



**Unaudited Financial Statements
3rd Quarter Ended 31 December 2021**

Radio Jamaica Limited

3rd Quarter Ended 31 December 2021 Index

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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 financial results of the RJRGLEANER Communications Group for its third quarter ended December 31, 2021.

The Group recorded a pre-tax profit of \$147 million and an after-tax profit of \$108 million for the quarter, compared to a pre-tax profit of \$268 million and an after-tax profit of \$194 million during the corresponding quarter of the prior year.

Primary contributors to the quarter's performance were:

- A \$36 million or 2% decrease in the Group's revenues, where increases in the Audio division (\$5 million or 2%) and Print and Online divisions (\$4 million or 1%) were offset by decreases in the Audio-Visual division (\$45 million or 7%). Prior year revenues for the Audio-Visual division included increased advertising spend (\$57 million) associated with COVID-19 awareness as well as education spend for remote learning which did not recur in the current quarter. There was also a softer than usual Christmas bump in revenues occasioned by the anticipated fourth wave of COVID-19 infections and the impact of supply chain challenges on several businesses. Faced with product shortages many advertisers chose not to proceed with product launch campaigns, and generally contained their advertising spend.
- Other income of \$68 million increased by \$62 million or >100% compared with the prior year, due mainly to profit on sale of a transmitter tower.
- Direct expenses were \$91 million higher on prior year, due mainly to increased events execution, purchasing of local content and increased salary costs.
- Selling expenses of \$281 million for the quarter increased by \$56 million or 25%, mainly driven by the removal of no-movement days in October which resulted in increased print distribution costs, and the increase in agency commissions paid commensurate with a shift away from direct and towards commission-driven Advertising Agency business during the period. This trend was further compounded by several Agencies' non-compliance with the long-standing industry-wide agreement on credit terms with Advertising Agencies, leading to a marked increase in provisions for Expected Credit Losses (ECL).
- Administrative expenses of \$333 million for the quarter were down by \$30 million compared with prior year, mainly driven by non-recurrence of 2020 redundancy payments and the restoration of salaries to pre-pandemic levels.
- Other operating expenses of \$204 million were higher by \$33 million or 19% compared with prior year, due mainly to increased maintenance of transmitters and other equipment.

Other operating highlights of the year to date included:

- Gleaner Premium and digital revenue targets are being met as we continue our transition to a digital first operation
- The Gleaner embarked on a new ecommerce initiative with the establishment of the Gcommerceja.com marketplace web site in partnership with ePost Caribbean Limited, in which the Group holds a 10% interest
- The Group acquired a 15% interest in a data analytics and artificial intelligence startup Starapple Analytics Limited and is working closely with the company on several projects.
- Radio revenues have performed ahead of expectations assisted by the ongoing Radio Modernisation Project
- Following a detailed Employee Engagement Survey, the Group has commenced planning activities for a cultural transformation project
- In preparation for Digital Switchover (DSO) the Group has awarded a contract for a new microwave backhaul network designed to accommodate the eventual rollout of the ATSC3.0 digital broadcast across the island.

In December, the Group secured membership in the ATSC 3.0's Advanced Television Standards Committee as the first and only representative from the Caribbean.

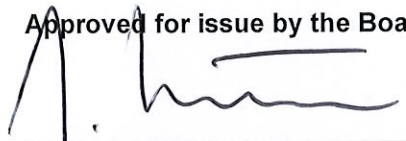
The Group became the third country in the world, after the United States of America and South Korea to launch the most advanced television standard operating today, when it commissioned into service its first ATSC 3.0 Digital Terrestrial Television service.

The Group met the government's timeline for the commencement of the DSO process when on January 31, it started transmitting its four channels – Television Jamaica, TVJ Sports Network, Jamaica News Network and Reggae Entertainment Television – in High Definition (HD) over the air, free of charge in the corporate area. This was done by an entirely local engineering and operations team on the ground. Nineteen other sites are to be commissioned. When completed, consumers will receive free of charge, multiple channels, in HD, to homes and mobile devices, presenting new opportunities for advertising and data analytics on viewership.

We are hopeful that the worst of the pandemic is behind us but remain cautious and vigilant. 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 completed our enterprise systems integration and established our data analytics team among other elements of an Information Technology strategy which seeks to build critical capabilities for an increasingly digital and data-driven environment. This commences another exciting chapter in Jamaica's television history, about which the Group has been agitating for several years.

