Radio Jamaica Limited

Financial Statements
31 March 2016

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Independent Auditor's 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 69, which comprise the consolidated balance sheet as at 31 March 2016 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information and the accompanying financial statements of Radio Jamaica Limited standing alone, which comprise the balance sheet as at 31 March 2016 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising 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.

Auditor's 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.

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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 2016, 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
20 July 2016
Kingston, Jamaica

Radio Jamaica Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2016

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2016 $'000	2015 $'000
Revenue		2,306,827	2,049,050
Direct expenses		(1,017,089)	(863,615)
Gross Profit		1,289,738	1,185,435
Other operating income	5	102,758	113,446
Selling expenses		(384,570)	(331,824)
Administration expenses		(921,009)	(468,817)
Other operating expenses		(319,857)	(333,547)
Operating (Loss)/Profit		(232,940)	164,693
Finance costs	8	(18,664)	(25,724)
(Loss)/Profit before Taxation		(251,604)	138,969
Taxation	9	26,803	(25,695)
Net (Loss)/Profit		(224,801)	113,274
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	9	(19,902)	10,699
TOTAL COMPREHENSIVE INCOME		(244,703)	123,973
Earnings per Ordinary Stock Unit Attributable to Stockholders of the Company	12	($0.18)	$0.09

Radio Jamaica Limited
Consolidated Balance Sheet
31 March 2016
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2016 $'000	2015 $'000
Non-Current Assets			
Fixed assets	13	1,135,178	839,480
Intangible assets	14	536,188	22,404
Deferred tax assets	16	73,144	-
Retirement benefit assets	15	177,115	226,432
Long term receivables		763	-
Investment securities	18	497,419	19,353
		2,419,807	1,107,669
Current Assets			
Inventories	19	145,716	25,485
Receivables	22	880,093	379,046
Taxation recoverable		52,348	8,898
Cash and short term investments	23	546,742	457,849
		1,624,899	871,278
Current Liabilities			
Bank overdraft	23	22,201	-
Payables	24	1,051,957	282,641
Taxation payable		35,866	32,468
		1,110,024	315,109
Net Current Assets		514,875	556,169
		2,934,682	1,663,838

Radio Jamaica Limited

Consolidated Balance Sheet (Continued)

31 March 2016

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2016 $'000	2015 $'000
Stockholders' Equity			
Share capital	25	2,041,078	467,656
Retained earnings		382,492	842,810
		2,423,570	1,310,466
Non-controlling interests			
Total Equity		127	-
		2,423,697	1,310,466
Non-Current Liabilities			
Finance lease obligations	26	93,658	25,545
Long term loans	26	112,098	194,637
Deferred tax liabilities	16	142,395	65,187
Retirement benefit obligations	15	162,834	68,003
Total Non-Current Liabilities		510,985	353,372
		2,934,682	1,663,838

Approved for issue by the Board of Directors on 20 July 2016 and signed on its behalf by:

J.A. Lester Spaulding — Director

Carl Domville — Director

Radio Jamaica Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2016

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital $'000	Retained Earnings $'000	Equity Owners' Total $'000	Non-controlling Interests Total $'000	Grand Total $'000
Balance at 1 April 2014		350,154	467,656	736,399	1,204,055	-	1,204,055
Total comprehensive income			-	123,973	123,973	-	123,973
Ordinary dividends		-	-	(17,562)	(17,562)	-	(17,562)
Balance at 31 March 2015		350,154	467,656	842,810	1,310,466	-	1,310,466
Total comprehensive income		-	-	(244,703)	(244,703)	-	(244,703)
Transactions with owners -							
Issue of shares	25	1,211,244	1,392,930	-	1,392,930	-	1,392,930
Bonus issue/stock split of shares	25	836,285	180,492	(180,492)	-	-	-
Ordinary dividends	11	-	-	(35,123)	(35,123)	-	(35,123)
Arising on business combination - minority interest		-	-	-	-	127	127
		2,047,529	1,573,422	(215,615)	1,357,807	127	1,357,934
Balance at 31 March 2016		2,397,683	2,041,078	382,492	2,423,570	127	2,423,697

Radio Jamaica Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2016

(expressed in Jamaican dollars unless otherwise indicated)

	2016 $'000	2015 $'000
Cash Flows from Operating Activities		
Net (loss)/profit	(224,801)	113,274
Items not affecting cash:		
Depreciation and amortisation	146,900	129,690
Gain on disposal of fixed assets	(3,544)	(5,192)
Spares utilised	3,495	3,748
Interest income	(13,318)	(6,223)
Interest expense	18,664	25,724
Income tax (credit)/charge	(26,803)	25,695
Exchange gain on foreign currency balances	(1,584)	(41,813)
Retirement benefits	23,099	(11,009)
Revaluation of investment securities	102	(2,997)
	(77,790)	230,897
Changes in operating assets and liabilities:		
Inventories	9,003	15,173
Receivables	(1,118)	(9,123)
Payables	402,925	1,654
	333,020	238,601
Income tax paid	(48,170)	(10,998)
Net cash provided by operating activities	284,850	227,603
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	3,544	5,312
Purchase of fixed assets and intangibles(1)	(192,439)	(71,945)
Refund of/Part payment on broadcast rights	-	216,827
Interest received	13,318	6,223
Cash inflow from business combination	38,338	-
Net cash (used in)/provided by investing activities	(137,239)	156,417
Cash Flows from Financing Activities		
Non-controlling interest on business combination	127	-
Loans repaid	(140,112)	(35,348)
Principal lease repayments	(22,948)	(6,957)
Interest paid	(18,684)	(24,477)
Dividends paid	(35,123)	(17,562)
Net cash used in financing activities	(216,720)	(84,344)
(Decrease)/increase in cash and cash equivalents	(69,109)	299,676
Exchange gains on cash and cash equivalents	1,584	3,098
Cash and cash equivalents at beginning of year	457,849	155,075
Cash and Cash Equivalents at End of Year (Note 23)	390,324	457,849

(1) The principal non-cash transaction was the acquisition of fixed assets under finance lease of $37,011,000 (2015- $10,583,000).

Radio Jamaica Limited
Company Statement of Comprehensive Income
Year ended 31 March 2016
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2016 $'000	2015 $'000
Revenue		566,978	554,065
Direct expenses		(240,432)	(238,924)
Gross Profit		326,546	315,141
Other operating income	5	202,359	122,317
Selling expenses		(147,430)	(124,047)
Administration expenses		(373,674)	(192,061)
Other operating expenses		(119,396)	(124,032)
Operating Loss		(111,595)	(2,682)
Finance costs	8	(10,386)	(18,958)
Loss before Taxation		(121,981)	(21,640)
Taxation	9	31,500	8,476
Net Loss		(90,481)	(13,164)
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	9	(23,179)	9,570
TOTAL COMPREHENSIVE INCOME		(113,660)	(3,594)

