



Unaudited Financial Statements
3rd Quarter Ended 31 December 2018

Radio Jamaica Limited

3rd Quarter Ended 31 December 2018

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Directors' interim report to Shareholders

Unaudited Financial Statements

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**Radio Jamaica Limited
Report to Stockholders**

The directors present the unaudited results of the RJRGLEANER Communications Group for the 3rd quarter ending December 31, 2018.

The Group recorded an after-tax profit of \$168 million for the October to December 2018 quarter, compared to a profit of \$79 million for the corresponding prior year quarter.

The Group recorded a \$143 million increase in third quarter revenues largely due to Broadcasting Revenues relating to major advertising campaigns during the Christmas season. Direct expenses rose by \$96 million, over previous quarter, in line with the increased revenues for the quarter.

Selling expenses of \$204 million for the quarter increased over the similar prior year quarter by 9% due substantially to higher agency commissions, associated with higher revenues in the quarter.

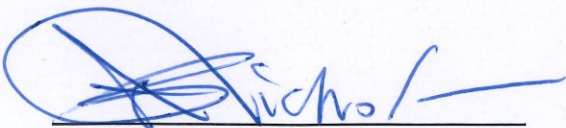
Administrative expenses of \$295 million for the quarter were 8% lower than the prior year's quarter, while other operating expenses of \$187million, were 5% higher than the prior year period.

The Group continues to invest in the transition to High Definition (HD) production and broadcast services and awaits a policy decision from the government on the technical standard and business model to be used for the media industry and consumers alike.

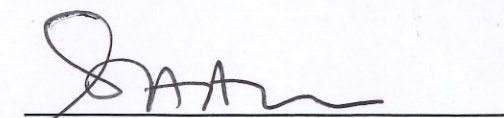
The entire group benefitted from a buoyant Christmas season which saw advertising spend channeled to its market leading media services in radio, television, print and online. The market rewarded the Group's industry leadership positions as the Group continues to create the most credible and entertaining content for and from Jamaica.

The Group has started 2019 with its usual energy with the staging of The RJRGLEANER National Sportsman and Sportswoman of the Year Awards and the upcoming RJRGLEANER Honour Awards. This is a special year for educational events with TVJ's Schools' Challenge Quiz and The Gleaner's Children's Own Spelling Bee competitions celebrating 50 and 60 year anniversaries, respectively. These events continue to reflect the Group's commitment to Jamaica's development and success.

Approved for issue by the Board of Directors on February 11, 2019 and signed on its behalf by:



Dr. Lawrence Nicholson
Deputy Chairman



Gary Allen
Chief Executive Officer

Radio Jamaica Limited

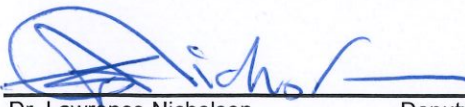
Consolidated Statement of Comprehensive Income (Unaudited)
3rd Quarter Ended 31 December 2018

Current Quarter 3 Months to 31/12/18 \$'000	Prior Year Quarter 3 Months to 31/12/17 \$'000	Note	Year-to-Date 9 Months to 31/12/18 \$'000	Prior Year-to-date 9 Months to 31/12/17 \$'000
1,501,558	1,392,689	2	4,207,012	3,873,663
(651,231)	(611,531)		(2,147,765)	(1,844,463)
850,327	781,158		2,059,247	2,029,200
21,780	14,170	3	88,980	71,838
(204,081)	(187,047)		(605,544)	(556,698)
(294,569)	(320,566)		(906,820)	(919,428)
(187,186)	(178,035)		(544,043)	(530,069)
186,269	109,680		91,818	94,843
(13,183)	(12,649)		(46,145)	(29,654)
173,087	97,031		45,674	65,189
(5,550)	(18,096)	4	(11,447)	(21,409)
167,537	78,935		34,226	43,780
Other comprehensive income -				
Items that may be reclassified to				
profit or loss				
(505)	864		(505)	864
Attributable to:				
167,032	79,799		33,722	44,644
Earnings per Ordinary Stock				
Unit Attributable to				
7.0 cents	3.3 cents	5	1.4 cents	1.8 cents

