



**Unaudited Financial Statements
1st Quarter Ended 30 June 2019**

Radio Jamaica Limited

Index

1st Quarter Ended 30 June 2019

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Directors' interim report to Shareholders

Unaudited Financial Statements

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**Radio Jamaica Limited
Report to Stockholders**

The directors are pleased to present the unaudited results of the RJRGLEANER Communications Group for the first quarter ending June 30, 2019.

The Group recorded an after-tax profit of \$24 million for the April to June 2019 quarter compared to a loss of \$70 million in the comparable quarter of the prior year, reflecting an improvement of \$94 million in net profit.

For the period under review, the Group recorded a \$12 million or 0.9% increase in revenues, largely due to the performance of the Print and TV Segments of the business.

Direct expenses were \$90 million below prior year, mainly due to the non-recurrence of rights and technical fees associated with the 2018 FIFA World Cup project.

Other Income of \$27 million, which increased by \$5 million or 20% when compared to the prior year, was mainly driven by exchange rate revaluation.

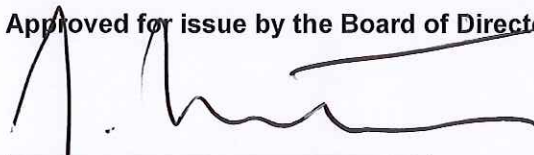
Administrative expenses for the quarter of \$291 million were flat when compared to the prior year's quarter despite inflationary effects, as well as, contracted and union-negotiated salary increases.

Other operating expenses of \$189 million were higher by \$9 million or 5% when compared to the prior year's quarter, due mainly to higher utility costs.

During the quarter, the Group implemented an integrated broadcasting division and a more focused approach to technology initiatives and strategic projects across the brand portfolios. The continued roll out of its High Definition workflow resulted in some benefits during the period, even as we await a policy decision from the government on the technical standard and business model to be used in Digital Switch Over. During the quarter the Group also continued its commitment to good corporate citizenship, working closely with the Jamaica Constabulary Force to improve awareness about safety on our roads and in public spaces. Continuing our clear stance on supporting democratic traditions, the Group partnered with the Electoral Commission of Jamaica making our database of thousands of death notices available for use in updating the electoral roll by removing the deceased persons from the list going back some 20 years.

Our performance for the quarter is with the strong support of advertising clients, customers, listeners, readers, viewers' and team members to whom we express our appreciation.

Approved for issue by the Board of Directors on August 14, 2019 and signed on its behalf by:



Joseph M. Matalon
Chairman

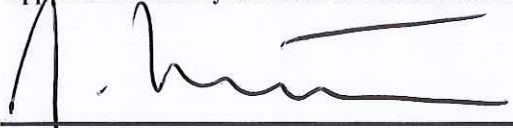


Gary Allen
Chief Executive Officer


Consolidated Balance Sheet (Unaudited)
1st Quarter Ended 30 June 2019

	Note	Unaudited June 2019 \$'000	Audited March 2019 \$'000
Non-Current Assets			
Fixed assets		1,481,901	1,502,555
Intangible assets	6	390,766	397,290
Deferred tax asset		51,263	52,445
Retirement benefit assets	7	214,852	214,852
Long term receivables		763	349
Investment securities		27,284	39,870
		2,166,829	2,207,361
Current Assets			
Inventories		173,551	112,424
Receivables	8	1,029,850	914,311
Taxation recoverable		12,262	35,767
Cash and short term investments		448,142	446,428
		1,663,805	1,508,930
Current Liabilities			
Payables		769,519	654,137
Taxation payable		(3,760)	7,511
		765,759	661,648
Net Current Assets		898,046	847,282
		3,064,875	3,054,643
Stockholders' Equity			
Share capital	9	2,041,078	2,041,078
Foreign currency translation	10	(675)	1,761
Fair value reserve		(7,135)	(7,135)
Retained earnings		341,297	316,882
		2,374,565	2,352,586
Non-controlling Interests		1,948	1,948
Non-Current Liabilities			
Finance lease obligations	11	3,784	4,008
Long term loans	12	372,974	383,122
Deferred tax liabilities		110,237	111,612
Retirement benefit obligations	7	201,367	201,367
		3,064,875	3,054,643

Approved for issue by the Board of Directors on August 14, 2019 and signed on its behalf by:



