement benefits	(6,326)	(5,969)	(12,295)
Revaluation of investment securities	(3,234)	-	(3,234)
	(57,370)	2,658	(54,712)
Changes in operating assets and liabilities:			
Inventories	4,057	(2,658)	1,399
Due from subsidiaries	(102,631)	-	(102,631)
Receivables	33,375	-	33,375
Payables	28,501	-	28,501
	(94,068)	-	(94,068)
Income tax paid	(15,326)	-	(15,326)
Net cash used in operating activities	(109,394)	-	(109,394)
Cash Flows from Investing Activities			
Proceeds from disposal of fixed assets	239	-	239
Purchase of fixed assets	(21,072)	-	(21,072)
Interest received	7,901	-	7,901
Dividends received	10,282	-	10,282
Net cash used in investing activities	(2,650)	-	(2,650)
Cash Flows from Financing Activities			
Net cash provided by financing activities	165,049	-	165,049
Increase in cash and cash equivalents	53,005	-	53,005
Exchange gains on cash and cash equivalents	3,134	-	3,134
Cash and cash equivalents at beginning of year	260,131	-	260,131
Cash and Cash Equivalents at End of Year (Note 23)	316,270	-	316,270