Consolidated Balance Sheet (Unaudited)
3rd Quarter Ended 31 December 2018

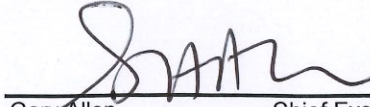
	Note	Unaudited December 2018 \$'000	Audited March 2018 \$'000
Non-Current Assets			
Fixed assets		1,525,960	1,515,131
Intangible assets	6	403,455	537,704
Deferred tax asset		59,734	68,669
Retirement benefit assets	7	187,733	187,733
Long term receivables		763	763
Investment securities		13,458	159,169
		2,191,102	2,469,169
Current Assets			
Inventories		153,883	126,324
Receivables	8	1,160,949	999,704
Taxation recoverable		28,487	20,557
Cash and short term investments		316,027	266,966
		1,659,345	1,413,551
Current Liabilities			
Bank overdraft		4,952	-
Payables		691,483	722,387
Taxation payable		-	13,847
		696,435	736,234
Net Current Assets			
		962,910	677,317
		3,154,013	3,146,486
Stockholders' Equity			
Share capital	9	2,041,078	2,041,078
Foreign currency translation		692	1,197
Fair value reserve		(7,135)	(7,135)
Retained earnings	10	401,879	367,652
		2,436,514	2,402,792
Non-controlling Interests		127	127
Non-Current Liabilities			
Finance lease obligations	11	9,524	13,831
Long term loans	12	391,964	409,152
Deferred tax liabilities		125,441	130,142
Retirement benefit obligations	7	190,442	190,442
		3,154,013	3,146,486

Approved for issue by the Board of Directors on February 13, 2019 and signed on its behalf by:



Dr. Lawrence Nicholson

Deputy Chairman



Gary Allen

Chief Executive
Officer

Radio Jamaica Limited

Consolidated Statement of Changes in Equity (Unaudited)
3rd Quarter Ended 31 December 2018

	Attributable to Stockholders of the Company						Non-controlling Interests Total	Total
	Number of Shares	Share Capital	Retained Earnings	Foreign Currency Translation	Fair Value Reserve	Equity Owners' Total		
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2016	2,397,683	2,041,078	382,492	-	-	2,423,570	-	2,423,697
Total comprehensive income	-	-	235,725	(3,004)	(7,135)	225,586	-	225,586
Ordinary dividends	-	-	(48,450)	-	-	(48,450)	-	(48,450)
Arising on business combination - Minority Interest	-	-	-	-	-	-	127	127
Balance at 31 March 2017	2,397,683	2,041,078	569,767	(3,004)	(7,135)	2,600,706	127	2,600,833
Total comprehensive income	-	-	(153,665)	4,201	-	(149,464)	-	(149,464)
Ordinary dividends	-	-	(48,450)	-	-	(48,450)	-	(48,450)
Balance at 31 March 2018	2,397,683	2,041,078	367,652	1,197	(7,135)	2,402,792	127	2,402,919
Total comprehensive income	-	-	34,226	(505)	-	33,722	-	33,722
Balance at 31 December 2018	2,397,683	2,041,078	401,879	692	(7,135)	2,436,514	127	2,436,641
Balance at 31 March 2017	2,397,683	2,041,078	569,767	(3,004)	(7,135)	2,600,706	127	2,600,833
Total comprehensive income	-	-	43,780	864	-	44,644	-	44,644
Ordinary dividends	-	-	(48,027)	-	-	(48,027)	-	(48,027)
Balance at 31 December 2017	2,397,683	2,041,078	565,520	(2,140)	(7,135)	2,597,323	127	2,597,450

Consolidated Cash Flow (Unaudited)