 Joseph M. Matalon Chairman



 Gary Allen Chief Executive Officer

Radio Jamaica Limited

Consolidated Statement of Changes in Equity (Unaudited)
1st Quarter Ended 30 June 2019

	Attributable to Stockholders of the Company						Non-controlling Interests Total	Total
	Number of Shares	Share Capital	Retained Earnings	Foreign Currency Translation	Fair Value Reserve	Equity Owners' Total		
	'000	\$'000	\$'000	\$'000	\$'000	\$'000		
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)
Transaction with owners - Ordinary dividends	-	-	(48,450)	-	-	(48,450)	-	(48,450)
Balance at 31 March 2018	2,397,683	2,041,078	367,652	1,197	(7,135)	2,402,792	127	2,402,919
Changes on initial application of IFRS 9	-	-	(79,036)	-	-	(79,036)	1,821	(77,215)
Total comprehensive income	-	-	28,266	564	-	28,830	-	28,830
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
Total comprehensive income	-	-	24,415	(2,436)	-	21,979	-	21,979
Balance at 30 June 2019	2,397,683	2,041,078	341,297	(675)	(7,135)	2,374,565	1,948	2,376,513
Balance at 31 March 2018	2,397,683	2,041,078	367,652	1,197	(7,135)	2,402,792	127	2,402,919
Total comprehensive income	-	-	(70,187)	(94)	-	(70,281)	-	(70,281)
Balance at 30 June 2018	2,397,683	2,041,078	297,465	1,103	(7,135)	2,332,511	127	2,332,638

Consolidated Cash Flow (Unaudited)**1st Quarter Ended 30 June 2019**

	Unaudited June 2019 \$'000	Unaudited June 2018 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit	24,415	(70,187)
Items not affecting cash:		
Depreciation and amortisation	65,040	69,017
(Gain)/Loss on disposal of fixed assets	-	-
Interest income	1,182	1,633
Dividend income	-	-
Interest expense	11,673	16,868
Income tax (credit)	11,458	4,798
Exchange loss on foreign currency balances	4,668	3,182
Revaluation of investment securities	317	(115)
	<u>118,759</u>	<u>25,300</u>
Changes in operating assets and liabilities:		
Inventories	(61,127)	(46,910)
Receivables	(116,444)	(65,698)
Payables	115,382	26,982
	<u>56,570</u>	<u>(60,326)</u>
Income tax paid/(recoverable)	(1,685)	(6,400)
Net Cash provided/(used in) by operating activities	<u>54,885</u>	<u>(66,726)</u>
Investing Activities		
Proceeds from disposal of fixed assets	123	-
Purchase of fixed assets and intangibles	(37,985)	(64,571)
Proceeds from Investments	12,586	146,470
Interest received	(1,182)	(2,007)
Net Cash (used in)/provided by investing activities	<u>(26,458)</u>	<u>79,892</u>
Financing Activities		
Loans repaid	(10,148)	(7,631)
Principal lease repayments	(224)	(4,421)
Interest paid	(11,673)	(16,868)
Exchange (losses)/gains on cash and cash equivalents	(4,668)	(3,182)
Net Cash used in financing activities	<u>(26,713)</u>	<u>(32,102)</u>
Increase/(decrease) in cash and cash equivalents	1,714	(18,936)
Cash and cash equivalents at beginning of year	446,428	266,966
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>448,142</u>	<u>248,030</u>

Company Statement of Comprehensive Income (Unaudited)

1st Quarter Ended 30 June 2019

Current Quarter 3 Months to 30/06/19	Prior Year Quarter 3 Months to 30/06/18		Year-to-Date Quarter 3 Months to 30/06/19	Prior Year Quarter 3 Months to 30/06/18
\$'000	\$'000		\$'000	\$'000
139,524	129,482	Revenue	139,524	129,482
(71,393)	(64,495)	Direct expenses	(71,393)	(64,495)
68,131	64,987	Gross Profit	68,131	64,987
23,780	22,729	Other income	23,780	22,729
(24,423)	(23,518)	Selling expenses	(24,423)	(23,518)
(44,608)	(42,552)	Administration expenses	(44,608)	(42,552)
(27,617)	(27,296)	Other operating expenses	(27,617)	(27,296)
(4,737)	(5,650)	Operating Loss	(4,737)	(5,650)
(886)	(1,230)	Finance costs	(886)	(1,230)
(5,623)	(6,880)	Loss before Taxation	(5,623)	(6,880)
(2,486)	(1,783)	Taxation	(2,486)	(1,783)
(8,109)	(8,663)	Net Loss	(8,109)	(8,663)

