Radio Jamaica Limited

Financial Statements
31 March 2019

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Independent auditor's report

To the Members of Radio Jamaica Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Radio Jamaica Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 March 2019, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

Radio Jamaica Limited's consolidated and stand-alone financial statements comprise:

- the consolidated and company statements of comprehensive income for the year ended 31 March 2019;
- the consolidated and company balance sheets as at 31 March 2019;
- the consolidated and company statements of changes in equity for the year ended 31 March 2019;
- the consolidated and company statements of cash flows for the year ended 31 March 2019; and
- the notes to the consolidated and stand-alone financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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L.A. McKnight P.E. Williams A.K. Jain B.L. Scott, B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our 2019 audit was planned and executed having regard to the fact that the operations of the Group remain largely unchanged from the prior year.

The Group's businesses are organised into three primary segments being Audio visual, Radio and other and Print and other. Geographically, the segments are Jamaica, St. Lucia, Canada, United Kingdom and the United States of America. These entities maintain their own accounting records and report to the Group through the completion of consolidation packages. All companies located outside of Jamaica except for Media Plus Limited which is domiciled in St. Lucia are audited by non-PwC firms. All of these locations were determined to be separate components and full scope audits or specified procedures were performed.

In establishing the overall group audit strategy and plan, we determined the type of work that was needed to be performed at the components by the group engagement team and component auditors. These procedures included:

- Meeting with the management teams of the components and/or the engagement leaders of the component audit teams to discuss the approach and our expectations for the audits; and

- Reviewing the working papers of the auditors of select components. Components were selected for review based on a determined level of total assets or risk. Completion of our reviews included on site visits to the offices of the component auditors or in person meetings.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters, as it pertains to the stand-alone financial statements, in our report.

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Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessment *See notes 2 and 14 of the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements and estimates.* The Group has goodwill of $75 million representing approximately 2.1% of the Group's total assets as at year end. We focused on this area as the annual impairment assessment requires management judgement and estimation, particularly in relation to the estimation of future cash flows from the businesses, taking into consideration the growth rates, inflation rates, and the discount rate in the Group's impairment model.	We evaluated management's future cash flow forecasts, and the process by which they were drawn up, including testing the underlying calculations and comparing them to the latest Board approved budgets. We compared previous forecasts to actual results to assess the performance of the business and the accuracy of forecasting. We, with the assistance of our valuation expert, challenged management's key assumptions for long term growth rates in the forecasts by comparing them to historical results, and economic and industry forecasts; and the discount rate by assessing the cost of capital for the Group. In order to do this, we: ▪ evaluated these assumptions with reference to valuations of similar companies. ▪ compared the key assumptions to externally derived data where possible, including market expectations of investment return, projected economic growth and interest rates. ▪ applied sensitivities in evaluating management's assessment of the planned growth rate in cash flows. Based on the testing performed no material adjustments to the carrying value of goodwill was considered necessary.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS 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 stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Leighton McKnight.

PricewaterhouseCoopers
Chartered Accountants
Kingston, Jamaica
6 June 2019

Radio Jamaica Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Revenue		5,482,889	5,045,577
Direct expenses		(2,742,796)	(2,506,858)
Gross Profit		2,740,093	2,538,719
Other operating income	5	126,751	132,086
Selling expenses		(811,075)	(745,820)
Administration expenses		(1,258,616)	(1,135,313)
Other operating expenses		(765,326)	(770,591)
Operating Profit		31,827	19,081
Finance costs	8	(56,079)	(47,564)
Loss before Taxation		(24,252)	(28,483)
Taxation	9	1,808	(13,307)
Net Loss		(22,444)	(41,790)
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	9	50,710	(111,875)
Item that will be reclassified to profit or loss -			
Currency translation differences		564	4,201
		564	4,201
		51,274	(107,674)
TOTAL COMPREHENSIVE INCOME		28,830	(149,464)
Earnings per Ordinary Stock Unit Attributable to Stockholders of the Company	12	($0.01)	($0.02)

Radio Jamaica Limited

Consolidated Balance Sheet

31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Non-Current Assets			
Fixed assets	13	1,502,555	1,515,131
Intangible assets	14	397,290	537,704
Retirement benefit assets	15	214,852	187,733
Deferred tax assets	16	52,445	68,669
Long term receivables		349	763
Investment securities	18	39,870	159,169
		2,207,361	2,469,169
Current Assets			
Inventories	19	112,424	126,324
Receivables	22	914,311	999,704
Taxation recoverable		35,767	20,557
Cash and short term investments	23	446,428	266,966
		1,508,930	1,413,551
Current Liabilities			
Payables	24	654,137	722,387
Taxation payable		7,511	13,847
		661,648	736,234
Net Current Assets		847,282	677,317
		3,054,643	3,146,486

Radio Jamaica Limited

Consolidated Balance Sheet (Continued)

31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Stockholders' Equity			
Share capital	25	2,041,078	2,041,078
Foreign currency translation		1,761	1,197
Fair value reserve		(7,135)	(7,135)
Retained earnings		316,882	367,652
		2,352,586	2,402,792
Non-controlling Interests		1,948	127
Total Equity		2,354,534	2,402,919
Non-Current Liabilities			
Finance lease obligations	26	4,008	13,831
Long term loans	26	383,122	409,152
Deferred tax liabilities	16	111,612	130,142
Retirement benefit obligations	15	201,367	190,442
Total Non-Current Liabilities		700,109	743,567
		3,054,643	3,146,486

Approved for issue by the Board of Directors on 6 June 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

Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares	Share Capital	Retained Earnings	Foreign Currency Translation	Fair Value Reserve	Equity Owners' Total	Non-Controlling Interests Total	Grand Total
		'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 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)
Transactions with owners -									
Ordinary dividends	11	-	-	(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
Changes on initial application of IFRS 9	29	-	-	(79,036)	-	-	(79,036)	1,821	(77,215)
Balance as at April 1 2018		2,397,683	2,041,078	288,616	1,197	(7,135)	2,323,756	1,948	2,325,704
Total comprehensive income		-	-	28,266	564	-	28,830	-	28,830
Transactions with owners -									
Ordinary dividends	11	-	-	-	-	-	-	-	-
Balance at 31 March 2019		2,397,683	2,041,078	316,882	1,761	(7,135)	2,352,586	1,948	2,354,534

Radio Jamaica Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	2019 $'000	2018 $'000
Cash Flows from Operating Activities		
Net loss	(22,444)	(41,790)
Items not affecting cash:		
Depreciation and amortization	499,557	255,920
Gain on disposal of fixed assets	-	(4,617)
Spares utilised	1,164	3,499
Interest income	(5,069)	(38,747)
Interest expense	56,079	47,564
Income tax charge	(1,808)	13,307
Exchange gain on foreign currency balances	3,072	16,750
Retirement benefits	8,393	17,612
Revaluation of investment securities	218	4,097
	539,162	273,595
Changes in operating assets and liabilities:		
Inventories	13,900	51,109
Receivables	85,393	(123,018)
Payables	(68,250)	(142,437)
	570,205	59,249
Income tax paid	(24,096)	(30,065)
Net cash provided by operating activities	546,109	29,184
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	819	1,376
Purchase of fixed assets and intangibles(1)	(375,745)	(640,151)
Proceeds from long term investments	168,065	339,858
Purchase of long term investments	(70,834)	(12,505)
Interest received	5,069	38,747
Net cash used in investing activities	(272,626)	(272,675)
Cash Flows from Financing Activities		
Loans repaid	(52,712)	(51,030)
Loan acquired	13,391	412,364
Principal lease repayments	(12,137)	(28,841)
Interest paid	(39,491)	(47,564)
Dividends paid	-	(48,450)
Net cash (used in)/provided by financing activities	(90,949)	236,479
Increase/(Decrease) in cash and cash equivalents	182,534	(7,012)
Exchange losses on cash and cash equivalents	(3,072)	(16,750)
Cash and cash equivalents at beginning of year	266,966	290,728
Cash and Cash Equivalents at End of Year (Note 23)	446,428	266,966

(1) The principal non-cash transaction was the acquisition of fixed assets under finance lease of $13,079,000 (2018- $37,011,000).

