



**Unaudited Financial Statements  
Six Months Ended 30 September 2021**

# **Radio Jamaica Limited**

**Six Months Ended 30 September 2021**

## **Index**

	<b>Page</b>
Directors' interim report to Shareholders	
<b>Unaudited Financial Statements</b>	
Consolidated Statement of Comprehensive Income	1
Consolidated Balance Sheet	2
Consolidated Statement of Changes in Equity	3
Consolidated Cash Flows	4
Company Statement of Comprehensive Income	5
Company Balance Sheet	6
Company Statement of Changes in Equity	7
Company Cash Flows	8
Segment Reporting	9
Notes to the financial statements	10

## Radio Jamaica Limited Report to Stockholders

The directors are pleased to present the unaudited financial results of the RJRGLEANER Communications Group for its second quarter ended September 30, 2021.

The Group recorded a pre-tax profit of \$25 million and after-tax profit of \$27 million for the quarter, compared to a pre-tax loss of \$96 million and an after-tax loss of \$68 million during the second quarter of the prior year.

Primary contributors to the quarter's performance were: -

- A \$191 million or 15% increase in the Group's revenues, mainly driven by increases in the Audio/Visual division (\$150 million or 28%), Audio division (\$28 million or 15%), and in the Print and Online division (\$10 million or 2%). Apart from general increases in advertising placements across all divisions, the Group earned event revenues, specifically from the staging of the Olympics, as well as the Junior and Senior Track and Field Trials, during the quarter.
- Although Group revenues in the quarter recorded substantial growth over the prior year, the advent of no-movement days declared by the Government of Jamaica, GOJ, during the months of August and September adversely affected both print circulation and advertising revenues. On a combined basis, management estimates a revenue loss of \$45 million in the quarter directly related to lock-down and no-movement days. Notwithstanding this revenue loss, it was very encouraging that the print and digital businesses showed recovery in this quarter compared to the prior year, and that digital revenues are growing.
- Other income of \$20 million decreased by \$2 million or 10% compared with the prior year.
- Direct expenses were \$179 million above prior year, due mainly to the cost of staging the Olympics in the current quarter. This event was not held last year.
- Selling expenses of \$266 million for the quarter decreased by \$62 million or 19%, mainly driven by the impact of the lockdowns and no-movement days resulting in lower distribution and selling costs incurred; as well as the restructuring of distribution operations which was implemented in the prior year.
- Administrative expenses of \$326 million for the quarter were down by \$68 million compared with prior year, mainly driven by non-recurrence of 2020 redundancy payments.
- Other operating expenses of \$200 million were higher by \$19 million or 11% compared with prior year, due mainly to increased maintenance of transmitters and other equipment.

The results of the second quarter reflect a more normalised profile of the business, with the return of high-cost sporting events, necessary to satisfy viewer interest, but not supported by sufficient revenues to be strongly profitable.

The business could not have sustained indefinitely those salary cuts and layoffs that were imposed to keep the business afloat through the most challenging period of the pandemic. The decision to return to full salary levels, however, was accompanied by a challenge for the team to create more business opportunities that would convert to increased profitability and sustainability. We remain grateful to our staff who have made, and continue to make, sacrifices during a period of great uncertainty. We are hopeful that the worst of the pandemic is behind us but remain cautious and vigilant. While the level of government spending on the production and airing of educational programmes last year, did not recur in this quarter, there has been a return of many other revenue streams that had been curtailed during the pandemic.

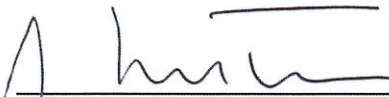
The Group's strong focus on improving efficiency through technological upgrades, increasing our attention on customer preferences and desires by gathering valuable data from them, and growing our investments in digital businesses all continue. We have had to innovate and do things differently to remain relevant and robust in the pandemic. For example, we have completed our enterprise systems integration, put in place our data analytics team and launched an intense cybersecurity campaign - all elements of an Information Technology, IT, strategy which seeks to build critical capabilities for an increasingly digital and data driven environment. We have made

good progress in our plans to install key infrastructure for the impending Digital Switchover, DSO, process for television and continue to work with the regulators to confirm the new value creating opportunities that have been identified. It is our plan to roll out digital broadcast services in phases, leading up to the government's stated goal of completion in 2023. Our efforts at radio rejuvenation and the roll out of digital first strategies in print have also made significant progress.