Many thanks to management and staff who continue to strive for excellence and have demonstrated a strong commitment to the transformational goals of the Group. We are likewise grateful to 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 February 11, 2022, and signed on its behalf by:



Joseph M. Matalon, CD
Chairman

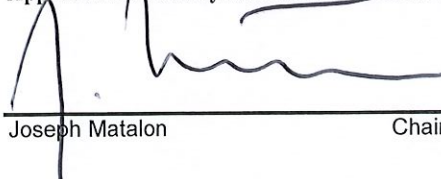


Gary H. Allen CD, JP
Chief Executive Officer

Consolidated Balance Sheet (Unaudited)
3rd Quarter Ended 31 December 2021

	Note	Unaudited December 2021 \$'000	Unaudited December 2020 \$'000	Audited March 2021 \$'000
Non-Current Assets				
Fixed assets		1,729,239	1,391,577	1,340,525
Investment properties		82,260	82,260	82,260
Intangible assets	6	426,978	404,171	422,251
Deferred tax asset		232,498	35,964	232,498
Retirement benefit assets	7	148,766	132,486	148,766
Long term receivables		349	349	349
Investment securities		21,333	24,198	14,738
Investments accounted for using the equity method		139,248	90,240	125,831
		<u>2,780,671</u>	<u>2,161,246</u>	<u>2,367,218</u>
Current Assets				
Inventories		399,225	90,899	142,171
Receivables	8	1,402,507	1,435,448	1,209,492
Taxation recoverable		18,817	15,166	34,136
Cash and short term investments		510,283	382,538	725,305
		<u>2,330,832</u>	<u>1,924,051</u>	<u>2,111,104</u>
Current Liabilities				
Payables		1,403,320	830,811	928,076
Taxation payable		147,535	41,368	93,136
		<u>1,550,855</u>	<u>872,179</u>	<u>1,021,212</u>
Net Current Assets		<u>779,977</u>	<u>1,051,872</u>	<u>1,089,892</u>
		<u>3,560,648</u>	<u>3,213,118</u>	<u>3,457,110</u>
Stockholders' Equity				
Share capital	9	2,041,078	2,041,078	2,041,078
Foreign currency translation	10	(625)	12,912	(6,875)
Fair value reserve			(7,135)	
Retained earnings		691,394	405,375	494,264
		<u>2,731,847</u>	<u>2,452,230</u>	<u>2,528,467</u>
Non-controlling Interests		1,948	1,948	1,948
Non-Current Liabilities				
Finance lease obligations	11	16,947	42,778	11,207
Long term loans	12	390,898	493,270	499,760
Deferred tax liabilities		209,193	20,246	205,912
Retirement benefit obligations	7	209,816	202,645	209,816
		<u>3,560,649</u>	<u>3,213,118</u>	<u>3,457,110</u>

Approved for issue by the Board of Directors on February 11, 2022 and signed on its behalf by:



 Joseph Matalon Chairman



 Gary Allen Chief Executive

Radio Jamaica Limited

Consolidated Statement of Changes in Equity (Unaudited)
3rd Quarter Ended 31 December 2021

	Attributable to Stockholders of the Company						Non-controlling Interests Total	Total
	Number of Shares	Share Capital	Retained Earnings	Foreign Currency Translation	Fair Value Reserve	Equity Owners' Total		
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2019	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)
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
Transfer to retained earnings	-	-	(7,135)	-	7,135	-	-	-
Total comprehensive income	-	-	223,128	7,951	-	231,079	-	231,079
Balance at 31 March 2021	2,397,683	2,041,078	494,264	(6,875)	-	2,528,467	1,948	2,530,415
Total comprehensive income	-	-	245,578	6,250	-	251,828	-	251,828
Ordinary dividends	-	-	(48,448)	-	-	(48,448)	-	(48,448)
Balance at 31 December 2021	2,397,683	2,041,078	691,394	(625)	-	2,731,847	1,948	2,733,795
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	-	-	127,104	27,738	-	154,842	-	154,842
Balance at 31 December 2020	2,397,683	2,041,078	405,375	12,912	(7,135)	2,452,230	1,948	2,454,178