Radio Jamaica Limited

Company Statement of Comprehensive Income

Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Revenue		564,822	553,783
Direct expenses		(273,516)	(270,454)
Gross Profit		291,306	283,329
Other operating income	5	84,494	85,939
Selling expenses		(98,153)	(110,103)
Administration expenses		(144,958)	(161,174)
Other operating expenses		(107,563)	(107,604)
Operating Profit/(Loss)		25,126	(9,613)
Finance costs	8	(3,923)	(4,672)
Profit/(Loss) before Taxation		21,203	(14,285)
Taxation	9	(5,648)	991
Net Profit/(Loss)		15,555	(13,294)
Other Comprehensive Income, net of taxes -			
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefits	9	34,011	(67,662)
TOTAL COMPREHENSIVE INCOME		49,566	(80,956)

Radio Jamaica Limited

Company Balance Sheet

31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Non-Current Assets			
Fixed assets	13	271,635	245,807
Retirement benefit asset	15	212,923	182,803
Deferred tax asset	16	5,239	23,979
Investment in subsidiaries	17	1,824,854	1,824,854
Investment securities	18	39,669	158,968
		2,354,320	2,436,411
Current Assets			
Inventories	19	4,424	5,656
Due from subsidiaries	20	557,706	670,963
Receivables	22	133,057	134,474
Taxation recoverable		16,303	13,700
Cash and short term investments	23	221,070	151,087
		932,560	975,880
Current Liabilities			
Payables	24	193,697	221,627
Due to subsidiaries	20	204,010	308,396
		397,707	530,023
Net Current Assets		534,853	445,857
		2,889,173	2,882,268
Equity			
Share capital	25	2,041,078	2,041,078
Fair value reserves		(7,135)	(7,135)
Retained earnings		424,958	393,706
		2,458,901	2,427,649
Non-Current Liabilities			
Long term loans	26	363,348	398,364
Retirement benefit obligations	15	66,924	56,255
		430,272	454,619
		2,889,173	2,882,268

Approved for issue by the Board of Directors on 6 June 2019 and signed on its behalf by:

Dr. Lawrence Nicholson Deputy Chairman	Gary Allen Chief Executive Officer

Radio Jamaica Limited
Company Statement of Changes in Equity
Year ended 31 March 2019
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2017		2,397,683	2,041,078	(7,135)	523,112	2,557,055
Total comprehensive income		-	-	-	(80,956)	(80,956)
Transactions with owners -						
Ordinary dividends	11	-	-	-	(48,450)	(48,450)
Balance at 31 March 2018		2,397,683	2,041,078	(7,135)	393,706	2,427,649
Changes on initial application of IFRS 9	29	-	-	-	(18,314)	(18,314)
Balance as at April 1, 2018		2,397,683	2,041,078	(7,135)	375,392	2,409,335
Total comprehensive income		-	-	-	49,566	49,566
Transactions with owners -						
Ordinary dividends	11	-	-	-	-	-
Balance at 31 March 2019		2,397,683	2,041,078	(7,135)	424,958	2,458,901

Radio Jamaica Limited

Company Statement of Cash Flows

Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	2019 $'000	2018 $'000
Cash Flows from Operating Activities		
Net profit/(loss)	15,555	(13,294)
Items not affecting cash:		
Depreciation and amortisation	20,181	25,755
Gain(loss) on disposal of fixed assets	-	(1,007)
Lease income	(9,637)	(5,430)
Dividend income	57	-
Interest income	(3,842)	(34,306)
Interest expense	3,923	4,671
Income tax (credit)/charge	5,648	(991)
Exchange loss/(gains) on foreign currency balances	11	16,079
Retirement benefits	1,079	2,565
Revaluation of investment securities	218	4,097
	33,193	(1,861)
Changes in operating assets and liabilities:		
Inventories	1,232	545
Due from subsidiaries	8,871	(264,187)
Receivables	1,417	(24,859)
Payables	(27,930)	30,171
	16,783	(260,191)
Income tax paid	(2,278)	(445)
Net cash provided/ (used in) operating activities	14,505	(260,636)
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	568	2,215
Purchase of fixed assets	(46,577)	(21,802)
Purchase of investments	-	(12,304)
Proceeds from investments	168,065	527,219
Interest received	3,899	34,306
Net cash provided by investing activities	125,955	529,634
Cash Flows from Financing Activities		
Loans repaid	(34,770)	(20,364)
Interest paid	(35,696)	(23,119)
Dividends paid	-	(48,450)
Net cash used in financing activities	(70,466)	(91,933)
Increase in cash and cash equivalents	69,994	177,065
Exchange (loss)/gains on cash and cash equivalents	(11)	(16,079)
Cash and cash equivalents at beginning of year	151,087	(9,899)
Cash and Cash Equivalents at End of Year (Note 23)	221,070	151,087

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

The Group subsidiaries are as follows:

	2019	**2018**
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%	100%
The Gleaner Company (USA) Limited	100%	100%
Independent Radio Company Limited	100%	100%
A-Plus Learning Limited	50%	50%
The Gleaner Online Limited	100%	100%
The Gleaner Company (UK) Limited	100%	100%
Gleaner Media (Canada) Inc.	100%	100%

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.

The operations of A-Plus Learning Limited and The Gleaner Online Limited are dormant.

Radio Jamaica Limited

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 interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).These financial statements have been prepared under the historical cost convention, as modified by the revaluation of 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.

- **IFRS 9, 'Financial instruments'**, (effective for annual periods beginning on or after 1 January 2018). This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

  IFRS 9 has three classification categories for debt instruments: amortised cost, fair value through other comprehensive income ('FVOCI') and fair value through profit or loss ('FVPL'). Classification under IFRS 9 for debt instruments is based on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ('SPPI'). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity. That is, an entity's business model determines whether the cash flows will result from collecting contractual cash flows, selling financial assets or both.

  If a debt instrument is held to collect contractual cash flows, it is classified as amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect assets' contractual cash flows and to sell the assets are classified as FVOCI. Under the new model, FVPL is the residual category - financial assets should therefore be classified as FVPL if they do not meet the criteria of FVOCI or amortised cost.

  IFRS 9 introduces a new model for the recognition of impairment losses - the expected credit losses (ECL) model. The ECL model constitutes a change from the guidance in IAS 39 and seeks to address the criticisms of the incurred loss model which arose during the economic crisis. In practice, the new rules mean that entities will have to record a day 1 loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). IFRS 9 contains a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in the current year (continued)

- **IFRS 9 'Financial instruments' (continued)**
  The adoption of IFRS 9 from 1 January 2018 resulted in changes in accounting policies and also resulted in adjustments to the amounts recognised in the financial statements opening retained earnings. Details of the new accounting policy in relation to IFRS 9 are outlined in Note 2 (g).

- ***IFRS 15, 'Revenue from Contracts with Customers',*** (effective for the periods beginning on or after 1 January 2018). The Group adopted IFRS 15. This standard clarifies revenue recognition principles and provides a framework for recognising revenue and cash flows from service contracts from customers. IFRS 15 does not apply to the Group's primary activities.

  In accordance with the transition loss allowances in IFRS 15, the standard has been implemented using the modified retrospective method with no restatement of comparative information. There was no significant impact on the Group resulting from the implementation of the standard and consequently no transition adjustment has been recorded in the statement of equity.