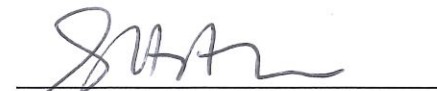
We continue to support Jamaica and Jamaicans through all our platforms as the country navigates its way through this challenging business environment. We were also very proud to display our good corporate citizenship during the second quarter through our contribution to the establishment of the University Hospital of the West Indies COVID-19 Field Hospital Project.

Many thanks to management and staff who continue to strive for excellence and have demonstrated strong commitment to the transformational goals of the Group. We likewise salute our advertisers, advertising agencies and our loyal customers -- listeners, viewers and readers – who continuously stand by us in challenging times.

**Approved for issue by the Board of Directors on November 8, 2021, and signed on its behalf by:**



Joseph M. Matalon, CD  
Chairman



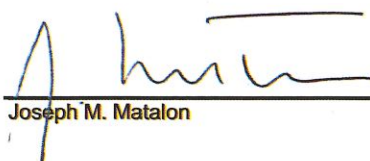
Gary H. Allen CD, JP  
Chief Executive Officer




**Consolidated Balance Sheet (Unaudited)**  
**Six Months Ended 30 September 2021**

	Note	Unaudited September 2021 \$'000	Audited March 2021 \$'000
<b>Non-Current Assets</b>			
Fixed assets		1,554,250	1,340,525
Investment properties		82,260	82,260
Intangible assets	6	432,377	422,251
Deferred tax asset		232,498	232,498
Retirement benefit assets	7	148,766	148,766
Long term receivables		349	349
Investment securities		20,082	14,738
Investments accounted for using the equity method		125,878	125,831
		<b>2,596,459</b>	<b>2,367,218</b>
<b>Current Assets</b>			
Inventories		217,510	142,171
Receivables	8	1,537,134	1,209,492
Taxation recoverable		18,776	34,136
Cash and short term investments		442,719	725,305
		<b>2,216,140</b>	<b>2,111,104</b>
<b>Current Liabilities</b>			
Payables		1,201,624	928,076
Taxation payable		113,056	93,136
		<b>1,314,680</b>	<b>1,021,212</b>
<b>Net Current Assets</b>			
		<b>901,460</b>	<b>1,089,892</b>
		<b>3,497,920</b>	<b>3,457,110</b>
<b>Stockholders' Equity</b>			
Share capital	9	2,041,078	2,041,078
Foreign currency translation	10	(8,286)	(6,875)
Fair value reserve		-	-
Retained earnings		631,731	494,264
		<b>2,664,523</b>	<b>2,528,467</b>
Non-controlling Interests		1,948	1,948
<b>Non-Current Liabilities</b>			
Finance lease obligations	11	18,388	11,207
Long term loans	12	396,981	499,760
Deferred tax liabilities		205,912	205,912
Retirement benefit obligations	7	210,168	209,816
		<b>3,497,920</b>	<b>3,457,110</b>

Approved for issue by the Board of Directors on November 8, 2021 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)  
Six Months Ended 30 September 2021

