



**Unaudited Financial Statements**  
**Quarter Ended 30 June 2014**

# **Radio Jamaica Limited**

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**Quarter Ended 30 June 2014**

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Directors' interim report to Shareholders

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## **Radio Jamaica Limited**

### **Interim Report to Stockholders**

The directors present the un-audited results of the group for the 1<sup>st</sup> Quarter ended June 30, 2014.

The Group recorded after tax profits for the three months to June 2014 of \$15.2M; an improvement of \$13.6M on the profits earned for the same period in the prior year. Our strategies of going global has led to new business from the Caribbean region that positively impacted the 1<sup>st</sup> Qtr. results and our partnerships for the airing of sporting properties have also yielded positive returns during the three months ended June 30, 2014.

The Groups revenues of \$486M for the three months increased over prior year by 10.2% or \$44.9M due to increased new media revenues and greater financial support of the sporting events. Other income of \$20.7M for the quarter was less than prior period by \$13.9M due to lower support at road and property parties and also reduced sale of branded products and DVDs of our Jamaican Athletes.

Lower direct costs by 6.2% or \$14M reported for the three months to June 2014 in comparison to the three months to June 2013 for a total expense this period of \$213.9M. This cost reduction was mainly due to lower broadcast rights fees for sporting properties aired this year in comparison to the similar period last year.

Administrative expenses for the first quarter increased by \$10.3M or 10.5% compared to the same period in prior year due to contractual salary increases and increased depreciation expense based on new assets acquired.

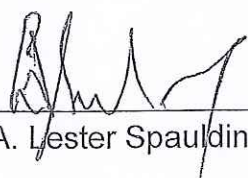
Operating expenses for the 1<sup>st</sup> quarter increased by \$15.1M or 20.6% when compared with prior year as a result of increased cost of; electricity, spares for transmitter sites and fuel. These costs were all impacted by the devaluation of the Jamaican dollar even though counter measures were implemented to improve efficiency.

Finance costs of \$7M increased by \$1.6M for the period due to a loan secured in December 2013 to assist with the financing required to create a new and fully digital studio.

Taxation charge of \$499K for the three months ended June 30, 2014 was positively impacted by allowances not previously applied.

Shareholders' equity as at June 30, 2014 was \$1.21B. The group's earnings per share for the three months ended June 30, 2014 was \$0.04 which surpassed the less than \$0.01 earned for the comparative period.

**Approved for issue by the Board of Directors on August 14, 2014 and signed on its behalf by:**



J. A. Lester Spaulding

Director



Carl D. Domville

Director

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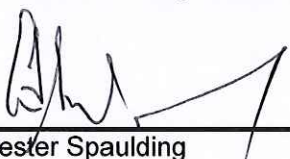
**Radio Jamaica Limited**


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**Consolidated Balance Sheet (Unaudited)  
Quarter Ended 30 June 2014**

	Note	June 2014 \$'000	Audited March 2014 \$'000
<b>Non-Current Assets</b>			
Fixed assets		893,051	912,914
Intangible assets	6	178,112	178,112
Retirement benefit assets	7	189,802	189,802
Investment securities		19,417	16,356
<b>Current Assets</b>			
Inventories		56,023	40,658
Receivables	8	456,195	369,923
Taxation recoverable		5,508	5,140
Cash and short term investments		112,520	155,075
		630,246	570,796
<b>Current Liabilities</b>			
Payables		312,751	275,290
Taxation payable		20,197	19,603
		332,948	294,893
<b>Net Current Assets</b>		297,299	275,903
		1,577,680	1,573,087
<b>Stockholders' Equity</b>			
Share capital	9	467,656	467,656
Retained earnings		751,604	736,399
		1,219,260	1,204,055
<b>Non-Current Liabilities</b>			
Finance lease obligations	10	23,872	25,193
Long term loans	11	222,541	231,161
Deferred tax liabilities		58,926	59,597
Retirement benefit obligations	7	53,081	53,081
		1,577,680	1,573,087

Approved for issue by the Board of Directors on 14 August 2014 and signed on its behalf by:

  
 J.A. Lester Spaulding Director

  
 Carl D. Domville Director

**Radio Jamaica Limited**

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**Consolidated Statement of Changes in Equity (Unaudited)**  
**Quarter Ended 30 June 2014**

	Attributable to Stockholders of the Company			Total
	Number of	Share Capital	Retained Earnings	
	Shares			
	'000	\$'000	\$'000	\$'000
<b>Balance at 31 March 2012</b>	350,154	467,656	795,322	1,262,978
Total comprehensive income			(48,058)	(48,058)
Ordinary dividends			(28,034)	(28,034)
<b>Balance at 31 March 2013</b>	350,154	467,656	719,230	1,186,886
Total comprehensive income			17,169	17,169
<b>Balance at 31 March 2014</b>	350,154	467,656	736,399	1,204,055
Total comprehensive income			15,205	15,205
<b>Balance at 30 June 2014</b>	<b>350,154</b>	<b>467,656</b>	<b>751,604</b>	<b>1,219,260</b>
<b>Balance at 31 March 2013</b>	350,154	467,656	719,230	1,186,886
Total comprehensive income			1,637	1,637
<b>Balance at 30 June 2013</b>	<b>350,154</b>	<b>467,656</b>	<b>720,867</b>	<b>1,188,523</b>