Radio Jamaica Limited
Company Balance Sheet
31 March 2016
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2016 $'000	2015 $'000
Non-Current Assets			
Fixed assets	13	262,615	269,201
Intangible assets	14	6,075	9,158
Retirement benefit asset	15	141,300	185,565
Deferred tax asset	16	31,186	-
Investment in subsidiaries	17	1,824,854	431,924
Investment securities	18	19,251	19,353
		2,285,283	915,201
Current Assets			
Inventories	19	6,279	5,674
Due from subsidiaries	20	-	782
Receivables	22	115,536	122,346
Taxation recoverable		9,183	5,785
Cash and short term investments	23	351,581	457,540
		482,579	592,127
Current Liabilities			
Payables	24	243,701	133,440
Due to subsidiaries	20	120,902	88,003
		364,603	221,443
Net Current Assets		117,976	370,684
		2,403,259	1,285,885
Equity			
Share capital	25	2,041,078	467,656
Retained earnings		263,193	592,468
		2,304,271	1,060,124
Non-Current Liabilities			
Finance lease obligations	26	-	10,182
Long term loans	26	52,425	161,193
Deferred tax liabilities	16	-	8,038
Retirement benefit obligations	15	46,563	46,348
		98,988	225,761
		2,403,259	1,285,885

Approved for issue by the Board of Directors on 20 July 2016 and signed on its behalf by:

J.A. Lester Spaulding — Director

Carl Domville — Director

Radio Jamaica Limited

Company Statement of Changes in Equity

Year ended 31 March 2016

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2014		350,154	467,656	613,624	1,081,280
Total comprehensive income		-	-	(3,594)	(3,594)
Ordinary dividends		-	-	(17,562)	(17,562)
Balance at 31 March 2015		350,154	467,656	592,468	1,060,124
Total comprehensive income		-	-	(113,660)	(113,660)
Transactions with owners -					
Bonus issue/stock split	25	836,285	180,492	(180,492)	-
Issue of shares	25	1,211,244	1,392,930	-	1,392,930
Ordinary dividends	11	-	-	(35,123)	(35,123)
		2,047,529	1,573,422	(215,615)	1,357,807
Balance at 31 March 2016		2,397,683	2,041,078	263,193	2,304,271

Radio Jamaica Limited
Company Statement of Cash Flows
Year ended 31 March 2016
(expressed in Jamaican dollars unless otherwise indicated)

	2016 $'000	2015 $'000
Cash Flows from Operating Activities		
Net loss	(90,481)	(13,164)
Items not affecting cash:		
Depreciation and amortisation	28,781	32,116
Fixed asset adjustment	(125)	-
Gain on disposal of fixed assets	(3,469)	(3)
Spares utilised	171	1,005
Interest income	(12,739)	(5,008)
Interest expense	10,386	18,563
Income tax	(31,500)	(8,476)
Exchange gain on foreign currency balances	(1,584)	(41,813)
Retirement benefits	13,574	(8,927)
Revaluation of investment securities	102	(2,997)
	(86,884)	(28,704)
Changes in operating assets and liabilities:		
Inventories	(605)	4,884
Due from subsidiaries (1)	33,682	401,527
Receivables	6,810	792
Payables	125,867	(3,128)
	78,870	375,371
Income tax paid/recoverable	(3,398)	2,037
Net cash provided by operating activities	75,472	377,408
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	3,469	124
Purchase of fixed assets	(19,158)	(27,658)
Interest received	12,739	5,008
Net cash used in investing activities	(2,950)	(22,526)
Cash Flows from Financing Activities		
Loans repaid	(121,589)	(17,902)
Principal lease repayments	(12,967)	(2,402)
Interest paid	(10,386)	(17,316)
Dividends paid	(35,123)	(17,562)
Net cash used in financing activities	(180,065)	(55,182)
(Decrease)/increase in cash and cash equivalents	(107,543)	299,700
Exchange gains on cash and cash equivalents	1,584	3,098
Cash and cash equivalents at beginning of year	457,540	154,742
Cash and Cash Equivalents at End of Year (Note 23)	351,581	457,540

(1) The principal non cash transaction was the offset of dividend declared by subsidiaries totalling $94,450,000 against the intercompany payable balance.

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2016
(expressed in Jamaican dollars unless otherwise indicated)

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, publication of news in print and digital media and radio stations.

On 24 March 2016, the company acquired The Gleaner Company (Media) Limited (GCML) and its subsidiaries, collectively referred to as "The GCML Group" through a Court approved Scheme of Arrangement for Amalgamation (Scheme). The principal activities of The GCML Group are the publication of news in print and digital media as well as radio broadcasting. The GCML Group was established on 2 June 2015, when The Gleaner Company Limited (GCL) conducted a restructuring exercise to hive off its media business which was concluded on 29 September 2015.

GCL by transfer of shares dated 16 March 2016 transferred One Billion Two Hundred and Eleven Million Two Hundred and Forty Three Thousand Eight Hundred and Twenty Seven (1,211,243,827) ordinary shares of GCML to RJR. In exchange for the ordinary shares of GCML , RJR alloted and issued One Billion Two Hundred and Eleven Million Two Hundred and Forty Three Thousand Eight Hundred and Twenty Seven (1,211,243,827) ordinary shares of RJR credited as paid in full, to the GCL shareholders on 24 March 2016, on the basis of one ordinary share of RJR for every one ordinary share held by a shareholder of Gleaner on the record date and upon the terms and subject to the conditions and for the consideration contained in the Scheme. The record date for purposes of the issue of RJR ordinary shares to GCL shareholders pursuant to the Scheme is 22 March 2016.

The GCML Group was consolidated at 31 March 2016.

GCL subsequently changed its name to 1834 Investments Limited, with its core business as investments and is restricted for two years from competing with RJR media operations.

The nominated Directors from 1834 Investments Limited were appointed to the RJR Board on March 31, 2016.

The company's subsidiaries are as follows:

	2016	2015
Television Jamaica Limited	100%	100%
Multi-Media Jamaica Limited	100%	100%
Media Plus Limited, and its subsidiaries –	100%	100%
Reggae Entertainment Television Limited	100%	100%
Jamaica News Network Limited	100%	100%
The Gleaner Company (Media) Limited	100%	Nil
The Gleaner Company (USA) Limited	100%	Nil
Independent Radio Company Limited	100%	Nil
A-Plus Learning Limited	50%	Nil
The Gleaner Online Limited	100%	Nil
The Gleaner Company (UK) Limited	100%	Nil
Gleaner Media (Canada) Inc.	100%	Nil

The subsidiaries are incorporated and domiciled in Jamaica, with the exception of Media Plus Limited, The Gleaner Company (USA) Limited, The Gleaner Company (UK) Limited, and Gleaner Media (Canada) Inc, which , are incorporated and domiciled in St. Lucia, United States of America, the United Kingdom and Canada, respectively.

Radio Jamaica Limited

Notes to the Financial Statements
31 March 2016
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant 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 fair value through profit or loss 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.

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.

IAS 19 (Amendment) – 'Defined Benefit Plans: Employee Contributions', (effective for annual periods beginning 1 July 2014). The amendment allows entitles to recognise employee contributions as a reduction in the service cost in the period in which the related employee service is rendered, instead of attributing the contributions to the periods of service, if the amount of the employee contributions is independent of the number of years of service. The amendment did not have a significant impact on the Group financial statements.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are effective during the year and are relevant to the Group (continued)

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Group's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 8, 'Operating Segments'. The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconcillation of segment assets to the entity's assets when segment assets are reported. The amendment did not have a significant impact on the group financial statements.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the group financial statements.

