



**Unaudited Financial Statements
Six Months Ended 30 September 2022**

Radio Jamaica Limited

Six Months Ended 30 September 2022

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Radio Jamaica Limited (RJRGLEANER) Report to Stockholders

The directors are pleased to present the unaudited financial results of the RJRGLEANER Communications Group (the Group) for its second quarter ended September 30, 2022.

The adverse factors related to challenging local and global economic conditions continue to impact Jamaica and by extension our business. Instability in global commodity markets precipitated by the Russia/Ukraine war, continues to drive increased inflation and as yet unchecked supply chain challenges have significantly affected revenues and expenses. The business again faced significant increases in input costs, most notably, energy and newsprint, upon which our operations depend heavily.

The Group recorded a pre-tax loss of \$9 million and an after-tax loss of \$12 million for the quarter, compared to a pre-tax profit of \$25 million and an after-tax profit of \$27 million for the similar prior year period.

Primary contributors to this quarter's performance were: -

- Revenues were in line with prior year results. This was driven mainly by an increase in the Print and Online \$1.1 billion (4%) division and decreases in the Audio/Visual \$1.2 billion (2%) and Audio \$405 million (1%) divisions. The Group continued to experience softness in the overall advertising market as businesses continue to be impacted by the aforementioned local and global economic challenges.
- Other income increased by \$8 million (41%) compared to the prior year period, driven mainly by increased library sales and sundry income.
- Direct expenses were flat on prior year's results, despite higher newsprint costs and the staging of the World Athletics Championships, due to the non-recurrence of costs incurred in the prior year relating to the Olympics.
- Selling expenses increased by \$3 million (1%) driven by increased distribution-related costs.
- Administrative expenses increased by \$9 million (3%) compared with the prior year, driven primarily by increased depreciation charges relating to infrastructure upgrades and one-off consultancy costs.
- Other operating expenses increased by \$33 million (17%) compared with the prior year, driven by increased utility costs, as well as higher repair and maintenance costs.

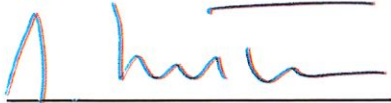
The second quarter has seen continued progress in our digital transformation drive in Print, and in Broadcast, having already installed new NextGen Television transmission services in Kingston and St. James, as we continue to expand Over The Air coverage island wide using the ATSC3.0 digital standard for high-definition TV services.

As a prerequisite to full roll out of NextGen TV transmission services we will soon receive components of a new digital backhaul network that will be used to transport our services digitally to our various transmitter points.

Continuing our drive to enhance the quality of our service island wide, we have commissioned into service a new radio transmission site at Kensington in Portland. This will significantly improve our radio coverage in the easternmost areas of Jamaica.

During the quarter under review, shareholders of 1834 Investments Limited, on August 10, 2022, overwhelmingly approved the amalgamation transaction announced with Radio Jamaica Limited, which will see the addition to your company's net book value of over \$1.5 Billion. This includes an increase in available cash resources to complete our strategic digital investments, including Digital Switch Over, and the acquisition of the Gleaner's North Street headquarters. The scheme is expected to be sanctioned by the Supreme Court of Jamaica on November 24, 2022, after which the transaction can be closed and the operations integrated.

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



Joseph M. Matalon, CD
Chairman

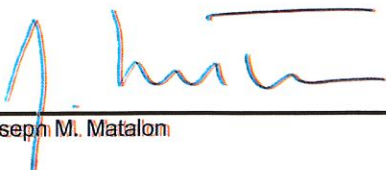


Gary Allen CD, JP
Chief Executive Officer

Consolidated Balance Sheet (Unaudited)
Six Months Ended 30 September 2022

	Note	Unaudited September 2022 \$'000	Audited March 2022 \$'000
Non-Current Assets			
Fixed assets		1,997,878	1,984,825
Investment properties		80,918	80,918
Intangible assets	6	448,526	452,652
Deferred tax asset		144,672	142,890
Retirement benefit assets	7	91,906	91,906
Investment securities		24,268	24,268
Investments accounted for using the equity method		131,471	121,957
		<u>2,919,639</u>	<u>2,899,416</u>
Current Assets			
Inventories		261,024	118,494
Receivables	8	1,212,198	1,182,340
Taxation recoverable		55,704	42,566
Cash and short term investments		426,419	750,871
		<u>1,955,345</u>	<u>2,094,271</u>
Current Liabilities			
Payables		1,428,880	1,397,368
Taxation payable		7,175	49,869
		<u>1,436,055</u>	<u>1,447,237</u>
Net Current Assets			
		<u>519,290</u>	<u>647,034</u>
		<u>3,438,930</u>	<u>3,546,450</u>
Stockholders' Equity			
Share capital	9	2,041,078	2,041,078
Foreign currency translation	10	(17,355)	(13,601)
Retained earnings		659,795	760,509
		<u>2,683,518</u>	<u>2,787,986</u>
Non-controlling Interests		1,948	1,948
Non-Current Liabilities			
Finance lease obligations	11	7,109	3,056
Long term loans	12	401,611	408,717
Deferred tax liabilities		94,519	94,519
Retirement benefit obligations	7	250,224	250,224
		<u>3,438,930</u>	<u>3,546,450</u>

