



**Unaudited Financial Statements
1st Quarter Ended 30 June 2020**

Radio Jamaica Limited

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1st Quarter Ended 30 June 2020

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Directors' interim report to Shareholders

Unaudited Financial Statements

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Radio Jamaica Limited
Report to Stockholders

The directors present the unaudited results of Radio Jamaica Limited and its subsidiaries, together referred to as the RJRGLEANER Communications Group (the Group) for its first quarter ending June 30, 2020.

The Group recorded a pre-tax profit of \$2 million for the April to June 2020 quarter; a reduction of \$34 million or 95% compared with the prior year.

The primary contributors to the quarter's performance were:-

- A \$299 million or 22% decrease in revenues largely experienced in the Print and Audio segments of the business heavily impacted by the onslaught of the COVID-19 pandemic.
- Other income of \$22 million decreased by \$5 million or 18%, compared with the prior year, mainly due to the general reduction in business activities in the quarter.
- Direct expenses were \$190 million below prior year commensurate with the reduction in revenues experienced and the cost reduction measures implemented in response to the impact of COVID-19.
- Selling expenses of \$143 million for the quarter decreased over the similar quarter in the prior year by \$56 million or 28%, again commensurate with the reduction in revenues.
- Administrative expenses of \$290 million for the quarter were marginally lower than prior year's results due to increased sanitation and safety protocols implemented to minimize risk of contraction of the Coronavirus in the workplace.
- Other operating expenses of \$166 million decreased by \$22 million or 12% on prior year, reflecting countermeasures put in place to adjust costs in the face of falling revenues.

The Group continued its cost reduction measures, inclusive of layoffs, salary cuts and the suspension of some services in an effort to mitigate the reduction in revenues during the quarter. Safety protocols were strengthened and maintained at a considerably higher cost than budgeted in order to safeguard the wellbeing of our staff members and customers.

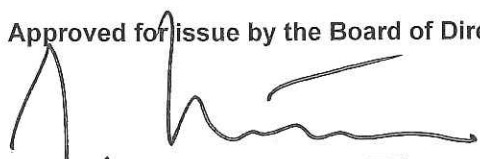
As the impact of the pandemic grew, revenues shrank as advertisers reduced their spending and numerous events were cancelled or postponed. Revenue declines were partly offset by advertising and promotional initiatives launched by the Group in online education programmes and virtual parties. Those initiatives, along with the cost reduction measures implemented to mitigate the negative economic impact of the disease, prevented what would otherwise have been an even deeper decline during the quarter.

The proactive and early measures taken by the Group during this pandemic not only served to protect the staff and the integrity of our mostly 24/7 operations, but also served to minimise the financial fallout wrought on the business and the Jamaican economy as a whole. Whilst some recovery in revenues is apparent, the Group continues to look for opportunities to leverage its market leadership position from a restructured cost base in order to emerge from this pandemic stronger and more resilient and to create greater returns for its shareholders.

Notwithstanding the challenges, management continued along its charted course of digital transition in view of the greater efficiencies that it will bring; a direction even more greatly justified and accelerated by COVID-19.

We thank our team for the sacrifices being made at this time to achieve financial stability. We also continue to be appreciative of the support being given by advertisers, advertising agencies and our loyal customers -- listeners, viewers and readers -- during the period.

Approved for issue by the Board of Directors on August 14, 2020 and signed on its behalf by:



Joseph M. Matalon
Chairman



Gary Allen
Chief Executive Officer

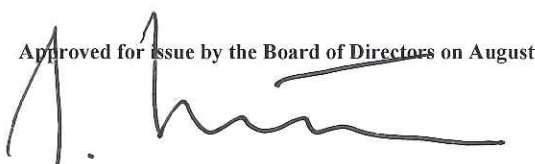
Consolidated Statement of Comprehensive Income (Unaudited)
1st Quarter Ended 30 June 2020