- ***IFRIC 22, 'Foreign currency transactions and advance consideration',*** (effective for annual periods beginning on or after 1 January 2018). This IFRIC address foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment / receipt is made as well as for situations where multiple payment / receipts are made. There was no significant impact from the adoption of this amendment during the year.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in the current year (continued)

- **Annual improvements 2014–2016** (effective for annual periods beginning on or after 1 January 2018) These amendments include changes from the 2014-16 cycle of the annual improvements project, that affect the following standards: IFRS 12,'Disclosure of interests in other entities' regarding clarification of the scope of the standard. These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2019; and IAS 28,'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value effective 1 January 2018. There was no significant impact from the adoption of this amendment during the year.

Standards, interpretations and amendments to published standards that are not yet effective
At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not effective at the date of the statement of financial position, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

- **Amendments to IFRS 3 – definition of a business** (effective for annual periods beginning on or after 1 January 2020) This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. The Group is currently assessing the impact of future adoption of the new standard on its financial statements.

- **Amendment to IFRS 9, Financial instruments'**, on prepayment features with negative compensation and modification of financial liabilities (effective for annual periods beginning on or after 1 January 2019) This amendment confirmed two points: (1) that reasonable compensation for prepayments can be both negative or positive cash flows when considering whether a financial asset solely has cash flows that are principal and interest and (2) that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39. The Group is currently assessing the impact of future adoption of the new standard on its financial statements.

- **Amendments to IAS 1 and IAS 8 on the definition of material** (effective for annual periods beginning on or after 1 January 2020) These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs:

  i. use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
  ii. clarify the explanation of the definition of material; and
  iii. incorporate some of the guidance in IAS 1 about immaterial information.

  The Group is currently assessing the impact of future adoption of the new standard on its financial statements.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

- **Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement'** (effective for annual periods beginning on or after 1 January 2019). These amendments require an entity to:
    - use updated assumptions to determine current service cost and net interest for the reminder of the period after a plan amendment, curtailment or settlement; and
    - recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

  The Group does not expect this amendment to have a significant impact on its operations.

- ***Amendments to IAS 28 'Investments in associates', on long term interests in associates and joint ventures*** (effective for annual periods beginning on or after 1 January 2019) These amendments clarify that companies account for long-term interests in an associate or joint venture to which the equity method is not applied using IFRS 9. The Group does not expect this amendment to have a significant impact on its operations.

- ***Annual Improvements to IFRS Standards 2015–2017 Cycle – Amendments to IAS 12 and IAS 23,*** (effective for annual periods beginning on or after 1 January 2019). These amendments include minor changes to:
    - IAS 12, 'Income taxes' - The amendments to IAS 12 clarify that all income tax consequences of dividends should be recognised in profit or loss, regardless of how the tax arises.
    - IAS 23, 'Borrowing costs' - The amendments to IAS 23 clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

  The Group does not expect this amendment to have a significant impact on its operations.

- **IFRIC 23, 'Uncertainty over income tax treatments'** This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Loss allowances, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Group does not expect that this amendment will have a significant impact on its operations.

2. Summary of Significant Accounting Policies (Continued)
(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

- **IFRS 16, 'Leasing'** (effective for annual periods beginning on or after 1 January 2019 with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', is also applied.) This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. 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. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group don't expect this standard to have a significant impact on its operation.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

(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.

Radio Jamaica Limited
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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 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 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.

From 1 April 2018, the company adopted IFRS 15 which did not result in any adjustment to the amounts recognised in the financial statements.

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
Classification
Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVOCI with no subsequent reclassification to profit or loss. Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVOCI or at FVTPL. Financial assets and liabilities are recognised when the Group becomes a party to the contractual loss allowance of the instrument. Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Classification of debt instruments
Classification and subsequent measurement of debt instruments depend on:
- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories.

Measured at amortised cost
Debt instruments that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs.

Measured at fair value through other comprehensive income
Financial assets that are held for collection of contractual cash flows and for selling the assets, where cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movement in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instruments amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating income. Interest income from these financial assets is included in "other operating income" using the effective interest rate method.

The use of designation removes or significantly reduces an accounting mismatch.

Measured at fair value through profit and loss
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recgonised in the profit or loss and presented in the profit or loss statement in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.
Held for trading securities are acquired principally for the purpose of selling in the short-term or if they form part of a portfolio of financial assets in which there is evidence of short-term profit taking.

Radio Jamaica Limited

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2. Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (continued)

Application of the Simplified Approach

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires that the impairment loss allowance is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a loss allowance matrix is utilised in determining the lifetime ECLs for trade receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information.

The company applied IFRS 9 on 1 April 2018 and had elected not to restate comparative information in accordance with the transitional loss allowances in IFRS 9 [7.2.15]. However, with the adoption of IFRS 9 and applying the simplified approach, this result in an impact on the opening balance.

The accounting policy for trade receivables is dealt with in Note 2 (m). 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.

A loss allowances for impairment losses is established where there is objective evidence that a receivable is impaired and receivables are reduced to their estimated recoverable amounts.

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 is 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.

Radio Jamaica Limited

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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 2016 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 The Gleaner Company (Media) Limited 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

Radio Jamaica Limited operates defined benefit pension plans, the assets of which are generally held in separate trustee-administered funds. A defined benefit pension 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.

GCML 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 actuaries.

(k) Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready for 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.

2. Summary of Significant Accounting Policies (Continued)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. For film and books 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 loss allowance for impairment of these receivables. A loss allowance 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 loss allowance 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.

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement. Impairment testing of trade receivables is described in Note 2(e).

(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 as lease 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.

Radio Jamaica Limited

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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.

Radio Jamaica Limited

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 quarterly 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	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Advertising agencies	641,336	475,147	110,998	101,894
Direct customers	328,862	474,895	-	1,384
	970,198	950,042	110,998	103,278
Less: Loss allowance for impairment	(249,165)	(164,440)	(25,664)	(10,983)
	721,033	785,602	85,334	92,295

Trade receivables loss allowance

The loss allowance as at 31 March 2019 and 1 April 2018 (on adoption of IFRS 9) was determined as follows for trade and receivables

	Group			
	Current $'000	**31 - 60 $'000**	**Over 60 days $'000**	**Total $'000**
31 March 2019				
Expected loss rate	4%	21%	61%	-
Gross carrying amount trade receivables	552,390	67,586	350,222	970,198
Loss Allowance	23,238	14,139	211,788	249,165

Radio Jamaica Limited

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

	Group			
	Current $'000	31 - 60 $'000	Over 60 days $'000	Total $'000
1 April 2018				
Expected loss rate	5%	22%	57%	-
Gross carrying amount trade receivables	526,690	63,150	360,202	950,042
Loss Allowance	23,844	13,892	203,919	241,655

	Company			
	Current $'000	30 - 59 $'000	Over 59 days $'000	Total $'000
31 March 2019				
Expected loss rate	5%	22%	86%	-
Gross carrying amount trade receivables	77,268	11,747	21,983	110,998
Loss Allowance	4,211	2,579	18,874	25,664

	Company			
	Current $'000	31 - 60 $'000	Over 60 days $'000	Total $'000
1 April 2018				
Expected loss rate	5%	22%	87%	-
Gross carrying amount trade receivables	67,398	8,408	27,472	103,278
Loss Allowance	3,674	1,846	23,777	29,297

Radio Jamaica Limited

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

The movement on the loss allowance for impairment was as follows:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
At 1 April	192,210	171,889	37,855	30,795
IFRS 9 adjustment to opening balance	79,677	-	18,314	-
Loss allowance for receivables impairment	55,040	73,622	10,592	15,475
Receivables written off during the year as uncollectible	(17,346)	(19,327)	(6,165)	(3,393)
Unused amounts reversed/recovered	(24,417)	(33,974)	(5,349)	(5,022)
At 31 March	285,164	192,210	55,247	37,855

The loss allowance includes amounts relating to other receivables of $35,999,000 (2018 – $27,770,000) and $29,583,000 (2018-$26,872,000) 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 discounted payments was as follows:

	The Group			
	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000
		2019		
Finance lease obligations	14,913	30,087	-	45,000
Long term loans	66,323	516,306	92,402	675,031
	81,236	546,393	92,402	720,031
		2018		
Finance lease obligations	17,714	15,708	-	33,422
Long term loans	91,674	331,819	319,069	742,562
	109,388	347,527	319,069	775,984

	The Company			
	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000
		2019		
Long term loans	61,521	492,171	92,402	646,094
		2018		
Long term loans	73,705	317,950	319,069	710,724

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

Radio Jamaica Limited

3. Financial Risk Management (Continued)

(c) Market risk

The Group takes on exposure to market risk, 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 risk 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 risk, 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 2019, the Group and Company had net USD dominated monetary assets carried at a Jamaican Dollar equivalent of $75,887,000 (2018 – $260,575,000) and $76,973,000 (2018 – $258,078,000) respectively. The Group and Company also had net GBP and CAD dominated monetary assets carried at a Jamaican Dollar equivalent of $6,855,000 (2018 – $12,294,000) and $4,767,000 (2018 – $5,047,000) respectively.

Foreign currency sensitivity

The sensitivity analysis represents the impact on the profit or loss due to the movement in the US dollar, GBP and CAD exchange rate if the rate adjusts for a 2% revaluation and 4% devaluation (2018 – 2% revaluation and 4% devaluation).

US dollar - The pre-tax impact on the profit or loss would amount to ($1,517,000) – revaluation, $3,035,000 – devaluation (2018 – ($5,212,000)/$10,423,000) and ($1,539,000) – revaluation and $3,079,000 – devaluation (2018 – ($5,162,000)/$10,323,000) for the Group and the Company respectively.

GBP -The pre-tax impact on the profit or loss would amount to $137,000 – revaluation, $274,000 – devaluation (2018 – ($213,000)/ $426,000) for the Group.

CAD - The pre-tax impact on the profit or loss would amount to $95,000 – revaluation, $190,000 – devaluation (2018 – ($32,000)/$65,000) 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 long term investments at a fixed rate with durations of between 2 and over 5 years for repricing.

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 2019, these instruments are quoted investment securities, Government of Jamaica securities and investment notes (Note 18). The Group and Company have no financial assets grouped in Level 3.

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3. Financial Risk Management (Continued)

(e) Fair value estimation (continued)

	The Group			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
As at 31 March 2019				
Financial assets				
Investment securities	9,234	30,636	-	39,870
As at 31 March 2018				
Financial assets				
Investment securities	11,391	147,778	-	159,169

	The Company			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
As at 31 March 2019				
Financial assets				
Investment securities	9,234	30,435	-	39,669
As at 31 March 2018				
Financial assets				
Investment securities	11,391	147,577	-	158,968

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.

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

(b) Key sources of estimation uncertainty (continued)

Assessment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2k. The assessment of goodwill impairment involves the determination of the value in use. Determination of value in use involves the estimation of future cash flows from the business taking into consideration the growth rates, inflation rates and the discount rate. Any changes in these variables would impact the value in use calculations. A 1% increase in the discount rates and a 2% reduction in the revenue growth would result in a reduction in the value in use by $103,354,000 which would not result in an impairment of goodwill of $75,002,000 (Note 14).

Income taxes

Estimates are required in determining the loss allowance 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 loss allowances 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 2019, unrecognised deferred tax assets in respect of tax losses carried forward amounted to $55,879,000 (2018 – $59,368,000).

5. Other Operating Income

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Interest income	5,069	38,747	3,842	34,306
Net foreign exchange (loss)/gains	(3,072)	(16,750)	(11)	(16,079)
Unrealised loss on revaluation of investment securities classified as financial assets at fair value through profit or loss	(218)	(4,097)	(218)	(4,097)
Gain/(loss) on disposal of fixed assets	-	4,617	-	1,007
Rental income	46,236	47,562	63,665	63,317
Compensation for damages	3,163	1,394	391	1,182
Other income	75,573	60,613	16,825	6,303
	126,751	132,086	84,494	85,939

6. Expenses by Nature

Total direct, selling, administration and other operating expenses:

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Auditors' remuneration	25,249	25,791	4,665	4,691
Commissions	515,635	484,170	34,471	33,417
Depreciation and amortisation	499,557	255,920	20,181	26,154
Insurance	92,890	91,272	6,711	12,162
Programming expenses	405,016	268,367	29,707	17,864
Publicity	81,090	28,836	7,328	16,807
Repairs and maintenance	232,618	166,811	41,833	32,916
Special events	75,003	225,831	17,508	4,222
Staff costs (Note 7)	2,156,871	2,210,327	317,520	311,573
Utilities	330,958	315,769	41,090	43,142
Other[1]	1,162,926	1,085,488	103,176	146,387
	5,577,183	5,158,582	624,190	649,335

[1] Other includes legal, director's fees, bad debt, professional fees, janitorial costs, canteen expenses, transportation, market research, web, security and rental expense.

7. Staff Costs

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Wages and salaries	1,778,505	1,787,964	236,479	246,941
Statutory contributions	158,607	103,222	32,742	39,681
Pension benefits (Note 15)	61,889	2,090	21,025	(4,088)
Other retirement benefits (Note 15)	20,032	19,702	7,457	6,653
Other	137,838	297,349	19,817	22,386
	2,156,871	2,210,327	317,520	311,573

[2] Other includes uniform, vacation leave, health, training, life insurance.

8. Finance Costs

	The Group		The Company	
	2019 **$'000**	**2018** **$'000**	**2019** **$'000**	**2018** **$'000**
Interest expense –				
Bank borrowings	38,691	27,221	3,773	4,433
Finance leases	789	5,999	150	-
Other	16,599	14,344	-	239
	56,079	47,564	3,923	4,672

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	
	2019 **$'000**	**2018** **$'000**	**2019** **$'000**	**2018** **$'000**
Current tax	17,401	17,486	(1,755)	-
Deferred tax (Note 16)	(19,209)	(4,179)	7,403	(991)
	(1,808)	13,307	5,648	(991)

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	
	2019 **$'000**	**2018** **$'000**	**2019** **$'000**	**2018** **$'000**
Profit/(Loss) before taxation	(24,252)	(28,483)	21,203	(14,285)
Tax calculated at a tax rate of 25%	(6,063)	(7,121)	5,301	(3,571)
Adjusted for the effects of :				
Expenses not deductible for tax purposes	3,613	1,586	54	121
Prior year tax adjustment	(7,980)			
Tax losses utilised	-	(2,553)	-	-
Tax losses in subsidiaries	11,963	8,114	-	-
Employee tax credit	(2,899)	(4,984)	(1,013)	-
Other	(442)	18,265	1,306	2,459
	(1,808)	13,307	5,648	(991)

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)	**2019**	193,756	(48,439)	145,317
Remeasurements of post-employment benefit liabilities (Note 15)	**2018**	(149,167)	37,292	(111,875)

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)	**2019**	67,613	(16,903)	50,710
Remeasurements of post-employment benefit liabilities (Note 15)	**2018**	(90,216)	22,554	(67,662)

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:

	2019 $'000	2018 $'000
The Company	15,555	(13,294)
	15,555	(13,294)
The subsidiaries	(37,999)	(28,496)
	(22,444)	(41,790)

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

	2019 $'000	2018 $'000
The Company	424,958	393,706
The subsidiaries	(108,076)	(26,054)
	316,882	367,652

11. Ordinary Dividends

	2019 $'000	2018 $'000
Interim dividends – nil (2018 – 2 cents) per stock unit	-	48,450

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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.