- IAS 24, 'Related Party Disclosures'. Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the group financial statements.

There were no other new standards, amendments to and interpretations of existing standards that have been published that became effective during the Group's current financial year.

2. **Summary of Significant 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 2016 or later periods, but the Group has not early adopted them:

- Amendment to IAS 1, 'Disclosure initiative' (effective for accounting periods beginning on or after 1 January 2016). These amendments clarify the existing requirements of IAS 1 and provide additional assistance to apply judgement when meeting the presentation and disclosure requirements in IFRS. The amendment does not affect recognition and measurement and is effective for accounting periods beginning on or after 1 January 2016. The amendment is not expected to have a significant impact on the financial statements.

- Amendment to IFRS 15, 'Revenue from contracts with customers' (effective for accounting periods beginning on or after 1 January 2018). These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). The IASB has also included additional practical expedients related to transition to the new revenue standard.

- IAS 7, 'Disclosure Initiative – Amendments' (effective for accounting periods beginning on or after 1 January 2017). Going forward, entities will be required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (eg drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. Entities may include changes in other items as part of this disclosure, for example by providing a 'net debt' reconciliation. However, in this case the changes in the other items must be disclosed separately from the changes in liabilities arising from financing activities. The information may be disclosed in tabular format as a reconciliation from opening and closing balances, but a specific format is not mandated.

2. Summary of Significant 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 (Continued)

- IAS 12, 'Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12 (effective for accounting periods beginning on or after 1 January 2017).

  Amendments made to IAS 12 clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

  A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.

  An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.

  Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.

  Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets.

- IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets (effective for accounting periods beginning on or after 1 January 2016). Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is to be restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of two ways. The gross carrying amount may restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. Alternatively, the accumulated depreciation may be eliminated against the gross carrying amount of the asset.

Radio Jamaica Limited

Notes to the Financial Statements
31 March 2016
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant 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 (Continued)

- IFRS 9, 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2018). This addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption.

- IFRS 15, 'Revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2018). 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. It also requires 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 2018. The Group is assessing the impact of future adoption of the standard.

- IFRS 16, 'Leases', (effective for annual periods beginning on or after 1 January 2019). In January 2016, the IASB published IFRS 16 which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption for lessees for certain short-term leases and leases of low-value assets.

Radio Jamaica Limited
Notes to the Financial Statements
31 March 2016
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant 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 (Continued)

IASB Annual Improvements -
The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the Group's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The Group is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 19 (Revised), 'Employee benefits'. The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds or not is based on corporate bonds in that currency, and not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used.

- IAS 34, 'Interim financial reporting'. The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment further amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information.

There are no other IFRS or IFRIC interpretations that are published but not yet effective that would be expected to have an impact on the accounting policies or financial disclosures of the Group.

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Change in ownership interests
The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Radio Jamaica Limited.

2. Summary of Significant Accounting Policies (Continued)

(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 consolidated financial statements are presented in Jamaican dollars, which is the company'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.

Group companies
The results and financial position of all Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at exchange rates ruling at the reporting date.
(ii) Income and expenses for each income statement are translated at average exchange rates.

(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.

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

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

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

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2. Summary of Significant 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 Significant 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 to 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.

2. Summary of Significant 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 of 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% and 5%
Improvements to leasehold property	2.5%
Furniture, fixtures & equipment	5 - 33⅓%
Motor vehicles	10 - 25%
Spares	20%

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.

2. Summary of Significant Accounting Policies (Continued)

(h) Intangible assets

Goodwill
Goodwill is recorded at costs and represents the excess of the value of consideration paid over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. 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 that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

Broadcast rights

Broadcast rights acquired are recognised at fair value at the acquisition date and are subsequently measured at cost. 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.

Computer software

This represents acquired computer software licences, which are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

Brand and Lease
The brand and lease arising on acquisition of GCML are shown at historical cost less amortisation and impairment and are deemed to have a finite useful life. The lease is in respect of the rental of properties at rates below market rate for a period of 15 years. Amortisation is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives of 15 years.

(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.

2. Summary of Significant Accounting Policies (Continued)

(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 other comprehensive income in the period in which they arise.

The acquired entity operates a defined-contribution pension scheme; the assets of which were held separately from those of the Group.

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.

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2. Summary of Significant Accounting Policies (Continued)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value, for film, books and other actual costs are used while average cost are used for the other categories.

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.

(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.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature

2. Summary of Significant Accounting Policies (Continued)

(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:

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.

3. Financial Risk Management (Continued)

Department of Finance and Administration (continued)

(a) Credit risk (continued)

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 Department 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.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position without taking into account any collateral or any credit enhancements.

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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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Advertising agencies	290,351	149,784	30,907	33,856
Direct customers	181,583	179,780	54,417	58,389
Other	368,162	-	-	-
	840,096	329,564	85,324	92,245
Less: Provision for impairment	(125,668)	(22,610)	(11,792)	(8,200)
	714,428	306,954	73,532	84,045

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 $127,232,000 (2015 – $43,066,000) and $10,101,000 (2015 – $12,670,000), 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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
30 – 60 days	45,901	2,600	939	-
60 – 90 days	24,004	4,381	5,612	805
Greater than 90 days	57,327	36,085	3,550	11,865
	127,232	43,066	10,101	12,670

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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 $133,981,000 (2015 – $32,930,000) for the group and $18,920,000 (2015 – $18,520,000) 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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
At 1 April	32,930	31,224	18,520	21,480
Provision for receivables impairment	8,362	13,195	3,533	5,203
Receivables written off during the year as uncollectible	(4,922)	(1,696)	(1,248)	(696)
Unused amounts reversed/recovered	(2,670)	(9,793)	(1,885)	(7,467)
Acquired on acquisition of subsidiary	100,281	-	-	-
At 31 March	133,981	32,930	18,920	18,520

The provision includes amount relating to other receivables of $8,313,000 (2015 – $10,320,000) and $7,128,000 (2015 -$10,320,000) for the group and the company respectively.

(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; and

(iv) Optimising cash returns on investment.

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Cash flows of financial liabilities
Trade payables and balances due to subsidiaries 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
	2016			
Finance lease obligations	47,291	71,292	80,322	198,905
Long term loans	61,361	117,689	68,726	247,776
	108,652	188,981	149,048	446,681
	2015			
Finance lease obligations	11,803	26,884	-	38,687
Long term loans	55,752	160,516	89,338	305,606
	67,555	187,400	89,338	344,293

	The Company			
	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000
	2016			
Long term loans	11,463	57,317	67,825	136,605
	2015			
Finance lease obligations	4,014	12,226	-	16,240
Long term loans	34,615	125,288	89,338	249,241
	38,629	137,514	89,338	265,481

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

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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, British pound and Canadian dollar, from commercial transactions such as the purchase of investment securities and station equipment, and the recognised assets and liabilities arising there from. 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.

At 31 March 2016, the group and company had net USD dominated monetary assets carried at a Jamaican Dollar equivalent of $822,275,574 (2015 – $281,168,000) and $232,714,000 (2015 – $268,832,000) respectively. The group also had net GBP and CAD dominated monetary assets carried at a Jamaican Dollar equivalent of $9,550,000 (2015 – $Nil) and $1,883,340 (2015 – $Nil) respectively.