Attributable to Stockholders of the Company

	Number of Shares	Share Capital	Retained Earnings	Foreign Currency Translation	Fair Value Reserve	Equity Owners' Total	Non- controlling Interests Total	Total
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 April 2019</b>	2,397,683	2,041,078	316,882	1,761	(7,135)	2,352,586	1,948	2,354,534
Total comprehensive income	-	-	9,418	(16,587)	-	(7,169)	-	(7,169)
Ordinary dividends	-	-	(48,029)	-	-	(48,029)	-	(48,029)
<b>Balance at 31 March 2020</b>	2,397,683	2,041,078	278,271	(14,826)	(7,135)	2,297,388	1,948	2,299,336
Total comprehensive income	-	-	223,128	7,951	-	231,079	-	231,079
Transfer to retained earnings	-	-	(7,135)	-	7,135	-	-	-
<b>Balance at 31 March 2021</b>	2,397,683	2,041,078	494,264	(6,875)	-	2,528,467	1,948	2,530,415
Total comprehensive income	-	-	137,467	(1,411)	-	136,056	-	136,056
<b>Balance at 30 September 2021</b>	<b>2,397,683</b>	<b>2,041,078</b>	<b>631,731</b>	<b>(8,286)</b>	<b>-</b>	<b>2,664,523</b>	<b>1,948</b>	<b>2,666,471</b>
<b>Balance at 31 March 2020</b>	2,397,683	2,041,078	278,271	(14,826)	(7,135)	2,297,388	1,948	2,299,336
Total comprehensive income	-	-	(66,476)	26,253	-	(40,223)	-	(40,223)
<b>Balance at 30 September 2020</b>	<b>2,397,683</b>	<b>2,041,078</b>	<b>211,795</b>	<b>11,427</b>	<b>(7,135)</b>	<b>2,257,165</b>	<b>1,948</b>	<b>2,259,113</b>

## Consolidated Cash Flow (Unaudited)

Six Months Ended 30 September 2021

	Unaudited September 2021 \$'000	Unaudited September 2020 \$'000
<b>CASH RESOURCES WERE (USED IN)/PROVIDED BY:</b>		
<b>Operating Activities</b>		
Net Profit/(loss)	137,467	(66,476)
<b>Items not affecting cash:</b>		
Depreciation and amortisation	155,581	210,470
Loss/(Gain) on disposal of fixed assets	2,278	(683)
Interest income	(2,906)	(4,515)
Interest expense	22,537	21,031
Income tax charge	34,823	(27,495)
Exchange loss on foreign currency balances	(117)	(28,832)
Revaluation of investment securities	111	203
	349,774	103,704
<b>Changes in operating assets and liabilities:</b>		
Inventories	(75,339)	32,416
Receivables	(318,167)	(115,535)
Payables	248,138	66
	204,406	20,650
Income tax (paid)/recoverable	(6,643)	77,364
<b>Net Cash provided by operating activities</b>	<b>197,762</b>	<b>98,014</b>
<b>Investing Activities</b>		
Proceeds from disposal of fixed assets	2,107	1,367
Purchase of fixed assets and intangibles	(383,817)	(128,360)
Purchase of investment	(5,453)	17,214
Interest received	(6,569)	4,515
<b>Net Cash used in investing activities</b>	<b>(393,733)</b>	<b>(105,265)</b>
<b>Financing Activities</b>		
Loan received	-	150,000
Loans repaid	(56,602)	(11,778)
Principal lease repayments	(7,593)	(22,811)
Interest paid	(22,537)	(21,031)
Exchange gains on cash and cash equivalents	117	28,832
<b>Net Cash (used)/provided by financing activities</b>	<b>(86,615)</b>	<b>123,212</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(282,586)</b>	<b>115,961</b>
Cash and cash equivalents at beginning of year	725,305	281,816
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>442,719</b>	<b>397,777</b>




**Company Statement of Comprehensive Income (Unaudited)**  
**Six Months Ended 30 September 2021**


Current Quarter 3 Months to 30/09/21	Prior Year Quarter 3 Months to 30/09/20		Year-to-Date Quarter 6 Months to 30/09/21	Prior Year Quarter 6 Months to 30/09/20
\$'000	\$'000		\$'000	\$'000
180,492	152,932	<b>Revenue</b>	352,293	266,433
(77,558)	(56,670)	Direct expenses	(139,962)	(117,460)
<b>102,934</b>	<b>96,262</b>	<b>Gross Profit</b>	<b>212,331</b>	<b>148,973</b>
22,401	16,410	Other income	41,984	31,398
(28,590)	(22,549)	Selling expenses	(56,785)	(44,450)
(84,347)	(53,673)	Administration expenses	(141,209)	(88,270)
(33,506)	(24,352)	Other operating expenses	(66,068)	(47,592)
<b>(21,109)</b>	<b>12,099</b>	<b>Operating (Loss)/Profit</b>	<b>(9,748)</b>	<b>60</b>
(1,187)	582	Finance costs	(2,205)	(94)
<b>(22,296)</b>	<b>12,681</b>	<b>(Loss)/Profit before Taxation</b>	<b>(11,953)</b>	<b>(34)</b>
5,763	(1,597)	Taxation	2,930	6
<b>(16,532)</b>	<b>11,084</b>	<b>Net (Loss)/Profit after taxation</b>	<b>(9,023)</b>	<b>(28)</b>