	2019	2018
Net loss attributable to stockholders $'000	(22,444)	(41,790)
Weighted average number of ordinary stock units in issue ('000) after acquisition	2,397,683	2,397,683
Basic earnings per ordinary stock unit	($0.01)	($0.02)

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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 2017	56,531	387,630	134,580	1,865,453	167,218	31,509	5,562	-	2,648,483
Additions	-	1,378	-	99,426	30,379	2,431	7,143	441,731	582,488
Disposals	-	-	-	(26,964)	(19,944)	-	(5,926)	-	(52,834)
Utilisation	-	-	-	-	-	(3,977)	-	-	(3,977)
Transfers	-	2,183	-	393,297	-	-	-	(395,480)	-
31 March 2018	56,531	391,191	134,580	2,331,212	177,653	29,963	6,779	46,251	3,174,160
Additions	-	19,380	-	55,251	46,616	577	5,133	88,011	214,968
Disposals	-	-	-	(1,072)	(1,983)	-	(5,274)	-	(8,329)
Utilisation	-	-	-	(14)	-	(2,422)	-	-	(2,436)
Transfers	-	7,950	-	77,630	-	-	-	(85,580)	-
31 March 2019	56,531	418,521	134,580	2,463,007	222,286	28,118	6,638	48,682	3,378,363

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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 2018	56,531	391,191	134,580	2,331,212	177,653	29,963	6,779	46,251	3,174,160
31 March 2019	56,531	418,521	134,580	2,463,007	222,286	28,118	6,638	48,682	3,378,363
Depreciation -									
1 April 2017	-	119,701	27,916	1,248,238	98,405	14,868	5,562	-	1,514,690
Charge for the year	-	9,830	987	141,923	39,287	1,391	4,491	-	197,909
Relieved on disposals /utilization	-	-	-	(26,659)	(19,399)	(1,586)	(5,926)	-	(53,570)
31 March 2018	-	129,531	28,903	1,363,502	118,293	14,673	4,127	-	1,659,029
Charge for the year	-	9,959	988	168,430	39,625	1,004	4,283	-	224,289
Relieved on disposals/ utilization	-	-	-	(1,072)	-	(1,164)	(5,274)	-	(7,510)
31 March 2019	-	139,490	29,891	1,530,860	157,918	14,513	3,136	-	1,875,808
Net Book Value -									
31 March 2019	56,531	279,031	104,689	932,147	64,368	13,605	3,502	48,682	1,502,555
31 March 2018	56,531	261,660	105,677	967,710	59,360	15,290	2,652	46,251	1,515,131

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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 2017	5,516	289,360	395,796	20,505	10,729	290	722,196
Additions	-	238	8,697	-	494	12,373	21,802
Disposals	-	-	(1,222)	(2,527)	-	-	(3,749)
Transfers	-	2,183	2,847	-	-	(5,030)	-
Utilisation	-	-	-	-	(1,484)	-	(1,484)
31 March 2018	5,516	291,781	406,118	17,978	9,739	7,633	738,765
Additions	-	-	16,463	-	486	29,628	46,577
Disposals	-	-	(1,072)	-	-	-	(1,072)
Transfers	-	6,105	6,073	-	-	(12,178)	-
Utilisation	-	-	-	-	(1,461)	-	(1,461)
31 March 2019	5,516	297,886	427,582	17,978	8,764	25,083	782,809
Depreciation -							
1 April 2017	-	99,921	348,176	16,428	9,296	-	473,821
Charge for the year	-	6,997	11,589	4,077	499	-	23,162
Relieved on disposals/utilization	-	-	(917)	(2,527)	(581)	-	(4,025)
31 March 2018	-	106,918	358,848	17,978	9,214	-	492,958
Charge for the year	-	7,111	12,877	-	193	-	20,181
Relieved on disposals/utilisation	-	-	(1,072)	-	(893)	-	(1,965)
31 March 2019	-	114,029	370,653	17,978	8,514	-	511,174
Net Book Value -							
31 March 2019	5,516	183,857	56,929	-	250	25,083	271,635
31 March 2018	5,516	184,863	47,270	-	525	7,633	245,807

The tables above include carrying values of $11,412,000 (2018: $28,170,000) for the Group 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					
	Goodwill	Broadcasting Right	Brand	Leases	Computer Software	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost -						
1 April 2017	75,002	61,156	221,100	141,800	99,085	598,143
Additions	-	57,283	-	-	18,713	75,996
31 March 2018	75,002	118,439	221,100	141,800	117,798	674,139
Additions	-	145,510	-	-	15,267	160,777
31 March 2019	75,002	263,949	221,100	141,800	133,065	834,916
Amortisation -						
1 April 2017	-	-	14,740	9,453	42,380	66,573
Amortisation charge	-	11,931	14,740	9,453	33,738	69,862
31 March 2018	-	11,931	29,480	18,906	76,118	136,435
Amortisation charge	-	248,928	-	25,953	26,310	301,191
31 March 2019	-	260,859	29,480	44,859	102,428	437,626
Net Book Value						
31 March 2019	75,002	3,090	191,620	96,941	30,637	397,290
31 March 2018	75,002	106,508	191,620	122,894	41,680	537,704

Broadcast rights
The Company acquired rights to broadcast FIFA events for the period 2018 to 2019 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.

Impairment tests for goodwill
The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount is usually determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows.

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14. Intangible Assets (Continued)

Impairment tests for goodwill (continued)

The amortisation of intangible assets is included in administration expenses in profit or loss.

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

Key assumptions used for value in use calculations:

	Revenue Growth Rate	EBITDA to Revenue	Capital Expenditure to Revenue	Discount Rate
Print and other	2%	10%	1%	17.1%

	Company
	Computer Software $'000
Cost -	
31 March 2018 and 2019	9,251
Amortisation -	
31 March 2017	6,259
Amortisation charge	2,992
31 March 2018	9,251
Amortisation charge	-
31 March 2019	9,251
Net Book Value	
31 March 2019	-
31 March 2018	-

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15. Retirement Benefits

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Amounts recognised in the balance sheet –				
Pension schemes	214,852	187,733	212,923	182,803
Other retirement benefits	(201,367)	(190,442)	(66,924)	(56,255)
Amounts recognised in profit or loss –				
Pension schemes (Note 7)	39,733	2,090	21,025	(4,088)
Other retirement benefits (Note 7)	20,033	19,702	7,457	6,653
Amounts recognised in other comprehensive income –				
Pension schemes	(65,108)	134,536	(50,066)	84,399
Other retirement benefits	(2,505)	14,632	4,718	5,817
Deferred tax	(16,903)	37,292	(11,337)	(22,554)

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%.

The scheme is valued triennially 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 fund is 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 satisfy certain minimum service requirements.

The fund is managed and 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	
	2019 **$'000**	**2018** **$'000**	**2019** **$'000**	**2018** **$'000**
Fair value of plan assets	1,331,454	1,182,720	1,014,539	907,427
Present value of funded obligation	(1,116,602)	(994,987)	(801,616)	(724,624)
Asset in the balance sheet	214,852	187,733	212,923	182,803

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

	The Group		The Company	
	2019 **$'000**	**2018** **$'000**	**2019** **$'000**	**2018** **$'000**
Balance at start of year	994,987	742,149	724,624	560,181
Current service cost	46,163	25,427	29,235	15,461
Interest cost	74,116	68,897	53,692	51,564
	1,115,266	836,473	807,551	627,206
Remeasurements -				
Experience losses/(gains)	(57,528)	2,727	(39,671)	(862)
Losses from change in financial assumptions	56,043	171,470	38,260	119,287
	(1,485)	174,197	(1,411)	118,425
Employee contributions	36,156	29,738	24,066	19,000
Benefits paid	(33,335)	(45,421)	(28,590)	(40,007)
	1,116,602	994,987	801,616	724,624