3rd Quarter Ended 31 December 2018

	Unaudited December 2018 \$'000	Unaudited December 2017 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net (loss)/profit	34,226	43,780
Items not affecting cash:		
Depreciation and amortisation	334,001	190,043
(Gain)/Loss on disposal of fixed assets	-	(3,394)
Interest income	(6,098)	(1,746)
Interest expense	45,422	(11,068)
Income tax charge	11,447	(21,409)
Exchange loss on foreign currency balances	1,392	17,899
Revaluation of investment securities	299	732
	420,690	214,837
Changes in operating assets and liabilities:		
Inventories	(27,559)	(8,453)
Receivables	(160,705)	(237,587)
Payables	(31,409)	(177,641)
	201,018	(208,844)
Income tax paid	(28,990)	22,044
Net Cash used in operating activities	172,028	(186,800)
Investing Activities		
Proceeds from disposal of fixed assets	-	2,134
Purchase of fixed assets and intangibles	(210,580)	(512,256)
Cash inflow from investment greater than 90 days	145,412	287,166
Interest received	5,558	16,197
Net Cash used in investing activities	(59,609)	(206,759)
Financing Activities		
Loan received	-	400,000
Loans repaid	(17,188)	(38,545)
Principal lease repayments	(4,307)	(12,534)
Interest paid	(45,422)	11,068
Dividends paid	-	(48,027)
Exchange (losses)/gains on cash and cash equivalents	(1,392)	(17,899)
Net Cash provide by/(used in) financing activities	(68,309)	294,063
Increase/decrease in cash and cash equivalents	44,110	(99,496)
Cash and cash equivalents at beginning of year	266,966	290,729
CASH AND CASH EQUIVALENTS AT END OF PERIOD	311,076	191,234

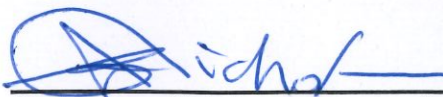
Company Statement of Comprehensive Income (Unaudited)
3rd Quarter Ended 31 December 2018

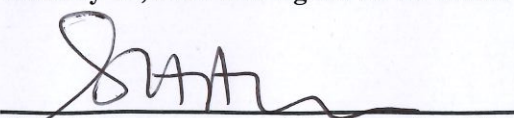
Current Quarter 3 Months to 31/12/18	Prior Year Quarter 3 Months to 31/12/17		Year-to-Date Quarter 9 Months to 31/12/18	Prior Year Quarter 9 Months to 31/12/17
\$'000	\$'000		\$'000	\$'000
164,704	159,926	Revenue	427,818	424,453
(62,132)	(69,016)	Direct expenses	(202,610)	(202,376)
102,572	90,910	Gross Profit	225,208	222,077
9,450	5,639	Other income	61,695	46,931
(26,182)	(24,580)	Selling expenses	(75,061)	(79,040)
(16,634)	(58,186)	Administration expenses	(114,940)	(148,864)
(25,859)	(27,307)	Other operating expenses	(81,728)	(79,548)
43,347	(13,524)	Operating Profit/(Loss)	15,175	(38,443)
(954)	(1,089)	Finance costs	(3,395)	(3,384)
42,394	(14,613)	(Loss)/profit before Taxation	11,779	(41,827)
2,786	1,342	Taxation	(2,004)	(434)
45,179	(13,271)	Net (Loss)/Profit after taxation	9,776	(42,261)

Company Balance Sheet (Unaudited)
3rd Quarter Ended 31 December 2018

	Unaudited December 2018 \$'000	Audited March 2018 \$'000
Non-Current Assets		
Fixed assets	270,918	245,807
Retirement benefit asset	182,803	182,803
Deferred tax asset	16,577	23,979
Investment in subsidiaries	1,824,853	1,824,854
Investment securities	13,458	158,968
	2,308,607	2,436,411
Current Assets		
Inventories	9,514	5,656
Due from subsidiaries	638,531	670,963
Receivables	256,291	134,474
Taxation recoverable	3,283	13,700
Cash and short term investments	208,229	151,087
	1,115,849	975,880
Current Liabilities		
Payables	234,466	221,627
Due to subsidiaries	324,309	308,396
	558,776	530,023
Net Current Assets	557,074	445,857
	2,865,682	2,882,268
Equity		
Share capital	2,041,078	2,041,078
Fair value reserves	(7,135)	(7,135)
Retained earnings	403,482	393,706
	2,437,425	2,427,649
Non-Current Liabilities		
Long term loans	372,002	398,364
Retirement benefit obligations	56,255	56,255
	2,865,682	2,882,268