**Company Balance Sheet (Unaudited)**  
**Six Months Ended 30 September 2021**

	Unaudited September 2021 \$'000	Audited March 2021 \$'000
<b>Non-Current Assets</b>		
Fixed assets	344,367	316,375
Intangible assets	2,049	3,166
Retirement benefit asset	148,766	148,766
Deferred tax asset	18,261	18,261
Investment in subsidiaries	1,824,854	1,824,854
Investment securities	19,880	14,537
	<b>2,358,177</b>	<b>2,325,959</b>
<b>Current Assets</b>		
Inventories	40,471	4,842
Due from subsidiaries	740,013	651,469
Receivables	264,968	175,630
Taxation recoverable	14,018	8,168
Cash and short term investments	207,371	466,186
	<b>1,266,840</b>	<b>1,306,295</b>
<b>Current Liabilities</b>		
Payables	288,028	237,069
Due to subsidiaries	566,612	598,413
	<b>854,640</b>	<b>835,482</b>
<b>Net Current Assets</b>		
	<b>412,200</b>	<b>470,813</b>
	<b>2,770,377</b>	<b>2,796,772</b>
<b>Equity</b>		
Share capital	2,041,078	2,041,078
Retained earnings	344,367	353,390
	<b>2,385,445</b>	<b>2,394,468</b>
<b>Non-Current Liabilities</b>		
Long term loans	314,984	332,357
Retirement benefit obligations	69,947	69,947
	<b>2,770,377</b>	<b>2,796,772</b>

Approved for issue by the Board of Directors on November 8, 2021 and signed on its behalf by:

  
 \_\_\_\_\_  
 Joseph M. Matalon Chairman

  
 \_\_\_\_\_  
 Gary Allen Chief Executive Officer

**Company Statement of Changes in Equity (Unaudited)**  
**Six Months Ended 30 September 2021**

**Attributable to Stockholders of the Company**

	<b>Number of Shares '000</b>	<b>Share Capital \$'000</b>	<b>Fair Value Reserve \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 April 2019</b>	2,397,683	2,041,078	(7,135)	376,471	2,410,414
Total comprehensive income	-	-	-	(13,483)	(13,483)
Ordinary dividends	-	-	-	(48,029)	(48,029)
<b>Balance at 31 March 2020</b>	<b>2,397,683</b>	<b>2,041,078</b>	<b>(7,135)</b>	<b>314,959</b>	<b>2,348,902</b>
Transfer to retained earnings	-	-	7,135	(7,135)	-
Total comprehensive income	-	-	-	45,566	45,566
<b>Balance at 31 March 2021</b>	<b>2,397,683</b>	<b>2,041,078</b>	<b>-</b>	<b>353,390</b>	<b>2,394,468</b>
Total comprehensive income	-	-	-	(9,023)	(9,023)
<b>Balance at 30 September 2021</b>	<b>2,397,683</b>	<b>2,041,078</b>	<b>-</b>	<b>344,367</b>	<b>2,385,445</b>
<b>Balance at 31 March 2020</b>	<b>2,397,683</b>	<b>2,041,078</b>	<b>(7,135)</b>	<b>314,959</b>	<b>2,348,902</b>
Total comprehensive income	-	-	-	(28)	(28)
<b>Balance at 30 September 2020</b>	<b>2,397,683</b>	<b>2,041,078</b>	<b>(7,135)</b>	<b>314,931</b>	<b>2,348,874</b>