Company Balance Sheet (Unaudited)
1st Quarter Ended 30 June 2019

	Unaudited June 2019 \$'000	Audited March 2019 \$'000
Non-Current Assets		
Fixed assets	279,380	271,635
Retirement benefit asset	212,923	212,923
Deferred tax asset	3,720	5,239
Investment in subsidiaries	1,824,854	1,824,854
Investment securities	27,284	39,669
	2,348,160	2,354,320
Current Assets		
Inventories	6,002	4,424
Due from subsidiaries	502,518	557,706
Receivables	162,429	133,057
Taxation recoverable	11,905	16,303
Cash and short term investments	226,368	221,070
	909,222	932,560
Current Liabilities		
Payables	194,131	193,697
Due to subsidiaries	191,608	204,010
	385,739	397,707
Net Current Assets	523,483	534,853
	2,871,644	2,889,173
Equity		
Share capital	2,041,078	2,041,078
Fair value reserves	(7,135)	(7,135)
Retained earnings	416,849	424,958
	2,450,792	2,458,901
Non-Current Liabilities		
Long term loans	353,928	363,348
Deferred tax liabilities	-	-
Retirement benefit obligations	66,924	66,924
	2,871,644	2,889,173

Approved for issue by the Board of Directors on August 14, 2019 and signed on its behalf by:

Joseph M. Matalon

Chairman

Gary Allen

Chief Executive Officer

Company Statement of Changes in Equity (Unaudited)
1st Quarter Ended 30 June 2019

	Attributable to Stockholders of the Company				Total \$'000
	Number of Shares '000	Share Capital \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	
Balance at 1 April 2017	2,397,683	2,041,078	(7,135)	523,112	2,557,055
Total comprehensive income	-	-	-	(80,956)	(80,956)
Ordinary dividends	-	-	-	(48,450)	(48,450)
Balance at 31 March 2018	2,397,683	2,041,078	(7,135)	393,706	2,427,649
Changes on initial application of IFRS 9	-	-	-	(18,314)	(18,314)
Total comprehensive income	-	-	-	49,566	49,566
Balance at 31 March 2019	2,397,683	2,041,078	(7,135)	424,958	2,458,901
Total comprehensive income	-	-	-	(8,109)	(8,109)
Balance at 30 June 2019	2,397,683	2,041,078	(7,135)	416,849	2,450,792
Balance at 31 March 2018	2,397,683	2,041,078	(7,135)	393,706	2,427,649
Total comprehensive income	-	-	-	(8,663)	(8,663)
Balance at 30 June 2018	2,397,683	2,041,078	(7,135)	385,043	2,418,986

Company Cash Flow (Unaudited)

1st Quarter Ended 30 June 2019

	Unaudited June 2019 \$'000	Unaudited June 2018 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Net Loss	(8,109)	(8,663)
Items not affecting cash:		
Depreciation and amortisation	5,976	4,768
Gain on disposal of fixed assets	-	-
Spares utilised	6	20
Interest income	1,227	2,037
Interest expense	886	1,230
Income tax	2,485	1,782
Exchange (gains)/loss on foreign currency balances	3,682	5,009
Revaluation of investment securities	317	(115)
	6,470	6,068
Changes in operating assets and liabilities:		
Inventories	(1,578)	(1,917)
Due from subsidiaries	42,786	(143,544)
Receivables	(29,372)	(27,851)
Payables	434	2,892
	18,740	(164,352)
Income tax recoverable	3,432	2,453
	22,172	(161,899)
Net cash provided/(used in) by operating activities	22,172	(161,899)
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	123	-
Purchase of fixed assets	(13,852)	(3,192)
Proceeds from disposal of investment securities	12,070	146,469
Interest received	(1,227)	(2,037)
	(2,886)	141,240
Net Cash (used in)/provided by investing activities	(2,886)	141,240
Cash Flows from Financing Activities		
Loans repaid	(9,420)	(6,962)
Interest paid	(886)	(1,230)
Exchange gains/(losses) on cash and cash equivalents	(3,682)	(5,009)
	(13,988)	(13,201)
Net cash used in financing activities	(13,988)	(13,201)
Decrease in cash and cash equivalents	5,298	(33,860)
Cash and cash equivalents at beginning of year	221,070	151,087
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	226,368	117,227