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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	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Balance at start of year	1,182,720	1,064,916	907,427	822,304
Employee contributions	36,156	29,738	24,066	19,000
Employer contributions	1,743	1,592	1,079	991
Interest income on plan assets	87,981	99,330	67,239	76,281
Benefits paid	(33,335)	(45,421)	(28,590)	(40,007)
Administrative fees	(7,434)	(7,096)	(5,337)	(5,168)
Remeasurements of the plan assets	63,623	39,661	48,655	34,026
Balance at end of year	1,331,454	1,182,720	1,014,539	907,427

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

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Current service cost	46,163	25,427	29,235	15,461
Interest cost	74,117	68,897	53,692	51,564
Interest income on plan assets	(87,981)	(99,330)	(67,239)	(76,281)
Administrative fees	7,434	7,096	5,337	5,168
Total included in staff costs (Note 7)	39,733	2,090	21,025	(4,088)

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

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Remeasurements of the defined benefit obligation	(1,485)	174,197	(1,411)	118,425
Remeasurements of the plan assets	(63,623)	(39,661)	(48,655)	(34,026)
Total	(65,108)	134,536	(50,066)	84,399

Radio Jamaica Limited

15. Retirement Benefits (Continued)

Pension schemes (continued)

At the last valuation date, the present value of the defined benefit obligation was comprised of approximately $799,749,000 (2018 - $704,773,000) and $520,475,000(2018- $463,780,000) relating to active members, $79,860,000 (2018 - $82,099,000) and $61,209,000 (2018 - $63,825,000) relating to deferred members and $236,995,000 (2018- $208,114,000) and $219,933,000 (2018 - $197,019,000) 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 2019 amount to $1,770,000 for the Group and $1,040,000 for the Company.

The distribution of plan assets was as follows:

	The Group & Company	
	2019	**2018**
	%	%
Equities	45	40
Government of Jamaica securities	12	18
Certificate of deposits	5	5
US$ Investments	5	5
Corporate bonds	27	25
Other	6	7
	100	100

Plan assets include the Company's ordinary shares with a fair value of $2,065,000 (2018 - $2,624,000).

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

	The Group 2019		
	Impact on post-employment obligations		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
		$'000	**$'000**
Discount rate	1%	(35,526)	75,390
Future salary increases	1%	15,240	(10,291)
Pension increases	1%	49,314	(29,417)

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15. Retirement Benefits (Continued)

Pension schemes (continued)

	The Group		
	2018		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(132,692)	171,038
Future salary increases	1%	63,791	(54,875)
Pension increases	1%	89,233	(76,758)

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

	The Company		
	2019		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
		$'000	$'000
Discount rate	1%	(95,988)	121,332
Future salary increases	1%	29,651	(26,677)
Pension increases	1%	80,519	(67,849)

	The Company		
	2018		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(91,082)	115,835
Future salary increases	1%	40,084	(34,814)
Pension increases	1%	63,924	(55,296)

15. Retirement Benefits (Continued)

Pension schemes (continued)

		The Group	
		Increase Assumption by One Year	Decrease Assumption by One Year
		$'000	$'000
Life expectancy	2019	34,400	(35,100)
Life expectancy	2018	27,500	(29,800)

		The Company	
		Increase Assumption by One Year	Decrease Assumption by One Year
		$'000	$'000
Life expectancy	2019	25,800	(26,300)
Life expectancy	2018	20,900	(22,700)

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.

Radio Jamaica Limited

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	
	2019 **$'000**	**2018** **$'000**	**2019** **$'000**	**2018** **$'000**
Present value of unfunded obligations	201,367	190,442	66,924	56,255

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

	The Group		The Company	
	2019 **$'000**	**2018** **$'000**	**2019** **$'000**	**2018** **$'000**
Balance at start of year	190,442	162,068	56,255	45,137
Current service cost	5,937	4,511	3,295	2,429
Interest cost	14,095	15,191	4,162	4,224
	210,474	181,770	63,712	51,790
Remeasurements -				
Experience (gains)/losses	2,359	(2,275)	(784)	(2,212)
Gains from change in demographic assumptions	1,867	15,675	1,472	7,083
Losses from change in financial assumptions	(6,730)	1,232	4,031	946
	(2,504)	14,632	4,719	5,817
Benefits paid	(6,603)	(5,960)	(1,507)	(1,352)
Balance at end of year	201,367	190,442	66,924	56,255

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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	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Current service cost	5,937	4,511	3,295	2,429
Interest cost	14,095	15,191	4,162	4,224
Total included in staff costs (Note 7)	20,032	19,702	7,457	6,653

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

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Remeasurements of the defined benefit obligation	(2,502)	14,632	4,718	5,817

At the last valuation date, the present value of the defined benefit obligation was comprised of approximately $167,557,000 (2018 - $160,852,000) and $40,888,000 (2018 - $32,239,000) relating to active members and $33,810,000 (2018 - $29,592,000) and $26,036,000 (2018 - $24,016,000) 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 2019		
	Impact on post-employment obligations		
	Change in assumption	**Increase in assumption $'000**	**Decrease in assumption $'000**
Discount rate	1%	(13,314)	16,667
Future salary increases	1%	233	(213)
Health inflation rate	1%	15,190	(12,343)

	GCML		
	Impact on post-employment obligations		
	Change in assumption	**Increase in assumption $'000**	**Decrease in assumption $'000**
Discount rate	1/2%	(97,000)	16,667
Health inflation rate	1/2%	108,900	108,900

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15. Retirement Benefits (Continued)

Other retirement benefits (continued)

	The Group 2018		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(108,366)	138,058
Future salary increases	1%	623	364
Health inflation rate	1%	136,283	(93,724)

	The Company 2019		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(8,394)	10,485
Future salary increases	1%	85	(77)
Health inflation rate	1%	10,007	(8,154)

	The Company 2018		
	Impact on post-employment obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(7,897)	10,010
Future salary increases	1%	366	(304)
Health inflation rate	1%	8,875	(7,149)

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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	2019	110,285	110,285
Life expectancy	2018	115,661	(106,943)

		The Company	
		Increase Assumption by One Year	Decrease Assumption by One Year
		$'000	$'000
Life expectancy	2019	2,465	2,438
Life expectancy	2018	1,952	(1,934)

Principal actuarial assumptions used in valuing retirement benefits

The principal actuarial assumptions used were as follows:

	The Group & The Company	
	2019	2018
Discount rate	7%	7.5%
Inflation rate	5%	4.5%
Future salary increases	5%	4.5% -5.5%
Future pension increases	3%	3%
Long term increase in health cost	6%	6% - 6.5%

15. Retirement Benefits (Continued)

Risks associated with pension plans and post-employment plans

Through its defined benefit pension plan 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 plan 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 plan's 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 2019 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 2019. The Group considers 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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Deferred income tax assets	164,193	68,669	5,239	23,979
Deferred income tax liabilities	(223,360)	(130,142)	-	-
	(59,167)	(61,473)	5,239	23,979

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

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Balance as at 1 April	(61,473)	(102,944)	23,979	434
Charged/(credited) in arriving at profit or loss	19,209	4,179	(7,403)	991
(Credited)/charged to other comprehensive income	(16,903)	37,292	(11,337)	22,554
Balance as at 31 March	(59,167)	(61,473)	5,239	23,979

	Group	
	2019 $'000	2018 $'000
Deferred tax assets	52,445	68,669
Deferred tax liabilities	(111,612)	(130,142)
	(59,167)	(61,473)

	Company	
	2019 $'000	2018 $'000
Deferred tax assets	5,239	23,979

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 2017	55,458	74,000	808	94,977	4,162	229,405
Charged to profit or loss	9,021	(124)	5,340	-	(2,342)	11,895
Charged to other comprehensive income	-	(33,634)	-	-	-	(33,634)
At 31 March 2018	64,479	40,242	6,148	94,977	1,820	207,666
(Credited)/Credited to profit or loss	3,783	(1,910)	(4,594)	-	(443)	(3,164)
Credited to other comprehensive income	-	18,858	-	-	-	18,858
At 31 March 2019	68,262	57,190	1,554	94,977	1,377	223,360