Foreign currency sensitivity

The sensitivity analysis represents the impact on the profit or loss due to the movement in the US dollar, GPB and CAD exchange rate. If the rate adjusts for a 1% revaluation and 6% devaluation (2015 – 1% revaluation and 10% devaluation).

US dollar - The pre-tax impact on the profit or loss would amount to ($8,223,000) – revaluation, $49,337,000 – devaluation (2015 – ($2,812,000)/$28,117,000) and ($2,327,000) – revaluation and $13,963,000 – devaluation (2015 – ($2,688,000)/$26,883,000) for the group and the company respectively.

GPB -The pre-tax impact on the profit or loss would amount to ($95,500) – revaluation, $573,000 – devaluation (2015 – ($Nil) for the group.

CAD - The pre-tax impact on the profit or loss would amount to ($19,000) – revaluation, $113,000 – devaluation (2015 – ($Nil) for the group.

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. Government of Jamaica securities and investments notes are valued using a pricing input and yields from acceptable broker yield curve. At 31 March 2016, these instruments are quoted investment securities, Government of Jamaica securities and investment notes (Note 18), 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 Government of Jamaica 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.

Purchase price allocation

In a business combination, the acquirer must allocate the cost of the business combination at the acquisition date by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at fair value at that date. The allocation is based upon certain valuations and other studies performed with the assistance of external valuation specialists. Due to the underlying assumptions made in the valuation process, the determination of those fair values requires estimations of the effects of uncertain future events at the acquisition date and the carrying amounts of some assets, such as intangible assets, acquired through a business combination could therefore differ significantly in the future.

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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 2016, unrecognised deferred tax assets in respect of tax losses carried forward amounted to $61,378,000 (2015 – $66,172,000).

5. Other Operating Income

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Interest income	13,318	6,223	12,739	5,008
Dividend income	-	-	94,450	-
Net foreign exchange gains	14,824	38,953	15,429	41,805
Unrealised (loss)/gain on revaluation of investment securities classified as financial assets at fair value through profit or loss	(102)	2,997	(102)	2,997
Gain on disposal of fixed assets	4,544	5,192	3,469	3
Rental income	49,644	49,473	64,573	64,382
Compensation for damages	5,505	3,779	2,930	3,779
Other income	15,025	6,829	8,871	4,343
	102,758	113,446	202,359	122,317

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6. Expenses by Nature

Total direct, selling, administration and other operating expenses:

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Auditors' remuneration	8,573	7,174	4,246	3,571
Commissions	171,478	163,116	34,091	38,471
Depreciation and amortisation	146,900	129,690	28,781	32,116
Distribution costs	-	1,266	-	-
Insurance	53,765	58,674	17,534	19,120
Programming expenses	86,937	88,191	19,186	19,550
Publicity	93,068	40,019	53,818	20,195
Repairs and maintenance	115,843	93,052	29,345	30,482
Special events	189,445	143,393	6,311	7,747
Staff costs (Note 7)	1,182,665	857,126	443,769	336,854
Utilities	139,597	176,845	39,080	52,516
Other	454,254	239,257	204,771	118,442
	2,642,525	1,997,803	880,932	679,064

7. Staff Costs

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Wages and salaries	799,568	736,291	275,980	275,558
Statutory contributions	79,359	67,465	34,967	34,967
Pension benefits (Note 15)	11,549	10,446	5,667	5,124
Other retirement benefits (Note 15)	14,698	8,639	10,214	6,086
Restructuring costs	229,761	745	93,761	-
Other	47,730	33,540	23,180	15,119
	1,182,665	857,126	443,769	336,854

8. Finance Costs

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Interest expense –				
Bank borrowings	12,110	20,820	9,496	17,130
Finance leases	5,533	3,685	530	1,433
Other	1,021	1,219	360	395
	18,664	25,724	10,386	18,958

9. Taxation Expense

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

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Current tax	14,038	36,945	-	-
Prior year over accrual	-	(13,273)	-	-
Deferred tax (Note 16)	(40,841)	2,023	(31,500)	(8,476)
	(26,803)	25,695	(31,500)	(8,476)

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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	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
(Loss)/Profit before taxation	(251,604)	138,969	(121,981)	(21,640)
Tax calculated at a tax rate of 25%	(62,901)	34,742	(30,495)	(5,410)
Adjusted for the effects of :				
Income not subject to tax	(250)	(749)	(23,613)	(749)
Expenses not deductible for tax purposes	38,814	411	21,511	245
Recognition of previously unrecognised deferred taxes	832	-	832	-
Tax losses utilised	(1,998)	-	-	-
Other	(1,300)	(8,709)	265	(2,562)
	(26,803)	25,695	(31,500)	(8,476)

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

		Group		
		Before Tax	Tax Effect	After Tax
		$'000	$'000	$'000
Remeasurements of post-employment benefit liabilities (Note 15)	2016	(26,536)	6,634	(19,902)
Remeasurements of post-employment benefit liabilities (Note 15)	2015	14,266	(3,567)	10,699

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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 (Note 15)	**2016**	(30,905)	7,726	(23,179)
Remeasurements of post-employment benefit liabilities (Note 15)	**2015**	12,760	(3,190)	9,570

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:

	2016 $'000	**2015 $'000**
The company	(90,481)	(13,164)
The subsidiaries	(134,320)	126,438
	(224,801)	113,274

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

	2016 $'000	**2015 $'000**
The company	263,193	592,468
The subsidiaries	119,299	250,342
	382,492	842,810

11. Ordinary Dividends

	2016	**2015**
	$'000	**$'000**
Interim dividends – 10 cents (2015 – 5 cents) per stock unit	35,123	17,562

Radio Jamaica Limited
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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.

The Basic earnings per ordinary stock unit for 2015 has been restated after taking into consideration the bonus issue/stock split of shares (Note 25).

	2016	2015
Net (loss)/profit attributable to stockholders $'000	(224,801)	113,274
Weighted average number of ordinary stock units in issue ('000) prior to acquisition	350,154	350,154
Bonus issue/stock split of shares	861,090	861,090
Issue of shares	23,229	-
Weighted average number of ordinary stock units in issue ('000) after acquisition	1,234,473	1,211,244
Basic earnings per ordinary stock unit	($0.18)	$0.09

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13. Fixed Assets

	The Group								
	Freehold Land	Freehold Buildings	Improvements to Leasehold Property	Furniture, Fixtures & Equipment	Motor Vehicles	Spares	Leased operating assets	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost -									
1 April 2014	5,516	346,153	117,516	1,306,566	111,902	23,258	-	122,702	2,033,613
Additions	-	-	-	54,526	10,584	7,861	-	9,557	82,528
Disposals	-	-	-	(544)	(7,210)	-	-	-	(7,754)
Utilisation	-		-	-	-	(5,198)	-	-	(5,198)
Transfers	-	-	-	108,812	-	-	-	(131,687)	(22,875)
31 March 2015	5,516	346,153	117,516	1,469,360	115,276	25,921	-	572	2,080,314
Additions	-	2,177	16,951	44,733	40,899	12,184	-	45,462	162,406
Net fair value of asset acquired (Note 29)	51,015	39,300	-	156,447	23,250	-	1,838	-	271,850
Disposals	-	-	(265)	(8,926)	(8,979)	-	-	-	(18,170)
Utilisation	-	-	-	-	-	(5,739)	-	-	(5,739)
Transfers	-	-	378	16,120	(498)	-	-	(17,286)	(1,286)
31 March 2016	56,531	387,630	134,580	1,677,734	169,948	32,366	1,838	28,748	2,489,375