Current Quarter 3 Months to 30/06/20 \$'000	Prior Year Quarter 3 Months to 30/06/19 \$'000	Note	
1,059,547	1,358,897	2	Revenue
(469,529)	(659,322)		Direct expenses
590,018	699,575		Gross Profit
22,098	26,867	3	Other income
(143,194)	(199,192)		Selling expenses
(290,021)	(290,782)		Administration expenses
(166,378)	(188,922)		Other operating expenses
12,523	47,546		Operating Profit/(Loss)
(10,739)	(11,673)		Finance costs
1,784	35,873		Profit/(Loss) before Taxation
(284)	(11,458)	4	Taxation
1,500	24,415		Net Profit/(Loss)
			Other comprehensive income -
			Items that may be reclassified to
			profit or loss
			Currency translation differences
23,694	(2,436)		on foreign subsidiaries
25,194	21,979		Attributable to:
			Stockholders of the company
			Earnings per Ordinary Stock Unit
			Attributable to Stockholders of the
			Company
0.1 cent	1 cent	5	


Consolidated Balance Sheet (Unaudited)
1st Quarter Ended 30 June 2020

	Note	Unaudited June 2020 \$'000	Audited March 2020 \$'000
Non-Current Assets			
Fixed assets		1,506,918	1,547,933
Intangible assets	6	424,763	435,416
Deferred tax asset		98,381	98,989
Retirement benefit assets	7	122,669	132,486
Long term receivables		349	349
Investment securities		8,558	25,723
Investments accounted for using the equity method		70,916	70,433
		<u>2,232,554</u>	<u>2,311,329</u>
Current Assets			
Inventories		122,084	136,392
Receivables	8	1,146,079	1,024,452
Taxation recoverable		26,599	18,022
Cash and short term investments		254,733	281,816
		<u>1,549,495</u>	<u>1,460,682</u>
Current Liabilities			
Payables		733,056	756,384
Taxation payable		32,544	21,171
		<u>765,600</u>	<u>777,555</u>
Net Current Assets		<u>783,895</u>	<u>683,127</u>
		<u>3,016,449</u>	<u>2,994,456</u>
Stockholders' Equity			
Share capital	9	2,041,078	2,041,078
Foreign currency translation	10	8,868	(14,826)
Fair value reserve		(7,135)	(7,135)
Retained earnings		279,771	278,271
		<u>2,322,582</u>	<u>2,297,388</u>
Non-controlling Interests		1,948	1,948
Non-Current Liabilities			
Finance lease obligations	11	24,125	23,361
Long term loans	12	369,366	376,348
Deferred tax liabilities		92,527	92,766
Retirement benefit obligations	7	205,901	202,645
		<u>3,016,449</u>	<u>2,994,456</u>

Approved for issue by the Board of Directors on August 14, 2020 and signed on its behalf by:



 Joseph M. Matalon Chairman



 Gary Allen Chief Executive Officer

Radio Jamaica Limited

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Consolidated Statement of Changes in Equity (Unaudited)
1st Quarter Ended 30 June 2020

	Attributable to Stockholders of the Company							Total \$'000
	Number of Shares	Share Capital	Retained Earnings	Foreign Currency Translation	Fair Value Reserve	Equity Owners' Total	Non- controlling Interests Total	
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 April 2018	2,397,683	2,041,078	288,616	1,197	(7,135)	2,323,756	127	2,323,883
Total comprehensive income	-	-	28,266	564	-	28,830	-	28,830
Changes on initial application of IFRS19						-	1,821	1,821
Ordinary dividends	-	-	-	-	-	-	-	-
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
Ordinary dividends			(48,029)	-		(48,029)		(48,029)
Total comprehensive income	-	-	9,418	(16,587)	-	(7,169)	-	(7,169)
Balance at 31 March 2020	2,397,683	2,041,078	278,271	(14,826)	(7,135)	2,297,388	1,948	2,299,336
Total comprehensive income	-	-	1,500	23,694	-	25,194	-	25,194
Balance at 30 June 2020	2,397,683	2,041,078	279,771	8,868	(7,135)	2,322,582	1,948	2,324,530
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

Consolidated Cash Flow (Unaudited)