Consolidated Cash Flow (Unaudited)
3rd Quarter Ended 31 December 2021

	Unaudited December 2021 \$'000	Unaudited December 2020 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net Profit	245,578	127,104
Items not affecting cash:		
Depreciation and amortisation	209,696	210,473
(Gain) on disposal of fixed assets	(22,630)	(677)
Spares utilised	-	140
Interest income	(3,357)	(16,365)
Dividend income	527	201
Interest expense	32,423	32,745
Income tax charge	73,891	46,944
Exchange loss/(gain) on foreign currency balances	9,755	(29,136)
Revaluation of investment securities	344	226
	<u>546,227</u>	<u>371,655</u>
Changes in operating assets and liabilities:		
Inventories	(257,054)	45,493
Receivables	(193,014)	(410,995)
Payables	475,244	74,427
	<u>571,403</u>	<u>80,580</u>
Income tax recoverable/(paid)	(27,085)	23,053
Net Cash provided by in operating activities	544,317	103,633
Investing Activities		
Proceeds from disposal of fixed assets	9,887	953
Purchase of fixed assets and intangibles	(590,394)	(94,885)
Proceeds from investments	-	1,301
Interest received	4,070	6,104
Purchase of investments	(20,557)	(19,807)
Net Cash used in investing activities	(596,995)	(106,336)
Financing Activities		
Loan received	-	150,000
Loans repaid	(64,125)	(37,746)
Principal lease repayments	(7,593)	(8,887)
Interest paid	(32,423)	(29,078)
Dividends paid	(48,448)	-
Exchange (losses)/gains on cash and cash equivalents	(9,755)	29,136
Net Cash (used) in/provided by financing activities	(162,345)	103,424
(Decrease)/increase in cash and cash equivalents	(215,022)	100,722
Cash and cash equivalents at beginning of year	<u>725,305</u>	<u>281,816</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	510,283	382,538

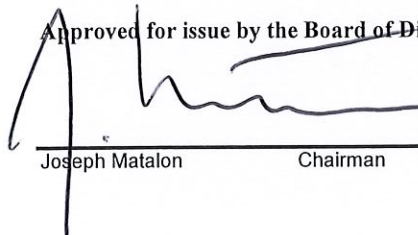
Company Statement of Comprehensive Income (Unaudited)
3rd Quarter Ended 31 December 2021

Current 3 Months to 31/12/21	Prior Year 3 Months to 31/12/20		Year-to-Date 9 Months to 31/12/21	Prior Year 9 Months to 31/12/20
\$'000	\$'000		\$'000	\$'000
184,836	176,850	Revenue	537,129	443,283
(72,183)	(60,300)	Direct expenses	(212,145)	(177,760)
112,654	116,550	Gross Profit	324,984	265,523
24,055	13,044	Other income	66,039	44,442
(34,111)	(26,040)	Selling expenses	(90,896)	(70,490)
(64,798)	(50,319)	Administration expenses	(206,007)	(138,589)
(27,661)	(27,976)	Other operating expenses	(93,729)	(75,567)
10,138	25,259	Operating Profit	390	25,319
236	(1,289)	Finance costs	(1,969)	(1,383)
10,374	23,971	Profit before Taxation	(1,579)	23,936
(1,818)	(4,714)	Taxation	1,112	(4,708)
8,556	19,257	Net Profit after taxation	(467)	19,228

Company Balance Sheet (Unaudited)
3rd Quarter Ended 31 December 2021

	Unaudited December 2021 \$'000	Unaudited December 2020 \$'000	Audited March 2021 \$'000
Non-Current Assets			
Fixed assets	381,637	300,205	316,375
Intangible assets	1,490	3,725	3,166
Retirement benefit asset	148,766	155,490	148,766
Deferred tax asset	18,261	25,094	18,261
Investment in subsidiaries	1,824,854	1,824,853	1,824,854
Investment securities	21,333	24,198	14,537
	<u>2,396,341</u>	<u>2,333,565</u>	<u>2,325,959</u>
Current Assets			
Inventories	46,040	9,058	4,842
Due from subsidiaries	829,765	569,691	651,469
Receivables	213,081	161,096	175,630
Taxation recoverable	14,188	13,043	8,168
Cash and short term investments	270,416	269,898	466,186
	<u>1,373,490</u>	<u>1,022,787</u>	<u>1,306,295</u>
Current Liabilities			
Payables	297,765	212,421	237,069
Taxation payable	1,373	2,251	-
Due to subsidiaries	746,291	362,672	598,413
	<u>1,045,430</u>	<u>577,344</u>	<u>835,482</u>
Net Current Assets	<u>328,060</u>	<u>445,443</u>	<u>470,813</u>
	<u>2,724,401</u>	<u>2,779,007</u>	<u>2,796,772</u>
Equity			
Share capital	2,041,078	2,041,078	2,041,078
Fair value reserves		(7,135)	
Retained earnings	304,475	334,187	353,390
	<u>2,345,553</u>	<u>2,368,129</u>	<u>2,394,468</u>
Non-Current Liabilities			
Long term loans	308,902	342,756	332,357
Retirement benefit obligations	69,947	68,122	69,947
	<u>2,724,401</u>	<u>2,779,007</u>	<u>2,796,772</u>