**Company Cash Flow (Unaudited)**  
**Six Months Ended 30 September 2021**

	Unaudited September 2021 \$'000	Unaudited September 2020 \$'000
<b>Cash Flows from Operating Activities</b>		
<b>Operating Activities</b>		
<b>Net (loss)</b>	<b>(9,023)</b>	<b>(28)</b>
<b>Items not affecting cash:</b>		
Depreciation and amortisation	18,099	15,606
Gain on disposal of fixed assets	(656)	(420)
Lease income	-	840
Interest income	(2,665)	(867)
Interest expense	2,205	94
Income tax	(2,930)	(6)
Exchange loss on foreign currency balances	(2,308)	828
Revaluation of investment securities	111	203
	<b>2,831</b>	<b>16,248</b>
<b>Changes in operating assets and liabilities:</b>		
Inventories	(35,629)	(3,088)
Due (from)/to subsidiaries	(120,345)	137,626
Receivables	(89,338)	(1,503)
Payables	50,959	(71,444)
	(191,522)	77,839
Income tax paid	(2,801)	(1,873)
<b>Net cash provided by operating activities</b>	<b>(194,323)</b>	<b>75,966</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of fixed assets	670	420
securities	-	17,214
Purchase of fixed assets	(45,105)	(11,635)
Purchase of investments	(5,453)	-
Interest received	2,665	(867)
<b>Net Cash (used in)/provided investing activities</b>	<b>(47,224)</b>	<b>5,132</b>
<b>Cash Flows from Financing Activities</b>		
Loan received	-	30,000
Loans repaid	(17,373)	(5,358)
Interest paid	(2,205)	(94)
Exchange gains/(losses) on cash and cash equivalents	2,308	(828)
<b>Net cash (used in)/provided financing activities</b>	<b>(17,269)</b>	<b>23,720</b>
<b>Decrease in cash and cash equivalents</b>	<b>(258,816)</b>	<b>104,818</b>
Cash and cash equivalents at beginning of year	466,186	133,693
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>207,370</b>	<b>238,512</b>

**Segment Reporting (Unaudited)**  
**Six Months Ended 30 September 2021**

	<b>Audio Visual</b>	<b>Audio</b>	<b>Print &amp; Others</b>	<b>Sub-total</b>	<b>Eliminations</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>SEPTEMBER 2021</b>						
Revenues	1,324,382	409,701	1,180,940	2,915,022	(57,927)	2,857,094
Operating Profit/(Loss)	157,949	5,218	43,757	206,924	(12,098)	194,827
Assets	2,986,940	4,021,250	1,302,804	8,310,993	(3,498,394)	4,812,599
Liabilities	1,698,013	1,383,963	853,110	3,935,086	(1,788,958)	2,146,129
Capital expenditure	244,620	45,105	94,092	383,817	-	383,817
Depreciation & amortisation	69,271	30,195	56,114	155,581	-	155,581
Finance costs	10,842	3,039	8,656	22,537	-	22,537
<b>SEPTEMBER 2020</b>						
Revenues	1,046,443	324,664	996,891	2,367,997	(62,388)	2,305,608
Operating Profit/(Loss)	160,286	(12,139)	(208,990)	(60,843)	(12,098)	(72,941)
Assets	2,147,720	3,420,193	1,230,688	6,798,602	(2,904,091)	3,894,512
Liabilities	1,243,547	940,807	669,036	2,853,390	(1,217,991)	1,635,400
Capital expenditure	23,423	11,635	93,302	128,360	-	128,360
Depreciation & amortisation	79,077	27,701	103,692	210,470	-	210,470
Finance costs	15,492	837	4,701	21,031	-	21,031

**Notes to the financial statements**  
**Six Months Ended 30 September 2021**

**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, 2021. 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, print copy sales, subscriptions, Pay-Per-View services 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/(loss) on sale of fixed assets, net unrealised gains on revaluation of investment securities classified at fair value through profit and loss, Cross Country revenues, 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 for 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. Earnings per ordinary stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue during the year. The weighted average number of ordinary stock units were increased by the issue of treasury stocks, amounting to 1,816,020, to staff, during the period.
  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. Retirement benefits
- The Group sponsors 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 Proven Wealth Management Limited and by Trustees.
  2. A defined contribution pension fund covering all qualifying permanent 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 and by Trustees.

8. The category Receivables consists of trade receivables, prepayments and other receivables.
9. Share capital represents authorised number of shares of 3,633,781,481; issued and fully paid shares of 2,422,487,654.
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 present value of future lease payments using interest rates implicit in the leases.
12. The Long term loans are secured and unsecured, repayable on a monthly basis.