1st Quarter Ended 30 June 2020

	Unaudited June 2020 \$'000	Unaudited June 2019 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit	1,500	24,415
Items not affecting cash:		
Depreciation and amortisation	67,306	65,040
(Gain)/Loss on disposal of fixed assets	(420)	-
Spares utilised	-	-
Lease income	422	-
Interest income	645	1,182
Dividend income	-	-
Interest expense	10,740	11,673
Income tax (credit)	284	11,458
Exchange loss on foreign currency balances	(24,396)	4,668
Retirement benefits	13,073	-
Share of net loss of associates	-	-
Revaluation of investment securities	383	317
	<u>69,537</u>	<u>118,759</u>
Changes in operating assets and liabilities:		
Inventories	14,308	(61,127)
Receivables	(121,913)	(116,444)
Payables	16,388	115,382
	<u>(21,680)</u>	<u>56,570</u>
Income tax paid/(recoverable)	(19,387)	(1,685)
Net Cash provided/(used in) by operating activities	(41,067)	54,885
Investing Activities		
Proceeds from disposal of fixed assets	539	123
Purchase of fixed assets and intangibles	(19,637)	(37,985)
Proceeds from Investments	17,648	12,586
Interest received	(359)	(1,182)
Net Cash (used in)/provided by investing activities	(1,809)	(26,458)
Financing Activities		
Loans repaid	6,982	(10,148)
Principal lease repayments	(4,845)	(224)
Interest paid	(10,740)	(11,673)
Exchange (losses)/gains on cash and cash equivalents	24,396	(4,668)
Net Cash used in financing activities	15,793	(26,713)
Increase/(decrease) in cash and cash equivalents	(27,083)	1,714
Cash and cash equivalents at beginning of year	281,816	446,428
CASH AND CASH EQUIVALENTS AT END OF PERIOD	254,733	448,142

Company Statement of Comprehensive Income (Unaudited)

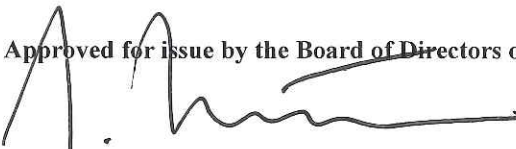
1st Quarter Ended 30 June 2020

Current Quarter 3 Months to 30/06/20	Prior Year Quarter 3 Months to 30/06/19		Year-to-Date Quarter 3 Months to 30/06/20	Prior Year Quarter 3 Months to 30/06/19
\$'000	\$'000		\$'000	\$'000
113,501	139,524	Revenue	113,501	139,524
<u>(60,790)</u>	<u>(71,393)</u>	Direct expenses	<u>(60,790)</u>	<u>(71,393)</u>
52,711	68,131	Gross Profit	52,711	68,131
14,988	23,780	Other income	14,988	23,780
(21,901)	(24,423)	Selling expenses	(21,901)	(24,423)
(34,597)	(44,608)	Administration expenses	(34,597)	(44,608)
<u>(23,240)</u>	<u>(27,617)</u>	Other operating expenses	<u>(23,240)</u>	<u>(27,617)</u>
(12,039)	(4,737)	Operating Loss	(12,039)	(4,737)
<u>(676)</u>	<u>(886)</u>	Finance costs	<u>(676)</u>	<u>(886)</u>
(12,715)	(5,623)	Loss before Taxation	(12,715)	(5,623)
<u>1,603</u>	<u>(2,486)</u>	Taxation	<u>1,603</u>	<u>(2,486)</u>
<u>(11,112)</u>	<u>(8,109)</u>	Net Loss	<u>(11,112)</u>	<u>(8,109)</u>

Company Balance Sheet (Unaudited)
1st Quarter Ended 30 June 2020

	Unaudited June 2020 \$'000	Audited March 2020 \$'000
Non-Current Assets		
Fixed assets	298,629	300,446
Intangible assets	4,842	5,400
Retirement benefit asset	151,222	155,490
Deferred tax asset	25,094	25,094
Investment in subsidiaries	1,824,854	1,824,854
Investment securities	8,357	25,522
	2,312,998	2,336,806
Current Assets		
Inventories	5,115	4,435
Due from subsidiaries	491,538	487,889
Receivables	195,580	163,818
Taxation recoverable	16,645	13,318
Cash and short term investments	124,599	133,693
	833,477	803,153
Current Liabilities		
Payables	243,712	215,808
Taxation payable		0
Due to subsidiaries	169,016	179,578
	412,728	395,386
Net Current Assets	420,749	407,767
	2,733,747	2,744,573
Equity		
Share capital	2,041,078	2,041,078
Fair value reserves	(7,135)	(7,135)
Retained earnings	303,847	314,959
	2,337,790	2,348,902
Non-Current Liabilities		
Long term loans	325,690	327,549
Deferred tax liabilities	0	-
Retirement benefit obligations	70,267	68,122
	2,733,747	2,744,573