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


 Joseph M. Matalom Chairman


 Gary Allen Chief Executive Officer

Radio Jamaica Limited

**Consolidated Statement of Changes in Equity (Unaudited)
Six Months Ended 30 September 2022**

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
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	-	-	223,128	7,951	-	231,079	-	231,079
Transfer to retained earnings	-	-	(7,135)	-	7,135	-	-	-
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	-	-	314,694	(6,726)	-	307,968	-	307,968
Ordinary dividends	-	-	(48,449)	-	-	(48,449)	-	(48,449)
Balance at 31 March 2022	2,397,683	2,041,078	760,509	(13,601)	-	2,787,986	1,948	2,789,934
Total comprehensive loss	-	-	(52,265)	(3,754)	-	(56,019)	-	(56,019)
Ordinary dividends	-	-	(48,449)	-	-	(48,449)	-	(48,449)
Balance at 30 September 2022	2,397,683	2,041,078	659,795	(17,355)	-	2,683,518	1,948	2,685,466
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	-	-	137,467	(1,411)	-	136,056	-	136,056
Balance at 30 September 2021	2,397,683	2,041,078	631,731	(8,286)	-	2,664,523	1,948	2,666,471

Consolidated Cash Flow (Unaudited)

Six Months Ended 30 September 2022

	Unaudited September 2022 \$'000	Unaudited September 2021 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net Profit/(loss)	(52,265)	137,467
Items not affecting cash:		
Depreciation and amortisation	159,317	155,581
Loss/(Gain) on disposal of fixed assets	91	2,278
Interest income	(3,524)	(2,906)
Interest expense	25,429	22,537
Income tax charge	(7,852)	34,823
Exchange gain/(loss) on foreign currency balances	8,083	(117)
Revaluation of investment securities	866	111
	<u>130,145</u>	<u>349,774</u>
Changes in operating assets and liabilities:		
Inventories	(142,530)	(75,339)
Receivables	(29,858)	(318,167)
Payables	31,511	248,138
	<u>(10,732)</u>	<u>204,406</u>
Income tax (paid)/recoverable	(46,433)	(6,643)
Net Cash (used in)/provided by operating activities	(57,165)	197,763
Investing Activities		
Proceeds from disposal of fixed assets	1,241	2,107
Purchase of fixed assets and intangibles	(169,576)	(383,817)
(Payments)/proceeds from long-term investment	(865)	(5,453)
Investment in associates	(9,513)	-
Interest received	3,524	(6,570)
Net Cash used in investing activities	(175,189)	(393,733)
Financing Activities		
Loans repaid	(9,845)	(56,602)
Principal lease repayments	(292)	(7,594)
Interest paid	(25,429)	(22,536)
Dividends paid	(48,449)	-
Exchange (loss)/gains on cash and cash equivalents	(8,083)	117
Net Cash used in financing activities	(92,099)	(86,615)
Decrease in cash and cash equivalents	(324,452)	(282,585)
Cash and cash equivalents at beginning of year	750,871	725,305
CASH AND CASH EQUIVALENTS AT END OF PERIOD	426,419	442,720

Company Statement of Comprehensive Income (Unaudited)


Six Months Ended 30 September 2022

Current Quarter 3 Months to 30/09/22	Prior Year Quarter 3 Months to 30/09/21		Year-to-Date Quarter 6 Months to 30/09/22	Prior Year Quarter 6 Months to 30/09/21
\$'000	\$'000		\$'000	\$'000
185,157	180,492	Revenue	352,919	352,293
(69,539)	(77,558)	Direct expenses	(135,007)	(139,962)
115,618	102,934	Gross Profit	217,912	212,331
20,410	22,401	Other income	36,321	41,984
(28,786)	(28,590)	Selling expenses	(58,940)	(56,785)
(73,904)	(84,347)	Administration expenses	(139,887)	(141,209)
(32,073)	(33,506)	Other operating expenses	(61,799)	(66,068)
1,265	(21,107)	Operating Profit/(Loss)	(6,393)	(9,747)
(2,320)	(1,187)	Finance costs	(5,169)	(2,205)
(1,055)	(22,294)	(Loss)/Profit before Taxation	(11,562)	(11,952)
(1,916)	5,763	Taxation	711	2,930
(2,971)	(16,531)	Net (Loss) after taxation	(10,851)	(9,022)

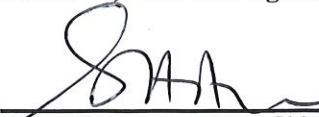
Company Balance Sheet (Unaudited)
Six Months Ended 30 September 2022