Segment Report (Unaudited)
1st Quarter Ended 30 June 2019

	Audio Visual	Audio	Print & Others	Sub-total	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
JUNE 2019						
Revenues	491,514	178,312	722,257	1,392,083	(33,184)	1,358,897
Operating profit/(loss)	38,257	(6,773)	22,108	53,592	(6,048)	47,546
Assets	1,830,109	3,516,990	1,223,801	6,570,900	(2,740,266)	3,830,634
Liabilities	1,104,462	911,999	521,474	2,537,935	(1,083,814)	1,454,121
Capital expenditure	11,440	13,851	12,694	37,985		37,985
Depreciation & amortisation	39,095	12,943	13,002	65,040	-	65,040
Finance costs	7,276	1,050	3,347	11,673	-	11,673
JUNE 2018						
Revenues	533,868	166,033	685,447	1,385,348	(38,299)	1,347,049
Operating Profit/(Loss)	(38,097)	(8,743)	4,367	(42,473)	(6,048)	(48,521)
Assets	2,070,949	3,659,205	1,148,584	6,878,738	(3,045,969)	3,832,769
Liabilities	1,360,126	1,086,021	468,151	2,914,298	(1,414,170)	1,500,128
Capital expenditure	49,075	3,192	12,304	64,571		64,571
Depreciation & amortisation	43,029	11,735	14,253	69,017		69,017
Finance costs	10,808	1,714	4,346	16,868		16,868

Notes to the financial statements
1st Quarter Ended 30 June 2019

NOTES

1. This condensed consolidated interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the last audited annual consolidated financial statements as at and for the year ended March 31, 2019. The accounting policies followed in the interim financial statements are consistent with the most recent annual report.
2. Revenue comprises the sale of airtime, programme material, web fees, print advertising, subscription and the rental of studios and equipment, net of General Consumption Tax. Revenue in respect of airtime and programming is recognised on performance of the underlying service. Subscription revenue is recognised over the life of the subscription.
3. Other income represents interest income, net foreign exchange (losses)/gains, profit on sale of fixed assets, net unrealized gains on revaluation of investment securities classified at fair value through profit and loss, road party revenues, gains on debt purchased and rental income.
4. Taxation expense in the statement of comprehensive income comprises current and deferred tax amounts. Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that are in effect at the reporting date.

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

5. The calculation of earnings per stock unit is based on net profit/(loss) and 2,397,683,077 (2016 - 2,397,683,077) the weighted average ordinary stock units in issue.
6. Intangible assets represent Goodwill, Broadcast Rights, Computer software, Brand and Lease. Goodwill, Brand and Lease arose on the acquisition of The Gleaner Company (Media) Limited (GCML). Broadcast rights represents the exclusive rights to broadcast FIFA events for the period 2015 to 2022. Goodwill is tested annually for impairment. Broadcast rights, Computer software, Brand and Lease are amortised over their estimated useful lives.
7. The Group runs two pension schemes:-
 1. A defined benefit pension scheme covering all qualifying permanent employees of Radio Jamaica Limited, Multi-Media Jamaica Limited and Television Jamaica Limited is operated as the RJR Staff Pension Scheme. This scheme is managed by an outside agency under a management contract, and by Trustees. The scheme is valued by an independent actuary every three years and an IAS 19 valuation every year. The Trustees of the pension fund are required by law to act in the interest of the fund and all relevant stakeholders. The Trustees of the fund are responsible for the investment policy with regard to the assets of the fund. The fund is managed by Proven Wealth Limited which has responsibilities for the general management of the portfolio of investments and the administration of the fund.
 2. A defined contribution pension fund for employees of The Gleaner Company (Media) Limited (GCML) and Independent Radio Company Limited who have satisfied certain minimum service requirements. The fund is managed and administered by JN Fund Managers Limited.
8. Receivables consists of trade receivables, prepayments and other receivables.
9. Share capital includes treasury shares that are held in the RJR Employee Share Scheme.
10. Foreign Currency Translation:

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