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13. Fixed Assets (Continued)

	The Group								
	Freehold Land	Freehold Buildings	Improvements to Leasehold Property	Furniture, Fixtures & Equipment	Motor Vehicles	Spares	Leased operating assets	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost -									
31 March 2015	5,516	346,153	117,516	1,469,360	115,276	25,921	-	572	2,080,314
31 March 2016	56,531	387,630	134,580	1,677,734	169,948	32,366	1,838	28,748	2,489,375
Depreciation -									
1 April 2014	-	91,757	11,194	943,504	62,581	11,663	-	-	1,120,699
Charge for the year	-	8,411	630	101,925	13,997	4,256	-	-	129,219
Relieved on disposals /utilization	-	-	-	(424)	(7,210)	(1,450)	-	-	(9,084)
31 March 2015	-	100,168	11,824	1,045,005	69,368	14,469	-	-	1,240,834
Charge for the year	-	8,401	15,370	89,576	18,306	2,124	-	-	133,777
Relieved on disposals/ utilization	-	-	(265)	(8,926)	(9,306)	(1,917)	-	-	(20,414)
31 March 2016	-	108,569	26,929	1,125,655	78,368	14,676	-	-	1,354,197
Net Book Value -									
31 March 2016	56,531	279,061	107,651	552,079	91,580	17,690	1,838	28,748	1,135,178
31 March 2015	5,516	245,985	105,692	424,355	45,908	11,452	-	572	839,480

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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 2014	5,516	289,360	344,407	36,310	10,535	8,818	694,946
Additions	-	-	24,940	-	1,995	723	27,658
Disposals	-	-	(291)	-	-	-	(291)
Transfers	-	-	-	-	-	(9,251)	(9,251)
Utilisation	-	-	-	-	(1,493)	-	(1,493)
31 March 2015	5,516	289,360	369,056	36,310	11,037	290	711,569
Additions	-	-	7,706	-	788	10,991	19,485
Disposals	-	-	(265)	(8,926)	-	-	(9,191)
Transfers	-	-	-	-	-	(202)	(202)
Utilisation	-	-	-	-	(498)	-	(498)
31 March 2016	5,516	289,360	376,497	27,384	11,327	11,079	721,163
Depreciation -							
1 April 2014	-	78,980	307,955	18,456	5,612	-	411,003
Charge for the year	-	6,993	18,019	5,168	1,843	-	32,023
Relieved on disposals/utilization	-	-	(171)	-	(487)	-	(658)
31 March 2015	-	85,973	325,803	23,624	6,968	-	442,368
Charge for the year	-	6,974	11,926	4,532	2,266	-	25,698
Relieved on disposals/utilisation	-	-	(265)	(8,926)	(327)	-	(9,518)
31 March 2016	-	92,947	337,464	19,230	8,907	-	458,548
Net Book Value -							
31 March 2016	5,516	196,413	39,033	8,154	2,420	11,079	262,615
31 March 2015	5,516	203,387	43,253	12,686	4,069	290	269,201

The tables above include carrying values of $81,592,000 (2015: $32,103,000) and $Nil (2015: 19,871,000) for the Group and the company, respectively, representing assets being acquired under finance leases. All amounts related to finance leases are shown mainly in the 'Motor Vehicles' category of fixed assets.

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14. Intangible Assets

	The Group						
	Note	Goodwill	Broadcasting Rights	Brand	Leases	Computer Software	Total
		$'000	$'000		$'000	$'000	$'000
Cost -							
1 April 2014		-	178,112	-	-	-	178,112
Reversal		-	(178,112)	-	-	-	(178,112)
Transfer from Fixed asset		-	-	-	-	22,875	22,875
31 March 2015		-	-	-	-	22,875	22,875
Additions		-	41,395	-	-	26,935	68,330
Fair value of asset acquired	29	75,002	-	221,100	141,800	20,675	458,577
31 March 2016		75,002	41,395	221,100	141,800	70,485	549,782
Amortisation -							
1 April 2014		-	-	-	-	-	-
Amortisation charge		-	-	-	-	471	471
31 March 2015		-	-	-	-	471	471
Amortisation charge		-	-	-	-	13,123	13,123
31 March 2016		-	-	-	-	13,594	13,594
Net Book Value							
31 March 2016		82,072	41,395	221,100	141,800	56,891	536,188
31 March 2015		-	-	-	-	22,404	22,404

Broadcast rights
The amount of $178,112,000 in prior year represented the exclusive rights to broadcast FIFA events for the period 2015 to 2022. However, the owner of the broadcast rights defaulted on the contract with FIFA which automatically cancelled the Group's broadcast rights to those FIFA events. The progress payments by the Group of US$1.9M was returned in full prior to 31 March 2015.

During the year the company acquired rights to broadcast FIFA events for the period 2016 to 2018 from the new rights holder.

Brand/Lease
These arose on the acquisition of GCML and represents the Gleaner brand as well as rental of properties at rental rates below market value for a period of 15 years.

Goodwill
This arose on the acquisition of GCML and is attributable to the years of creation and maintenance of internal and external business relationships, operational contracts, operating systems and general business operations. Goodwill is allocated to the print and other segment. Goodwill is assessed annually for impairment or when events or changes in circumstances indicate the carrying value may be impaired.

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14. Intangible Assets (Continued)

	Company
	Computer Software
	$'000
Cost -	
31 March 2015 and 2016	9,251
Amortisation -	
31 March 2015	93
Amortisation charge	3,083
31 March 2016	3,176
Net Book Value	
31 March 2016	6,075
31 March 2015	9,158

15. Retirement Benefits

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Amounts recognised in the balance sheet –				
Pension schemes	177,115	226,432	141,300	185,565
Other retirement benefits	(162,835)	(68,003)	(46,531)	(46,348)
Amounts recognised in profit or loss –				
Pension schemes (Note 7)	11,549	10,446	5,667	5,124
Other retirement benefits (Note 7)	14,698	8,639	7,547	6,086
Amounts recognised in other comprehensive income –				
Pension schemes	(39,319)	21,684	(39,611)	16,926
Other retirement benefits	12,783	(7,418)	8,706	(4,166)
Deferred tax	6,634	(3,567)	7,726	(3,190)

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 15% of pensionable salaries, being 5% by members and 10% by the sponsoring entity. Members may contribute up to an additional 5%.

During the year, the Board of Directors of the Sponsoring Company Radio Jamaica Limited took a decision to reduce the Employers' Contribution rate to ½ % of pensionable salaries for Participating Employers with effect from March 1, 2015.

The scheme is valued tri-annually by independent actuaries. The latest actuarial valuation was done as at 29 February 2016.

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 Proven Wealth Limited who has responsibilities for the general management of the portfolio of investments and the administration of the fund.