	Unaudited September 2022 \$'000	Audited March 2022 \$'000
Non-Current Assets		
Fixed assets	482,066	448,062
Intangible assets	-	932
Retirement benefit asset	91,906	91,906
Deferred tax asset	34,495	34,495
Investment in subsidiaries	1,824,854	1,824,854
Investment securities	24,067	24,067
	2,457,388	2,424,316
Current Assets		
Inventories	23,924	4,405
Due from subsidiaries	500,033	442,294
Receivables	247,233	220,885
Taxation recoverable	25,548	21,780
Cash and short term investments	251,600	436,535
	1,048,338	1,125,899
Current Liabilities		
Payables	486,116	429,548
Due to subsidiaries	267,751	299,919
	753,867	729,467
Net Current Assets		
	294,471	396,432
	2,751,859	2,820,748
Equity		
Share capital	2,041,078	2,041,078
Retained earnings	234,150	293,450
	2,275,228	2,334,528
Non-Current Liabilities		
Long term loans	399,127	408,717
Retirement benefit obligations	77,504	77,503
	2,751,859	2,820,748

Approved for issue by the Board of Directors on November 11, 2022 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 2022

Attributable to Stockholders of the Company

	Number of Shares '000	Share Capital \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
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	-	-	-	(48,449)	(48,449)
Total comprehensive income	-	-	-	(11,491)	(11,491)
Balance at 31 March 2022	2,397,683	2,041,078	-	293,450	2,334,528
Total comprehensive income	-	-	-	(10,851)	(10,851)
Ordinary dividends	-	-	-	(48,449)	(48,449)
Balance at 30 September 2022	2,397,683	2,041,078	-	234,150	2,275,228
Balance at 31 March 2021	2,397,683	2,041,078	-	353,390	2,394,468
Total comprehensive income	-	-	-	(9,022)	(9,022)
Balance at 30 September 2021	2,397,683	2,041,078	-	344,368	2,385,446

Company Cash Flow (Unaudited)

Six Months Ended 30 September 2022

	Unaudited September 2022 \$'000	Unaudited September 2021 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Net (loss)	(10,851)	(9,023)
Items not affecting cash:		
Depreciation and amortisation	23,661	18,099
Gain/(Loss) on disposal of fixed assets	1,032	(656)
Interest income	(2,695)	(2,665)
Interest expense	5,169	2,205
Income tax	(711)	(2,930)
Exchange gain/(loss) on foreign currency	2,686	(2,308)
Revaluation of investment securities	866	111
	<u>19,157</u>	<u>2,833</u>
Changes in operating assets and liabilities:		
Inventories	(19,519)	(35,629)
Due (from)/to subsidiaries	(89,908)	(120,345)
Receivables	(26,348)	(89,338)
Payables	56,568	50,959
	<u>(60,050)</u>	<u>(191,520)</u>
Income tax paid	(2,801)	(2,801)
Net cash used in operating activities	<u>(62,851)</u>	<u>(194,321)</u>
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	-	670
Purchase of fixed assets	(57,765)	(45,105)
Purchase of investments	(865)	(5,453)
Interest received	2,695	2,665
Net cash used in investing activities	<u>(55,935)</u>	<u>(47,225)</u>
Cash Flows from Financing Activities		
Loans repaid	(9,845)	(17,373)
Interest paid	(5,169)	(2,205)
Dividends paid	(48,449)	-
Exchange (losses)/gains on cash and cash equivalents	(2,686)	2,308
Net cash used in financing activities	<u>(66,149)</u>	<u>(17,269)</u>
Decrease in cash and cash equivalents	<u>(184,935)</u>	<u>(258,815)</u>
Cash and cash equivalents at beginning of year	436,535	466,186
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>251,600</u>	<u>207,371</u>

Segment Reporting (Unaudited)
Six Months Ended 30 September 2022

	Audio Visual	Audio	Print & Others	Sub-total	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SEPTEMBER 2022						
Revenues	1,235,149	404,557	1,165,323	2,805,028	(66,921)	2,738,106
Operating Profit/(Loss)	84,539	(15,987)	(91,142)	(22,591)	(12,098)	(34,688)
Assets	2,542,243	3,877,206	1,121,384	7,540,833	(2,665,850)	4,874,983
Liabilities	995,114	1,427,598	546,092	2,968,805	(779,288)	2,189,518
Capital expenditure	74,103	57,765	37,708	169,576	-	169,576
Depreciation & amortisation	79,771	35,757	43,788	159,316	-	159,316
Finance costs	13,511	5,868	6,051	25,429	-	25,429
SEPTEMBER 2021						
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	1,698,012	1,383,963	853,110	3,935,085	(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

Notes to the financial statements
Six Months Ended 30 September 2022

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, 2022. The accounting policies followed in the interim financial statements are consistent with the most recent audited annual report.
2. Revenue comprises the sale of airtime, programme material, web hosting fees, digital advertising, print advertising, print copy sales, subscription, 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, library sales, 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 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. 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.
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). Brand and lease are amortised over their estimated useful lives.
7. Retirement benefits

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 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.