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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**	**$'000**	**$'000**
At 1 April 20167	40,517	11,398	31,520	35,892	7,134	126,461
Credited to profit or loss	3,437	-	5,138	9,903	(2,404)	16,074
Credited to other comprehensive income	3,658	-	-	-	-	3,658
At 31 March 2018	47,612	11,398	36,658	45,795	4,730	146,193
Credited to profit or loss	2,175	-	(2,501)	(5,459)	21,830	16,045
Credited to other comprehensive income	1,955	-	-	-	-	1,955
At 31 March 2019	51,742	11,398	34,157	40,336	26,560	164,193

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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**	**Retirement Benefit Assets**	**Unrealised Foreign Exchange Gains**	**Interest Receivable**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 1 April 2017	(863)	65,531	11	2,774	67,453
(Credited)/charged to profit or loss	685	1,270	5,340	(2,342)	4,953
Credited to other comprehensive income	-	(21,100)	-	-	(21,100)
At 31 March 2018	(178)	45,701	5,351	432	51,306
(Credited)/charged to profit or loss	9,879	(5,006)	(4,594)	4,557	4,836
Charged to other comprehensive income	-	12,536	-	-	12,536
At 31 March 2019	9,701	53,231	757	4,989	68,678

	Company				
Deferred tax assets	**Retirement Benefit Obligation**	**Tax Losses**	**Accrued Vacation**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 1 April 2017	11,285	52,230	4,372	-	67,887
Credited to profit or loss	1,325	259	643	3,717	5,944
Credited to other comprehensive income	1,454	-	-	-	1,454
At 31 March 2018	14,064	52,489	5,015	3,717	75,285
Credited/(charged) to profit or loss	1,468	(5,459)	(1,826)	3,250	(2,567)
Credited to other comprehensive income	1,199	-	-	-	1,199
At 31 March 2019	16,731	47,030	3,189	6,967	73,917

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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:

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

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax liabilities	18,075	7,968	5,746	5,783

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 $235,966,000 (2018 – $248,529,000) for the Group and $188,120,000 (2018 – $209,951,000) 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 $223,515,000 (2018 – $237,473,000).

17. Investment in Subsidiaries

	2019	**2018**
	$'000	**$'000**
Multimedia Jamaica Limited	50	50
Television Jamaica Limited	20,002	20,002
The Gleaner Company (Media) Limited	1,392,930	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	1,824,854

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18. Investment Securities

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
At fair value through profit or loss –				
One Caribbean Media Limited, quoted	9,234	11,384	9,234	11,384
Other	13,233	-	13,233	-
Available-for-sale (AFS) –				
Caribbean News Agency, unquoted	7	7	7	7
Global bonds	7,396	137,713	7,195	137,512
Corporate bonds	10,000	10,065	10,000	10,065
	39,870	159,169	39,669	158,968

Fair value losses in relation to the available-for-sale securities total $7,135,000 and is included in fair value reserve in shareholders equity.

Reclassification from IAS 39 to IFRS 9

The Company assessed its business model for securities within the Company's portfolio and identified certain securities which are managed separately and actively traded for capital gains. These securities which were previously classified as available for sale are reclassified to FVTPL under IFRS 9.

19. Inventories

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Spares	1,537	1,752	942	1,151
Film	13,556	15,494	-	-
Newsprint	43,140	56,679	-	-
Goods in transit	8,649	7,839	202	-
Books, stationery and general supplies	35,264	28,854	-	-
Consumable stores	4,979	9,354	-	-
Other	5,299	6,352	3,280	4,505
	112,424	126,324	4,424	5,656

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20. Due from Subsidiaries

	2019 $'000	2018 $'000
Multi-Media Jamaica Limited	59,007	33,730
The Gleaner Company (USA) Limited	48,487	48,487
The Gleaner Company (Media) Limited	60,601	36,957
Independent Radio Jamaica	29,802	27,313
Reggae Entertainment Television Limited	72,271	50,753
Television Jamaica Limited	163,089	391,988
Jamaica News Network Limited	124,449	81,735
	557,706	670,963
Due to subsidiaries		
The Gleaner Company (Media) Limited	204,010	308,396
	204,010	308,396

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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

	2019 $'000	2018 $'000
Multi-Media Jamaica Limited	31,875	31,880
The Gleaner Company (Media) Limited	721	721
Jamaica News Network Limited	13,012	11,235
	45,608	43,836

(c) Rental income – The Company earns rental income from its subsidiaries as follows:

	2019 $'000	2018 $'000
Television Jamaica Limited	15,031	15,031
Multi-Media Jamaica Limited	245	245
Reggae Entertainment Television Limited	240	240
Jamaica News Network Limited	240	240
	15,756	15,756

(d) Lease income- The Company earns lease income from subsidiaries as follows:

	2019 $'000	2018 $'000
Independent Radio Company Ltd	1,759	1,796

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21. Related Party Transaction Balances (Continued)

(e) Rental expense- The Company pays rental expense to its subsidiary as follows:

	2019 $'000	2018 $'000
Jamaica News Network Limited	1,953	1,953

(f) Advertising Income- The Company earns advertising from its subsidiaries as follows:

	2019 $'000	2018 $'000
The Gleaner Company (Media) Limited	-	2,640

(g) Key management compensation for the Group was as follows:

	The Group & The Company	
	2019 $'000	**2018 $'000**
Wages and salaries	68,564	67,192
Statutory contributions	3,995	4,022
Other	7,604	6,366
	80,163	77,580

*The figures in prior year were restated.

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Directors' emoluments –				
Fees	11,293	14,305	10,060	11,512
Management remuneration (included in staff costs)	40,881	43,444	40,881	43,444

22. Receivables

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	970,198	950,042	110,998	103,278
Prepayments	57,445	46,192	11,681	9,225
Other	171,832	195,680	65,625	59,826
	1,199,475	1,191,914	188,304	172,329
Less: Loss allowance for impairment	(285,164)	(192,210)	(55,247)	(37,855)
	914,311	999,704	133,057	134,474

23. Cash and Cash Equivalents

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Cash	282,555	173,927	120,407	120,033
Short term investments	163,873	93,039	100,663	31,054
	446,428	266,966	221,070	151,087

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

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Cash	282,555	173,927	120,407	120,033
Short term investments	163,873	93,039	100,663	31,054
	446,428	266,966	221,070	151,087

(a) Cash comprises amounts held in current accounts, which currently attract interest at a rate of 0.25% - 0.40% per annum.

(b) Short term investments comprise securities purchased under resale agreements and are classified as financial assets at fair value through profit or loss.