The GCML Group operates a defined contribution pension fund for employees who satisfied certain minimum service requirements.

The fund is administered by JN Fund Managers Limited.

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15. Retirement Benefits (Continued)

Pension schemes (continued)

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

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Fair value of plan assets	963,926	826,373	755,553	654,819
Present value of funded obligation	(786,811)	(599,941)	(614,253)	(469,254)
Asset in the balance sheet	177,115	226,432	141,300	185,565

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

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Balance at start of year	599,941	548,269	469,254	440,566
Current service cost	23,611	22,956	15,880	15,571
Interest cost	56,528	51,819	43,967	41,275
	680,080	623,044	529,101	497,412
Remeasurements -				
Experience losses/(gains)	53,921	(13,362)	50,528	(12,333)
Losses from change in financial assumptions	69,642	-	54,010	-
	123,563	(13,362)	104,538	(12,333)
Employee contributions	23,890	22,578	15,732	14,380
Benefits paid	(40,722)	(32,319)	(35,118)	(30,205)
	786,811	599,941	614,253	469,254

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15. Retirement Benefits (Continued)

Pension schemes (continued)

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

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Balance at start of year	826,373	738,071	654,819	598,323
Employee contributions	23,890	22,578	15,732	14,380
Employer contributions	1,551	25,392	1,013	16,006
Interest Income on plan assets	77,997	70,958	61,524	56,907
Benefits paid	(40,722)	(32,319)	(35,118)	(30,205)
Administrative fees	(9,407)	(6,629)	(7,344)	(5,185)
Remeasurements of the plan assets	84,244	8,322	64,927	4,593
Balance at end of year	963,926	826,373	755,553	654,819

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

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Current service cost	23,611	22,956	15,880	15,571
Interest cost	56,528	51,819	43,967	41,275
Interest income on plan assets	(77,997)	(70,958)	(61,524)	(56,907)
Administrative fees	9,407	6,629	7,344	5,185
Total included in staff costs (Note 7)	11,549	10,446	5,667	5,124

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

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Remeasurements of the defined benefit obligation	123,563	(13,362)	104,538	(12,333)
Remeasurements of the plan assets	(84,244)	(8,322)	(64,927)	(4,593)
Total	39,319	(21,684)	39,611	(16,926)

15. Retirement Benefits (Continued)

Pension schemes (continued)

At the last valuation date, the present value of the defined benefit obligation was comprised of approximately $506,364,000 and $342,117,000 relating to active members, $3,137,000 relating to deferred members and $277,308,000 and $268,998,000 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 2017 amount to $1,603,000 for the group and $1,030,000 for the company.

The distribution of plan assets was as follows:

	The Group & Company	
	2016	**2015**
	%	%
Equities	30	21
Government of Jamaica securities	35	37
Repurchase agreements	10	24
Corporate bonds	18	12
Other	7	6
	100	100

Plan assets include the company's ordinary shares with a fair value of $2,625,000 (2015 - $896,000).

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

	The Group		
	2016		
	Impact on post-employment obligations		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
		$'000	**$'000**
Discount rate	1%	(96,776)	122,739
Future salary increases	1%	48,216	(41,612)
Pension increases	1%	40,126	(54,869)

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15. Retirement Benefits (Continued)

Pension schemes (continued)

	The Group		
	2015		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(72,925)	92,320
Future salary increases	1%	39,112	(33,631)
Pension increases	1%	44,904	(39,410)

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

	The Company		
	2016		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(70,307)	87,853
Future salary increases	1%	31,186	(27,217)
Pension increases	1%	48,537	(42,675)

	The Company		
	2015		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(53,217)	66,356
Future salary increases	1%	25,514	(22,206)
Pension increases	1%	35,084	(30,999)

15. Retirement Benefits (Continued)

Pension schemes (continued)

	The Group	
	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000
Life expectancy	24,200	(22,800)

	The Company	
	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000
Life expectancy	19,900	(18,700)

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.

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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	
	2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Present value of unfunded obligations	162,834	68,003	46,563	46,348

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

	The Group		The Company	
	2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Balance at start of year	68,003	53,081	46,348	37,037
Current service cost	4,648	3,651	3,205	2,613
Interest cost	6,385	4,988	4,342	3,473
Past service cost	3,665	-	2,667	-
	82,701	61,720	56,562	43,123
Remeasurements -				
Experience (gains)/losses	(662)	2,369	(523)	849
Gains from change in demographic assumptions	(12,338)	-	(8,339)	-
Losses from change in financial assumptions	217	5,049	158	3,317
	(12,783)	7,418	(8,704)	4,166
Benefits paid	(1,599)	(1,135)	(1,295)	(941)
Arising on acquisition of subsidiary (Note 29)	94,515	-	-	-
Balance at end of year	162,834	68,003	46,563	46,348

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15. Retirement Benefits (Continued)

Other retirement benefits (continued)

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

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Current service cost	4,648	3,651	3,205	2,613
Interest cost	6,385	4,988	4,342	3,473
Past service cost	3,665	-	2,667	-
Total included in staff costs (Note 7)	14,698	8,639	10,214	6,086

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

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Remeasurements of the defined benefit obligation	(12,783)	7,418	(8,706)	4,166

At the last valuation date, the present value of the defined benefit obligation was comprised of approximately $43,954,000 and $26,684,000 relating to active members and $24,364,000 and $19,878,000 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%	(9,735)	12,291
Future salary increases	1%	474	(397)
Health inflation rate	1%	10,996	(8,874)

	The Company		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption $'000	Decrease in assumption $'000
Discount rate	1%	(6,422)	8,090
Future salary increases	1%	287	(241)
Health inflation rate	1%	7,236	(5,846)

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15. Retirement Benefits (Continued)

Other retirement benefits (continued)

	The Group	
	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000
Life expectancy	2,335	(2,253)

	The Company	
	Increase Assumption by One Year	Decrease Assumption by One Year
	$'000	$'000
Life expectancy	1,516	(1,505)

Principal actuarial assumptions used in valuing retirement benefits

The principal actuarial assumptions used were as follows:

	The Group & The Company	
	2016	2015
Discount rate	9.0%	9.5%
Inflation rate	5.5%	6.0%
Future salary increases	6.0%	6.5%
Future pension increases	3.50%	2.75%
Long term increase in health cost	7.0%	7.5%

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 Group 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 Group 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 Group believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Group's long term strategy to manage the plans efficiently. See below for more details on the Group'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 Group 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 Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Group has not changed the processes used to manage its risks from previous periods. The Group 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 2016 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 2018. The Group 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.