Approved for issue by the Board of Directors on August 14, 2020 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 2020

	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 2018	2,397,683	2,041,078	(7,135)	375,392	2,409,335
Total comprehensive income	-	-	-	49,566	49,566
Effect of restatement as at April 1, 2018	-	-	-	(48,487)	(48,487)
Balance at 31 March 2019	2,397,683	2,041,078	(7,135)	376,471	2,410,414
Ordinary dividends				(48,029)	(48,029)
Total comprehensive income	-	-	-	(13,483)	(13,483)
Balance at 31 March 2020	2,397,683	2,041,078	(7,135)	314,959	2,348,902
Total comprehensive income	-	-	-	(11,112)	(11,112)
Balance at 30 June 2020	2,397,683	2,041,078	(7,135)	303,847	2,337,790
Balance at 31 March 2019	2,397,683	2,041,078	(7,135)	376,471	2,410,414
Total comprehensive income	-	-	-	(8,109)	(8,109)
Balance at 30 June 2019	2,397,683	2,041,078	(7,135)	368,362	2,402,305

Company Cash Flow (Unaudited)
1st Quarter Ended 30 June 2020

	Unaudited June 2020 \$'000	Unaudited June 2019 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Net Loss	(11,112)	(8,109)
Items not affecting cash:		
Depreciation and amortisation	7,688	5,976
Gain on disposal of fixed assets	(420)	-
Spares utilised	-	6
Interest income	286	1,227
Lease income	422	-
Interest expense	676	886
Income tax	(1,604)	2,485
Exchange (gains)/loss on foreign currency balances	(16)	3,682
Retirement benefits	6,413	
Revaluation of investment securities	383	317
	2,716	6,470
Changes in operating assets and liabilities:		
Inventories	(680)	(1,578)
Due from subsidiaries	(14,211)	42,786
Receivables	(32,048)	(29,372)
Payables	27,904	434
	(16,319)	18,740
Income tax recoverable	(1,723)	3,432
Net cash provided/(used in) by operating activities	(18,042)	22,172
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	420	123
Purchase of fixed assets	(5,735)	(13,852)
Proceeds from disposal of investment securities	16,782	12,070
Interest received	-	(1,227)
Dividends received	-	-
Net Cash (used in)/provided by investing activities	11,467	(2,886)
Cash Flows from Financing Activities		
Loans repaid	(1,859)	(9,420)
Interest paid	(676)	(886)
Exchange gains/(losses) on cash and cash equivalents	16	(3,682)
Net cash used in financing activities	(2,519)	(13,988)
Decrease in cash and cash equivalents	(9,094)	5,298
Cash and cash equivalents at beginning of year	133,693	221,070
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	124,599	226,368

Segment Report (Unaudited)
1st Quarter Ended 30 June 2020

	Audio Visual	Audio	Print & Others	Sub-total	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
JUNE 2020						
Revenues	511,807	142,578	436,592	1,090,977	(31,429)	1,059,547
Operating profit/(loss)	73,263	543	(55,236)	18,570	(6,048)	12,523
Assets	2,074,196	1,495,552	1,096,697	4,666,445	(884,396)	3,782,049
Liabilities	1,226,098	914,093	483,872	2,624,063	(1,166,544)	1,457,519
Capital expenditure	7,399	5,735	6,720	19,854		19,854
Depreciation & amortisation	39,835	16,937	10,534	67,306	-	67,306
Finance costs	7,746	1,126	1,867	10,739	-	10,739
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

Notes to the financial statements
1st Quarter Ended 30 June 2020**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, 2020. 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 (2019 - 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 represent 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. The category 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.