**Consolidated Cash Flow (Unaudited)****Quarter Ended 30 June 2014**

	<b>June 2014 \$'000</b>	<b>June 2013 \$'000</b>
<b>CASH RESOURCES WERE (USED IN)/PROVIDED BY:</b>		
<b>Operating Activities</b>		
Net profit/(loss)	15,205	1,637
Items not affecting cash resources	31,771	25,135
	<u>46,976</u>	<u>26,772</u>
Changes in non-cash working capital components	(65,206)	(70,533)
Cash provided by operations	<u>(18,230)</u>	<u>(43,761)</u>
<b>Investing Activities</b>		
Cash used in investing activities	(4,921)	(7,679)
<b>Financing Activities</b>		
Cash used in financing activities	<u>(19,404)</u>	<u>(12,943)</u>
(Decrease)/Increase in cash and cash equivalents	(42,555)	(64,383)
Net cash and cash equivalents at beginning of year	<u>155,075</u>	<u>316,678</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>112,520</u></u>	<u><u>252,295</u></u>

**Company Statement of Comprehensive Income (Unaudited)**  
**Quarter Ended 30 June 2014**

<b>Current Quarter</b> <b>3 Months to</b> <b>30/06/14</b>	<b>Prior Year Quarter</b> <b>3 Months to</b> <b>30/06/13</b>		<b>Year-to-Date Quarter</b> <b>3 Months to</b> <b>30/06/14</b>	<b>Prior Year Quar</b> <b>3 Months to</b> <b>30/06/13</b>
<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
139,326	141,200	<b>Revenue</b>	139,326	141,200
<u>(61,725)</u>	<u>(58,984)</u>	Direct expenses	<u>(61,725)</u>	<u>(58,984)</u>
<b>77,601</b>	<b>82,216</b>	<b>Gross Profit</b>	<b>77,601</b>	<b>82,216</b>
22,908	31,766	Other income	22,908	31,766
(25,898)	(29,105)	Selling expenses	(25,898)	(29,105)
(48,234)	(44,591)	Administration expenses	(48,234)	(44,591)
<u>(32,928)</u>	<u>(37,372)</u>	Other operating expenses	<u>(32,928)</u>	<u>(37,372)</u>
<b>(6,551)</b>	<b>2,914</b>	<b>Operating Profit/(Loss)</b>	<b>(6,551)</b>	<b>2,914</b>
<u>(5,048)</u>	<u>(5,058)</u>	Finance costs	<u>(5,048)</u>	<u>(5,058)</u>
<b>(11,599)</b>	<b>(2,143)</b>	<b>Loss before Taxation</b>	<b>(11,599)</b>	<b>(2,143)</b>
<u>957</u>	<u>448</u>	Taxation	<u>957</u>	<u>448</u>
<b><u>(10,642)</u></b>	<b><u>(1,695)</u></b>	<b>Net Loss/ Total Comprehensive Income</b>	<b><u>(10,642)</u></b>	<b><u>(1,695)</u></b>



**Company Balance Sheet (Unaudited)**  
**Quarter Ended 30 June 2014**

	June 2014 \$'000	Audited March 2014 \$'000
<b>Non-Current Assets</b>		
Fixed assets	277,985	283,943
Retirement benefit asset	157,757	157,757
Investment in subsidiaries	431,924	431,924
Investment securities	19,417	16,356
<b>Current Assets</b>		
Inventories	25,013	10,558
Due from subsidiaries	256,374	275,591
Receivables	181,198	123,138
Taxation recoverable	5,001	4,632
Cash and short term investments	112,136	154,742
	579,722	568,661
<b>Current Liabilities</b>		
Payables	159,560	134,945
<b>Net Current Assets</b>	420,162	433,716
	1,307,245	1,323,696
<b>Equity</b>		
Share capital	467,656	467,656
Retained earnings	602,982	613,624
	1,070,638	1,081,280
<b>Non-Current Liabilities</b>		
Finance lease obligations	12,364	12,860
Long term loans	174,839	179,195
Deferred tax liabilities	12,367	13,324
Retirement benefit obligations	37,037	37,037
	1,307,245	1,323,696

Approved for issue by the Board of Directors on 14 August 2014 and signed on its behalf by:

  
 J.A. Lester Spaulding - Director

  
 Carl D. Domville - Director

**Company Statement of Changes in Equity (Unaudited)**  
**Quarter Ended 30 June 2014**

	Attributable to Stockholders of the Company			Total
	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	\$'000
<b>Balance at 31 March 2012</b>	<b>350,154</b>	<b>467,656</b>	<b>743,866</b>	<b>1,211,522</b>
Total comprehensive income			(52,076)	(52,076)
Ordinary dividends			(28,034)	(28,034)
<b>Balance at 31 March 2013</b>	<b>350,154</b>	<b>467,656</b>	<b>663,756</b>	<b>1,131,412</b>
Total comprehensive income			(50,132)	(50,132)
<b>Balance at 31 March 2014</b>	<b>350,154</b>	<b>467,656</b>	<b>613,624</b>	<b>1,081,280</b>
Total comprehensive income			(10,642)	(10,642)
<b>Balance at 30 June 2014</b>	<b>350,154</b>	<b>467,656</b>	<b>602,982</b>	<b>1,070,638</b>
 <b>Balance at 31 March 2013</b>	 <b>350,154</b>	 <b>467,656</b>	 <b>663,756</b>	 <b>1,131,412</b>
Total comprehensive income			(1,695)	(1,695)
<b>Balance at 30 June 2013</b>	<b>350,154</b>	<b>467,656</b>	<b>662,061</b>	<b>1,129,717</b>

**Company Cash Flow (Unaudited)**  
**Quarter Ended 30 June 2014**

	<b>June 2014 \$'000</b>	<b>June 2013 \$'000</b>
<b>Cash Flows from Operating Activities</b>		
<b>Operating Activities</b>	(10,642)	(1,695)
Items not affecting cash resources	8,265	10,373
	<u>(2,377)</u>	<u>8,678</u>
Changes in non-cash working capital components	<u>(29,139)</u>	<u>(154,107)</u>
Cash provided by operating activities	(31,516)	(145,429)
<b>Investing Activities</b>		
Cash (used in)/ provided by investing activities	578	(2,601)
<b>Financing Activities</b>		
Net cash used in financing activities	<u>(11,668)</u>	<u>(10,947)</u>
(Decrease)/Increase in cash and cash equivalents	(42,606)	(158,977)
Cash and cash equivalents at beginning of year	<u>154,742</u>	<u>316,270</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><u>112,136</u></u>	<u><u>157,293</u></u>

**Segment Report (Unaudited)**  
**Quarter Ended 30 June 2014**

	<b>Audio Visual</b>	<b>Radio and Other</b>	<b>Sub-total</b>	<b>Eliminations</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>JUNE 2014</b>					
Revenues	359,137	159,785	518,923	(33,072)	485,851
Operating profit	25,927	(3,928)	22,000	730	22,730
Assets	1,091,739	1,581,781	2,673,519	(762,891)	1,910,628
Liabilities	667,307	408,594	1,075,901	(384,533)	691,368
Capital expenditure	5,957	1,086	7,043		7,043
Depreciation	19,534	7,282	26,816		26,816
Finance costs	1,972	5,054	7,026		7,026

<b>JUNE 2013</b>					
Revenues	297,524	157,169	454,693	(13,784)	440,909
Operating Profit	4,398	5,239	9,637	(3,904)	5,733
Assets	909,377	1,631,459	2,540,836	(802,006)	1,738,830
Liabilities	493,160	396,191	889,351	(355,943)	533,408
Capital expenditure	5,472	5,041	10,513		10,513
Depreciation & amortisation	15,846	8,290	24,136		24,136
Finance costs	371	5,063	5,434		5,434



**Notes to the financial statements**  
**Quarter Ended 30 June 2014****NOTES**

1. This condensed consolidated interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the last audited annual consolidated financial statements as at and for the year ended March 2013. The accounting policies followed in the interim financial statements are consistent with the most recent annual report.
2. Revenue comprises the sale of airtime, programme material, web fees and the rental of studios and equipment, net of General Consumption Tax.
3. Other operating income represents interest income, net foreign exchange (losses)/gains, profit on sale of fixed assets, net unrealized losses/gains on revaluation of investment securities classified at fair value through profit and loss, road parties and rental income
4. Taxation expense in the statement of comprehensive income comprises current and deferred tax amounts.

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 not 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 are enacted at the reporting date.

Deferred tax is 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, and their carrying amounts in the financial statements.

5. The calculation of earnings per stock unit is based on net profit and 350,153,891 weighted average ordinary stock units in issue.
6. The amount of \$178,112,000 represents the paid portion of our 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.
7. Employee benefits - 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 valued annually by independent actuaries.

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 were managed by First Global Financial Services that was taken over by Proven Limited and who now has the responsibilities for the general management of the portfolio of investments and the administration of the fund.

8. Receivables consists of trade receivables, prepayments and other receivables
9. Share capital includes treasury shares that are held by the RJR Employee Share Scheme. There are no outstanding share options arising from the provisions of this scheme.
10. The group entered into finance lease arrangements with the Staff Pension Scheme of Radio Jamaica Limited for the acquisition of motor vehicles. The group's obligation under these leases have been recorded at amounts equal to the value of future lease payments using interest rates implicit in the leases.
11. The loans are secured and are repayable on a monthly basis.