Approved for issue by the Board of Directors on February 13, 2019 and signed on its behalf b


 Dr. Lawrence Nicholson Deputy
 Chairman


 Gary Allen Chief Executive Officer

Company Statement of Changes in Equity (Unaudited)
3rd Quarter Ended 31 December 2018

	Attributable to Stockholders of the Company				Total \$'000
	Number of Shares '000	Share Capital \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	
Balance at 1 April 2016	2,397,683	2,041,078	-	263,193	2,304,271
Total comprehensive income	-	-	(7,135)	308,369	301,234
Ordinary dividends	-	-	-	(48,450)	(48,450)
Balance at 31 March 2017	2,397,683	2,041,078	(7,135)	523,112	2,557,055
Total comprehensive income	-	-	-	(80,956)	(80,956)
Ordinary dividends	-	-	-	(48,450)	(48,450)
Balance at 31 March 2018	2,397,683	2,041,078	(7,135)	393,706	2,427,649
Total comprehensive income	-	-	-	9,776	9,776
Balance at 31 December 2018	2,397,683	2,041,078	(7,135)	403,482	2,437,425
Balance at 31 March 2017	2,397,683	2,041,078	(7,135)	523,112	2,557,055
Total comprehensive income	-	-	-	(42,264)	(42,264)
Ordinary dividends	-	-	-	(48,027)	(48,027)
Balance at 31 December 2017	2,397,683	2,041,078	-	432,821	2,466,764

Company Cash Flow (Unaudited)
3rd Quarter Ended 31 December 2018

	Unaudited December 2018 \$'000	Unaudited December 2017 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Net (loss)/profit	9,776	(42,264)
Items not affecting cash:		
Depreciation and amortisation	14,634	19,802
Gain on disposal of fixed assets	-	(599)
Interest income	(3,839)	(14,655)
Interest expense	3,394	3,384
Income tax	2,003	434
Exchange (gains)/loss on foreign currency balances	843	18,041
Revaluation of investment securities	299	732
	27,111	(15,125)
Changes in operating assets and liabilities:		
Inventories	(3,858)	(4,431)
Due from/to subsidiaries	48,344	(577,715)
Receivables	(121,817)	(39,925)
Payables	12,840	1,697
	(37,380)	(635,499)
Income tax paid/recoverable	15,816.37	(692)
Net cash used in operating activities	(21,563)	(636,191)
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	-	2,134
Cash inflow from investment greater than 90 days	145,211	286,966
Purchase of fixed assets	(39,746)	(7,007)
Interest received	3,839	14,655
Net Cash provided by investing activities	109,305	296,748
Cash Flows from Financing Activities		
Loan received	-	400,000
Loans repaid	(26,362)	(38,546)
Interest paid	(3,394)	(3,384)
Dividends paid	-	(48,027)
Exchange gains/(losses) on cash and cash equivalents	(843)	(18,041)
Net cash provided by/(used in) financing activities	(30,600)	292,002
Decrease in cash and cash equivalents	57,142	(47,441)
Cash and cash equivalents at beginning of year	151,087	177,663
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	208,229	130,222