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

	The Group		Company	
	2019	**2018**	**2019**	**2018**
	%	**%**	**%**	**%**
Jamaican dollar	1	1	1	1

(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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade	213,035	249,747	50,958	87,583
Accrued vacation leave	40,339	59,295	12,756	20,068
Other accruals	173,435	148,193	43,635	27,710
Current portion of finance leases (Note 26)	13,946	15,310	-	-
Current portion of long term loans (Note 26)	37,355	50,235	34,357	33,697
Statutory deductions	54,117	30,762	10,627	10,380
Deferred Revenue	66,492	69,358	22,943	24,808
Other	55,418	99,487	18,421	17,381
	654,137	722,387	193,697	221,627

25. Share Capital

Authorised –

50,000 5% Cumulative participating preference shares

2,422,487,654 (2018 – 2,422,487,654) Ordinary shares

	2019 $'000	2018 $'000
Issued and fully paid –		
2,422,487,654 (2018 – 2,422,487,654) Ordinary shares of no par value	2,046,117	2,046,117
24,804,577 Treasury shares (2018 – 24,804,577) Ordinary shares of no par value	(5,039)	(5,039)
	2,041,078	2,041,078

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

26. Long Term Loans & Finance Leases

Long term loans

	The Group		The Company	
	2019 **$'000**	**2018** **$'000**	**2019** **$'000**	**2018** **$'000**
(a) Sagicor Bank Jamaica Limited Loan 1	360,000	386,667	360,000	386,667
(b) Sagicor Bank Jamaica Limited Loan 2	37,705	45,394	37,705	45,394
(c) First Global Bank Limited	-	15,174	-	-
(d) Jamaica Money Market Brokers	22,772	12,152	-	-
	420,477	459,387	397,705	432,061
Less: Current portion (Note 24)	(37,355)	(50,235)	(34,357)	(33,697)
	383,122	409,152	363,348	398,364

(a) This loan is repayable on a monthly basis, maturing in 30 September 2032 and attracts interest at 9% (2018 – 9.50%). It is secured by a first mortgage over commercial properties owned by the Company.
(b) This loan is repayable on a monthly basis, maturing in September 2019 and attracts interest at 9% (2018 – 9%). It is secured by a first mortgage over a commercial property owned by the Company.
(c) The loans are repayable over 5 years with total monthly instalments of $1,540,000. The loan is secured by selected properties owned by the Company and the parent (The Gleaner Company (Media) Limited) and a term deposit of $26 million held by the parent Company. The loan repayment commenced in January 2014 after a 12 month period of moratorium or principal repayments.
(d) The loan is repayable over 7 years commencing February 2019 and attracts interest at 8.75%.

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26. Long Term Loans & Finance Leases (Continued)

Finance leases

Finance lease liabilities – minimum lease payments

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Not later than 1 year	13,946	15,310	-	-
Later than 1 year and not later than 5 years	4,008	13,831	-	-
	17,954	29,141	-	-
Future finance charges on finance leases	(13,946)	(15,310)	-	-
Present value of finance lease obligations	4,008	13,831	-	-

The present value of finance lease obligations is as follows:

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Not later than 1 year (Note 24)	13,946	15,310	-	-
Later than 1 year and not later than 5 years	4,008	13,831	-	-
	17,954	29,141	-	-

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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 entities.

The Group's operations are primarily located in Jamaica.

	Audio Visual	Audio	Print & Others	Sub-total	Eliminations	Total
	$'000		$'000	$'000	$'000	$'000
				2019		
Revenues	2,168,089	714,236	2,751,143	5,633,468	(150,579)	5,482,889
Operating profit	(18,094)	24,643	51,230	51,137	(25,952)	31,827
Assets	1,855,375	3,437,079	1,189,890	6,482,344	(2,766,053)	3,716,291
Liabilities	1,155,879	929,172	477,051	2,562,102	(1,200,346)	1,361,756
Capital expenditure	106,391	46,814	61,763	214,968	-	214,968
Depreciation	148,507	30,845	44,937	224,289	-	224,289
Finance costs	(35,524)	(5,777)	(14,778)	(56,079)	-	(56,079)
				2018		
Revenues	1,871,775	694,624	2,654,846	5,221,245	(175,668)	5,045,577
Operating profit	37,325	(21,886)	27,835	43,274	(24,193)	19,081
Assets	1,975,748	3,561,581	1,152,645	6,689,974	(2,807,254)	3,882,720
Liabilities	1,219,867	1,082,586	444,844	2,747,297	(1,267,496)	1,479,801
Capital expenditure	523,496	22,246	36,746	582,488	-	582,488
Depreciation	123,795	35,610	38,504	197,909	-	197,909
Finance costs	(24,893)	(6,467)	(16,204)	(47,564)	-	(47,564)

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

The result of its revenue from external customers in Jamaica is $5,393,746,000 (2018 - $4,947,980,000), and the total of revenue from external customers from other countries is $89,143,000 (2018 - $97,597,000).

The operations of The Gleaner Company Media Limited were acquired on 24 March 2016.

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28. Contingencies

The Company and its subsidiaries are subject to various claims, disputes and legal proceedings, in the normal course of business. Loss allowance 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. Changes in Accounting Policies

The changes in accounting policies outlined in note 2 (a) which have resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements summarised in the following tables.

	Group		
	March 31, 2018 as originally presented	**Transition adjustment-IFRS 9**	**As at April 1, 2018**
	$'000		**$'000**
Non-Current Assets			
Fixed assets	1,515,131	-	1,515,131
Intangible assets	537,704	-	537,704
Retirement benefit assets	187,733	-	187,733
Deferred tax assets	68,669	-	68,669
Long term receivables	763	-	763
Investment securities	159,169	-	159,169
	2,469,169		2,469,169
Current Assets			
Inventories	126,324	-	126,324
Receivables	999,704	(77,215)	922,489
Taxation recoverable	20,557	-	20,557
Cash and short term investments	266,966	-	266,966
	1,413,551		1,336,336
Current Liabilities			
Payables	722,387	-	722,387
Taxation payable	13,847	-	13,847
	736,234		736,234
Net Current Assets	677,317		600,102
	3,146,486		3,069,271

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29. Changes in Accounting Policies (Continued)

	Group (continued)		
	March 31, 2018 as originally presented	Transition adjustment - IFRS 9	As at April1, 2018
	$'000		$'000
Stockholders' Equity			
Share capital	2,041,078	-	2,041,078
Foreign currency translation	1,197	-	1,197
Fair value reserve	(7,135)	-	(7,135)
Retained earnings	367,652	(77,215)	290,437
	2,402,792		2,325,577
Non-controlling Interests	127		127
Total Equity	2,402,919		2,325,704
Non-Current Liabilities			
Finance lease obligations	13,831	-	13,831
Long term loans	409,152	-	409,152
Deferred tax liabilities	130,142	-	130,142
Retirement benefit obligations	190,442	-	190,442
Total Non-Current Liabilities	743,567		743,567
	3,146,486		3,069,271

	Retained earnings $'000
Balance as of 31 March 2018	367,652
Transition adjustments on adoption of IFRS 9:	
Increase in loss allowance for trade receivables	(77,215)
Total transition adjustments	(77,215)
Balance as of 1 April 2018	290,437

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29. Changes in Accounting Policies (Continued)

	Company		
	March 31, 2018 as originally presented	Transition adjustment- IFRS 9	As at April 1, 2018
	$'000		$'000
Non-Current Assets			
Fixed assets	245,807	-	245,807
Retirement benefit asset	182,803	-	182,803
Deferred tax asset	23,979	-	23,979
Investment in subsidiaries	1,824,854	-	1,824,854
Investment securities	158,968	-	158,968
	2,436,411		2,436,411
Current Assets			
Inventories	5,656	-	5,656
Due from subsidiaries	670,963	-	670,963
Receivables	134,474	(18,314)	116,160
Taxation recoverable	13,700	-	13,700
Cash and short term investments	151,087	-	151,087
	975,880		957,566
Current Liabilities			
Payables	221,627	-	221,627
Taxation payable	308,396	-	308,396
	530,023		530,023
Net Current Assets	445,857		427,543
	2,882,268		2,863,954
Equity			
Share capital	2,041,078	-	2,041,078
Fair value reserves	(7,135)	-	(7,135)
Retained earnings	393,706	(18,314)	375,392
	2,427,649		2,409,335
Non-Current Liabilities			
Long term loans	398,364	-	398,364
Retirement benefit obligations	56,255	-	56,255
	454,619		454,619
	2,882,268		2,863,954

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29. Changes in Accounting Policies (Continued)

	Retained earnings $'000
Balance as of 31 March 2018	393,706
Transition adjustments on adoption of IFRS 9:	
Increase in loss allowance for trade receivables	(18,314)
Total transition adjustments	(18,314)
Balance as of 1 April 2018	375,392