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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	
	2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Deferred income tax assets	73,144	-	31,188	-
Deferred income tax liabilities	(142,395)	(65,187)	-	(8,038)
	(69,251)	(65,187)	31,188	(8,038)

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

	The Group		The Company	
	2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Balance as at 1 April	(65,187)	(59,597)	(8,038)	(13,324)
Arising on business combination	(51,539)	-	-	-
Credited/(charged) in arriving at profit or loss	40,841	(2,023)	31,500	8,476
Credited/(charged) to other comprehensive income	6,634	(3,567)	7,726	(3,190)
Balance as at 31 March	(69,251)	(65,187)	31,188	(8,038)

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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 liabilities	**Accelerated Tax Depreciation**	**Retirement Benefit Assets**	**Unrealised Foreign Exchange Gains**	**Intangible Assets**	**Interest Receivable**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 April 2014	57,288	47,450	246	-	297	105,281
Charged to profit or loss	7,005	3,737	19	-	(373)	10,388
Charged to other comprehensive income	-	5,421	-	-	-	5,421
At 31 March 2015	64,293	56,608	265	-	(76)	121,090
Charged/(credited) to profit or loss	1,700	(2,499)	(200)	-	180	(819)
Arising on business combination	-	-	778	94,977	-	95,755
Credited to other comprehensive income	-	(9,830)	-	-	-	(9,830)
At 31 March 2016	65,993	44,279	843	94,977	104	206,196

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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**	**Accelerated Tax Depreciation**	**Accrued Vacation**	**Tax losses**	**Other**	**Total**
	$'000	-	**$'000**	**$'000**	**$'000**	**$'000**
At 1 April 2014	13,270	-	7,846	16,686	7,882	45,684
Credited/(charged) to profit or loss	1,877	-	17,362	(11,537)	663	8,365
Credited to other comprehensive income	1,854	-	-	-	-	1,854
At 31 March 2015	17,001	-	25,208	5,149	8,545	55,903
Credited to profit or loss	3,275	3,153	287	29,705	3,602	40,022
Arising on business combination	23,625	5,071	3,802	7,277	4,441	44,216
Charged to other comprehensive income	(3,196)	-	-	-	-	(3,196)
At 31 March 2016	40,705	8,224	29,297	42,131	16,588	136,945

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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:

	Company				
Deferred tax liabilities	**Accelerated Tax Depreciation $'000**	**Retirement Benefit Assets $'000**	**Unrealised Foreign Exchange Gains $'000**	**Interest Receivable $'000**	**Total $'000**
At 1 April 2014	8,325	39,439	-	302	48,066
(Credited)/charged to profit or loss	(4,697)	2,721	-	(113)	(2,089)
Charged to other comprehensive income	-	4,231	-	-	4,231
At 31 March 2015	3,628	46,391	-	189	50,208
(Credited)/charged to profit or loss	(1,275)	(1,163)	46	(66)	(2,458)
Credited to other comprehensive income	-	(9,903)	-	-	(9,903)
At 31 March 2016	2,353	35,325	46	123	37,847

	Company				
Deferred tax assets	**Retirement Benefit Obligation $'000**	**Tax Losses $'000**	**Accrued Vacation $'000**	**Other $'000**	**Total $'000**
At 1 April 2014	9,259	16,686	4,955	3,842	34,742
Credited/(charged) to profit or loss	1,287	5,506	194	(600)	6,387
Credited to other comprehensive income	1,041	-	-	-	1,041
At 31 March 2015	11,587	22,192	5,149	3,242	42,170
Credited/(charged) to profit or loss	2,231	29,706	347	(3,242)	29,042
Charged to other comprehensive income	(2,177)	-	-	-	(2,177)
At 31 March 2016	11,641	51,898	5,496	-	69,035

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:

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

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Deferred income tax assets	-	-	-	-
Deferred income tax liabilities	946	189	169	189

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 $210,412,000 (2015 – $353,458,000) for the group and $207,588,000 (2015 – $88,769,000) 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 $245,515,000 (2015 – $264,689,000).

17. Investment in Subsidiaries

	2016 $'000	2015 $'000
Multimedia Jamaica Limited	50	50
Television Jamaica Limited	20,002	20,002
The Gleaner Company (Media) Limited	1,392,930	-
Media Plus Limited –		
Reggae Entertainment Television Limited	174,930	174,930
Jamaica News Network Limited	236,942	236,942
	1,824,854	431,924

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18. Investment Securities

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
At fair value through profit or loss –				
One Caribbean Media Limited, quoted	19,244	19,346	19,244	19,346
Available-for-sale –				
Caribbean News Agency, unquoted	7	7	7	7
Global bonds	100,185	-	-	-
Corporate bonds	256,483	-	-	-
Government of Jamaica securities	121,500	-	-	-
	497,419	19,353	19,251	19,353

19. Inventories

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Spares	1,104	1,837	703	1,210
Film	6,492	11,115	-	-
Newsprint	72,967	-	-	-
Goods in transit	1,883	3,019	1,724	-
Books, stationery and general supplies	51,447	-	-	-
Consumable stores	4,820	-	-	-
Other	7,003	9,514	3,852	4,464
	145,716	25,485	6,279	5,674

20. Due from Subsidiaries

	2016 $'000	**2015 $'000**
Multi-Media Jamaica Limited	-	698
Jamaica News Network Limited	-	84
	-	782
Due to subsidiaries		
Television Jamaica Limited	120,902	88,003

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21. Related Party Transaction Balances

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

(b) Purchase of services

	2016 $'000	2015 $'000
Multi-Media Jamaica Limited	31,114	33,528
Jamaica News Network Limited	8,281	6,469
	39,395	39,997

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

	2016 $'000	2015 $'000
Television Jamaica Limited	14,315	14,315
Multi-Media Jamaica Limited	245	245
Reggae Entertainment Television Limited	240	240
Jamaica News Network Limited	240	240
	15,040	15,040

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

	2016 $'000	2015 $'000
Jamaica News Network	1,953	7,812

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21. Related Party Transaction Balances (Continued)

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

	The Group & The Company	
	2016 **$'000**	**2015** **$'000**
Wages and salaries	44,616	40,633
Statutory contributions	2,700	2,471
Other	4,093	3,741
	51,409	46,845

	The Group		The Company	
	2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Directors' emoluments –				
Fees	4,824	4,743	2,685	1,822
Management remuneration (included in staff costs)	27,207	17,979	27,207	17,979

22. Receivables

	The Group		The Company	
	2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Trade receivables	840,946	329,564	85,324	92,245
Prepayments	39,710	29,894	6,485	7,162
Other	133,418	52,518	42,647	41,459
	1,014,074	411,976	134,456	140,866
Less: Provision for impairment	(133,981)	(32,930)	(18,920)	(18,520)
	880,093	379,046	115,536	122,346

23. Cash and Cash Equivalents

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Cash	108,864	93,196	75,780	92,887
Short term investments	437,878	364,653	275,801	364,653
	546,742	457,849	351,581	457,540

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	The Group		The Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Cash	108,864	93,196	75,780	92,887
Short term investments	437,878	364,653	275,801	364,653
	546,742	457,849	351,581	457,540
Short term investments with original maturity dates greater than 90 days not considered cash and cash equivalent	(134,217)	-	-	-
Bank overdraft	(22,201)	-	-	-
	390,324	457,849	351,581	457,540

(a) Cash comprises amounts held in current accounts, which currently attract interest at a rate of 0.25 - 1.25% 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.

Included in the $437,878,000 for short term investments is $134,217,000 which was acquired on acquisition of the Subsidiary (The Gleaner (Media) Company Limited). That amount represents securities purchased under resale agreements. At the reporting date, the fair value of the underlying securities held as collateral for resale agreements was $145,581,000.

The weighted average effective interest rate on these instruments was as follows:

	The Group & Company	
	2016	**2015**
	%	**%**
United States dollar	5.13	3.28
Jamaican dollar	2.02	6.10

(c) The group has unsecured bank overdraft facilities. The effective interest rate on account overrun is 17.75%.