Segment Report (Unaudited)
3rd Quarter Ended 31 December 2018

	Audio Visual	Audio	Print & Others	Sub-total	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DECEMBER 2018						
Revenues	1,654,287	539,057	2,130,287	4,323,631	(116,618)	4,207,012
Operating profit/(loss)	40,370	10,290	59,305	109,965	(18,146)	91,818
Assets	1,719,568	3,658,458	1,107,893	6,485,919	(2,635,472)	3,850,448
Liabilities	951,854	1,092,037	361,757	2,405,649	(991,843)	1,413,807
Capital expenditure	150,037	41,205	46,590	237,832	-	237,832
Depreciation & amortisation	253,061	14,634	48,160	315,856	18,144	334,000
Finance costs	29,663	4,847	11,635	46,145	-	46,145
DECEMBER 2017						
Revenues	1,383,744	532,281	2,081,366	3,997,391	(123,727)	3,873,664
Operating Profit/(Loss)	81,105	(46,627)	72,463	106,941	(12,098)	94,843
Assets	1,766,506	3,618,036	1,224,984	6,609,526	(2,591,869)	4,017,657
Liabilities	927,617	1,011,827	457,960	2,397,404	(977,198)	1,420,206
Capital expenditure	489,017	8,466	14,773	512,256	-	512,256
Depreciation & amortisation	109,231	29,664	39,052	177,947	12,096	190,043
Finance costs	15,203	4,783	9,668	29,654	-	29,654

Notes to the financial statements
3rd Quarter Ended 31 December 2018

NOTES

1. This condensed consolidated interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the last audited annual consolidated financial statements as at and for the year ended March 31, 2018. The accounting policies followed in the interim financial statements are consistent with the most recent annual report.

IFRS 9 introduces a new model for the recognition of impairment losses which will be reflected in the March 2019 accounts – the Expected Credit Losses (ECL) model. The Group believes that impairment losses are likely to increase and become more volatile for assets in the scope of IFRS 9. However, the Group is still in the process of determining the likely financial impact on the Financial Statements. IFRS 9 requires extensive disclosures, in particular credit risk and ECLs. The Group's assessment includes an analysis to identify data gaps against current processes and the Group will implement the system changes necessary to capture the required data.

2. Revenue comprises the sale of airtime, programme material, web fees, print advertising, subscription 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. Subscription revenue is recognised over the life of the subscription.
3. Other income represents interest income, net foreign exchange (losses)/gains, profit on sale of fixed assets, net unrealized gains on revaluation of investment securities classified at fair value through profit and loss, road parties, gains on debt purchased and rental income.
4. Taxation expense in the statement of comprehensive income comprises current and deferred tax amounts. Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are 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 are in effect at the reporting date.

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

5. The calculation of earnings per stock unit is based on net profit and 2,397,683,077 ordinary stock units in issue.
6. Intangible assets represent Goodwill, Broadcast Rights, Computer software, Brand and Lease. Goodwill, Brand and Lease arose on the acquisition of The Gleaner Company (Media) Limited (GCML). Broadcast rights represents the exclusive rights to broadcast FIFA events for the period 2015 to 2022. Goodwill is tested annually for impairment. Broadcast rights, Computer software, Brand and Lease are amortised over their estimated useful lives.
7. The Group runs two pension schemes:-
 1. A defined benefit pension scheme covering all qualifying permanent employees of Radio Jamaica Limited, Multi-Media Jamaica Limited and Television Jamaica Limited is operated as the RJR Staff Pension Scheme. This scheme is managed by an outside agency under a management contract, and by Trustees. The scheme is valued by an independent actuary every three years and an IAS 19 valuation every year. The Trustees of the pension fund are required by law to act in the interest of the fund and all relevant stakeholders. The Trustees of the fund are responsible for the investment policy with regard to the assets of the fund. The fund is managed by Proven Wealth Limited which has responsibilities for the general management of the portfolio of investments and the administration of the fund.
 2. A defined contribution pension fund is operated for employees of The Gleaner Company (Media) Limited (GCML) and Independent Radio Company Limited who have satisfied certain minimum service requirements. The fund is managed and administered by JN Func Managers Limited.
8. Receivables consists of trade receivables, prepayments and other receivables.
9. Share capital includes treasury shares that are held in the RJR Employee Share Scheme.
10. Foreign Currency Translation:

Foreign currency translation reserves materially represent foreign exchange adjustments arising on the translation of foreign subsidiaries for consolidation purposes.
11. The group entered into finance lease arrangements for the acquisition of motor vehicles and transmission equipment. The group's obligation under these leases has been recorded at amounts equal to the value of future lease payments using interest rates implicit in the leases.
12. The loans are secured and unsecured, repayable on a monthly basis.