Approved for issue by the Board of Directors on February 11, 2022 and signed on its behalf by:



Joseph Matalon Chairman



Gary Allen Chief Executive Officer

Company Statement of Changes in Equity (Unaudited)
3rd Quarter Ended 31 December 2021

	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 2019	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)
Balance at 31 March 2020	2,397,683	2,041,078	(7,135)	314,959	2,348,902
Total comprehensive income	-	-	-	45,566	45,566
Transfer to retained earnings	-	-	7,135	(7,135)	-
Balance at 31 March 2021	2,397,683	2,041,078	-	353,390	2,394,468
Ordinary dividends	-	-	-	(48,448)	(48,448)
Total comprehensive income	-	-	-	(467)	(467)
Balance at 31 December 2021	2,397,683	2,041,078	-	304,475	2,345,553
Balance at 31 March 2020	2,397,683	2,041,078	(7,135)	314,959	2,348,902
Total comprehensive income	-	-	-	19,228	19,228
Balance at 31 December 2020	2,397,683	2,041,078	(7,135)	334,187	2,368,130

Company Cash Flow (Unaudited)
3rd Quarter Ended 31 December 2021

	Unaudited 9 Months to 31/12/21 \$'000	Unaudited 9 Months to 31/12/20 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Net Profit	(467)	19,228
Items not affecting cash:		
Depreciation and amortisation	27,714	23,545
Gain on disposal of fixed assets	(104)	(420)
Spares utilised	-	91
Dividend income	527	201
Interest income	(3,829)	(2,130)
Lease income	-	1,256
Interest expense	1,968	1,382
Income tax	(1,113)	4,707
Exchange (gains)/loss on foreign currency balances	6,608	(2,721)
Revaluation of investment securities	344	224
	31,648	45,364
Changes in operating assets and liabilities:		
Inventories	(41,198)	(4,623)
Due from/to subsidiaries	(30,417)	101,292
Receivables	(37,451)	2,722
Payables	60,697	(3,386)
	(16,720)	141,369
Income tax recoverable	(4,647)	275
	(21,368)	141,644
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	1,579	6
Purchase of investments	(7,140)	1,100
Purchase of fixed assets	(92,191)	(20,783)
Interest received	3,829	2,130
	(93,924)	(17,547)
Cash Flows from Financing Activities		
Loan received	-	30,000
Loans repaid	(23,455)	(19,230)
Interest paid	(1,968)	(1,382)
Dividends paid	(48,448)	-
Exchange gains/(losses) on cash and cash equivalents	(6,608)	2,721
	(80,479)	12,109
Decrease in cash and cash equivalents	(195,771)	136,206
Cash and cash equivalents at beginning of year	466,186	133,693
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	270,415	269,899

Segment Report (Unaudited)
 Nine Months Ending 31 December 2021

	Audio Visual \$'000	Audio \$'000	Print & Others \$'000	Sub-total \$'000	Eliminations \$'000	Total \$'000
DECEMBER 2021						
Revenues	1,964,551	629,144	1,807,773	4,401,467	(90,811)	4,310,655
Operating profit/(loss)	290,200	22,994	56,844	370,038	(18,146)	351,892
Assets	3,417,697	3,859,831	1,552,072	8,829,600	(3,718,098)	5,111,503
Liabilities	2,034,263	1,429,021	969,678	4,432,962	(2,055,254)	2,377,709
Capital expenditure	435,564	92,191	62,639	590,394	-	590,394
Depreciation & amortisation	105,785	27,714	58,053	191,552	18,144	209,696
Finance costs	17,596	3,220	11,607	32,423	-	32,423
DECEMBER 2020						
Revenues	1,731,883	538,983	1,620,066	3,890,931	(96,259)	3,794,671
Operating Profit/(Loss)	397,357	28,797	(201,214)	224,940	(18,146)	206,794
Assets	2,539,305	3,590,836	1,137,443	7,267,583	(3,182,288)	4,085,296
Liabilities	1,460,876	1,085,154	663,213	3,209,244	(1,578,126)	1,631,118
Capital expenditure	27,044	20,783	47,059	94,885	-	94,885
Depreciation & amortisation	114,734	23,545	54,050	192,329	18,144	210,473
Finance costs	23,042	2,694	7,009	32,745	-	32,745

Notes to the financial statements
3rd Quarter Ended 31 December 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 hosting fees, digital advertising, 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 has 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.