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24. Payables

	The Group		The Company	
	2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Trade	302,819	99,245	41,965	33,584
Accrued vacation leave	80,702	32,998	21,988	20,597
Other accruals	130,549	27,400	9,516	12,939
Accrual for restructuring costs	258,324	-	122,324	-
Current portion of finance leases (Note 26)	21,970	8,490	-	2,785
Current portion of long term loans (Note 26)	45,743	37,770	6,427	19,248
Statutory deductions	40,996	19,956	11,306	10,023
Deferred Revenue	56,385			
Other	114,469	56,782	30,175	34,264
	1,051,957	282,641	243,701	133,440

25. Share Capital

Authorised –

50,000 5% Cumulative participating preference shares

2,422,487,654 (2015 - 378,000,000) Ordinary shares

	2016 **$'000**	**2015** **$'000**
Issued and fully paid –		
2,422,487,654 (2015 – 357,476,991) Ordinary shares of no par value	2,046,117	472,695
24,804,577 Treasury shares (2015 – 7,323,100) Ordinary shares of no par value	(5,039)	(5,039)
	2,041,078	467,656

During the year the Group had a stock split of 3 shares for every 1 share held by shareholders on record at 22 March 2016. This resulted in the shares in issue increasing by 714,941,982. Consequently the Group also capitalised $180,492,000 of retained earnings via a bonus issue to the existing shareholders thus creating an additional 138,812,854 shares in issue.

On 24 March 2016, Radio Jamaica Limited (RJR) acquired The Gleaner Company (Media) Limited (GCML) and its subsidiaries via the issue of new shares totaling 1,211,243,827.

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

26. Long Term Loans & Finance Leases

Long term loans

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
(a) RBC Bank Jamaica Limited	-	6,210	-	6,210
(b) RBC Bank Jamaica Limited	58,852	174,231	58,852	174,231
(c) Prime Sports Limited	33,444	51,966	-	-
(d) First Global Bank Limited	65,545	-	-	-
	157,841	232,407	58,852	180,441
Less: Current portion (Note 24)	(45,743)	(37,770)	(6,427)	(19,248)
	112,098	194,637	52,425	161,193

(a) This loan was repaid during the year.

(b) This loan is repayable on a monthly basis, maturing in September 2019 and attracts interest at 9% (2015 – 9%). It is secured by a first mortgage over commercial properties owned by the company.

(c) This loan is unsecured and repayable on a monthly basis, maturing in November 2017 and attracts interest at 6% (2015 – 6%).

(d) The loans are repayable over 34 months with total monthly instalments of $1.5 million. The loans are secured by a guarantee stamped to cover $65 million and supported by a mortgage over property owned by a subsidiary company and a term deposit of $29.9 million (Note 23). The loans attract interest at 6.5%-8%.

26. Long Term Loans & Finance Leases (Continued)

Finance leases

Finance lease liabilities – minimum lease payments

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Not later than 1 year	52,584	11,804	-	4,014
Later than 1 year and not later than 5 years	146,321	26,883	-	12,226
	198,905	38,687	-	16,240
Future finance charges on finance leases	(83,277)	(4,652)	-	(3,273)
Present value of finance lease obligations	115,628	34,035	-	12,967

The present value of finance lease obligations is as follows:

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Not later than 1 year	21,970	8,490	-	2,785
Later than 1 year and not later than 5 years	93,658	25,545	-	10,182
	115,628	34,035	-	12,967

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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 three 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;

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

(c) Print and other, comprising the operations of the group's print and multi-media entites.

The group's operations are primarily located in Jamaica.

	Audio Visual	Audio	Print & Others	Sub-total	Eliminations	Total
	$'000		$'000	$'000	$'000	$'000
				2016		
Revenues	1,803,612	566,978	77,699	2,448,289	(141,462)	2,306,827
Operating profit	157,244	(111,594)	(189,802)	(144,152)	(88,788)	(232,940)
Assets	1,287,755	2,774,933	1,702,547	5,765,235	(1,717,658)	4,047,577
Liabilities	575,721	463,590	837,773	1,877,084	(260,279)	1,616,805
Capital expenditure	135,369	19,485	7,552	162,406	-	162,406
Depreciation and amortisation	116,759	28,781	1,369	146,908	-	146,908
Finance costs	8,268	10,386	10	18,664	-	18,644
				2015		
Revenues	1,556,136	554,065	72,656	2,182,857	(133,807)	2,049,050
Operating profit/(loss)	151,645	(2,682)	12,807	161,770	2,923	164,693
Assets	1,157,809	1,507,328	43,266	2,708,403	(729,456)	1,978,947
Liabilities	475,027	447,204	27,156	949,387	(280,906)	668,481
Capital expenditure	54,804	27,658	66	82,528	-	82,528
Depreciation and amortisation	95,906	32,023	1,290	129,219	-	129,219
Finance costs	6,756	18,958	10	25,724	-	25,724

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

The result of its revenue from external customers in Jamaica is $2,256,440,000 (2015 - $2,009,646,000), and the total of revenue from external customers from other countries is $50,387,000 (2015 - $39,181,000).

The operations of The Gleaner Media (Company) Limited was acquired on 24 March 2016 and the intervening period to the year end did not result in any material transactions to the Group with the exception of accounting for restructuring and transactions costs post acquisition date and the related tax effect.

28. 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.

29. Acquisition of Subsidiary

On 24 March 2016, Radio Jamaica Limited (RJR) acquired The Gleaner Company (Media) Limited and its subsidiaries (Note 1).The acquired business contributed post acquisition losses of $170,407,000 for the year ended 31 March 2016 relating to restructuring and transactions costs net of taxes. Had the acquisition been at the beginning of the year, it would have contributed revenues of approximately $1,501,538,000 and loss of approximately $128,987,000 for the ten month period ended 31 March 2016 during which only six months of trading occurred. The loss of $128,987,000 is inclusive of the restructuring and transaction costs of $170,407,000 noted above.

The company incurred transactions costs of $85,246,000 in relation to the acquisition of The GCML Group. In addition The GCML Group incurred transaction costs of $68,000,000 in relation to the acquisition. The total transactions costs of $153,246,000 has been expensed in arriving at the consolidated results for the year.

Details of the net assets acquired, purchase consideration and positive goodwill, determined on final numbers, were as follows:

	Fair Values
	$'000
Net assets arising on the acquisition:	
Fixed assets	271,850
Intangible assets	241,775
Leases	141,800
Long term receivables	763
Deferred tax assets	39,186
Investment securities	478,168
Inventories	129,234
Receivables	499,929
Taxation recoverable	6,296
Cash and cash equivalents	60,539
Resale agreements	134,217
Bank overdraft	(22,201)
Payables	(373,923)
Taxation	(374)
Finance lease	(58,197)
Long term loans	(45,894)
Deferred tax liabilities	(90,725)
Retirement benefit obligations	(94,515)
	1,317,928
	$'000
Purchase consideration – Issue of shares	1,392,930
Net assets acquired as above	1,317,928
Goodwill	75,002
Cash and cash equivalents acquired in business combination	38,338