



**Unaudited Financial Statements
1st Quarter Ended 30 June 2023**

Radio Jamaica Limited

Index

1st Quarter Ended 30 June 2023

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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 first quarter ended June 30, 2023.

With only slight improvements in the key indices impacting the media and communications industry since the start of the financial year, there was a marginal improvement in the performance of the Group in the first quarter of the Financial Year (FY) 2023/2024. The Group recorded a pre-tax loss of \$45 million and an after-tax loss of \$38 million for the quarter, comparing favourably with the pre-tax loss of \$51 million and an after-tax loss of \$40 million for this prior year period.

Primary contributors to this quarter's performance were: -

- A decrease of half a million dollars in the Group's revenues, driven mainly by decreases in the Audio/Visual segment, the Print and Other segment and was offset by an increase in the Audio segment. The industry and the Group continued to experience softness in the overall advertising market as businesses reported continued impact from the prevailing local and global economic conditions.
- Other income decreased by \$5 million (7%) compared to the prior year, arising from compensation for damages received in a legal settlement in the prior year that was not received in the current period.
- Direct expenses were lower than the previous year by \$32 million (5%), which included reduced newsprint usage by 11%, along with reduced costs for events in the prior year, based on the timing of the events.
- Selling expenses were lower by \$4 million (2%), driven by lower sales-related costs, impacted by reduced revenues.
- Administrative expenses increased by \$38 million (11%) compared with the prior year, driven primarily by one-off consultancy charges and increased depreciation expenses relating to infrastructure upgrades and software implementation. There were also significant increases in staff-related expenses including for canteen costs, staff training and staff welfare.
- Other operating expenses decreased by \$14 million (7%) compared with the prior year; the decrease was driven primarily by lower maintenance and repair costs in the current year.

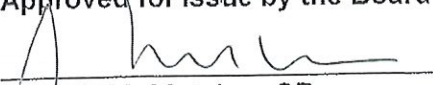
The organisation is focusing on how it can further curtail expenditure using medium to long term approaches, instead of short-term measures that do not yield lasting results. The Group is expectedly seeing an increase in depreciation costs, as newer, more expensive digital equipment is installed and commissioned. This should, in the short run, improve efficiency that is already being reflected in lower costs for maintenance and spare parts.

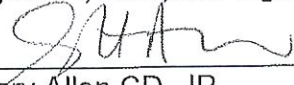
In this phase of slow transition to digital terrestrial television, the benefits will lag but should accelerate later in the financial year as other adjustments are made to open additional revenue streams and better manage expenses.

Our commitment to developing a modern television industry with new revenue streams remains the focus of the Group to achieve a successful implementation of Digital Switch Over (DSO). At the same time, greater efficiency is being seen in the print and digital division with initiatives in that area in the early stages of development.

We thank all our stakeholders for their continued support through their engagement with our digital, print, radio and television services. We appreciate the tremendous support of our advertisers and other clients for their unstinting support.

Approved for issue by the Board of Directors on August 11, 2023, and signed on its behalf by:


Joseph M. Matalon, CD
Chairman


Gary Allen CD, JP
Chief Executive Officer

Consolidated Statement of Comprehensive Income (Unaudited)
1st Quarter Ended 30 June 2023

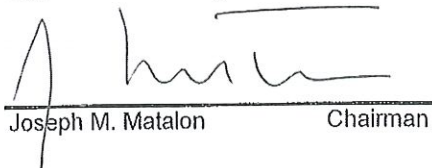
Current Quarter 3 Months to 30/06/23 \$'000	Prior Year Quarter 3 Months to 30/06/22 \$'000	Note	Year-to-Date 3 Months to 30/06/23 \$'000	Prior Year-to-date 3 Months to 30/06/22 \$'000
1,297,690	1,298,267	2	1,297,690	1,298,267
(555,997)	(588,195)	Direct expenses	(555,997)	(588,195)
<u>741,693</u>	<u>710,072</u>	Gross Profit	<u>741,693</u>	<u>710,072</u>
63,322	67,979	3 Other income	63,322	67,979
(255,140)	(259,270)	Selling expenses	(255,140)	(259,270)
(400,207)	(361,845) *	Administration expenses	(400,207)	(361,845) *
(181,044)	(194,940) *	Other operating expenses	(181,044)	(194,940) *
<u>(31,376)</u>	<u>(38,004)</u>	Operating Profit/(Loss)	<u>(31,376)</u>	<u>(38,004)</u>
(13,374)	(12,706)	Finance costs	(13,374)	(12,706)
<u>(44,750)</u>	<u>(50,710)</u>	Profit/(Loss) before Taxation	<u>(44,750)</u>	<u>(50,710)</u>
6,905	10,872	4 Taxation	6,905	10,872
<u>(37,845)</u>	<u>(39,838)</u>	Net Profit/(Loss)	<u>(37,845)</u>	<u>(39,838)</u>
		Other comprehensive income - Items that may be reclassified to profit or loss		
16	(3,546)	Currency translation differences on foreign subsidiaries	16	(3,546)
<u>(37,829)</u>	<u>(43,384)</u>	Attributable to: Stockholders of the company	<u>(37,829)</u>	<u>(43,384)</u>
		Earnings per Ordinary Stock Unit Attributable to Stockholders of the Company		
<u>(1.25) cents</u>	<u>(1.7) cents</u>	5	<u>(1.25) cents</u>	<u>(1.7) cents</u>

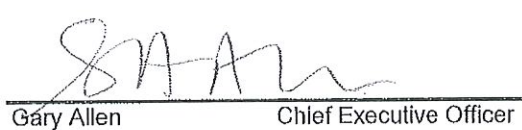
* Reclassification of expenses to conform with current period's presentation.

Consolidated Balance Sheet (Unaudited)
1st Quarter Ended 30 June 2023

	Note	Unaudited June 2023 \$'000	Audited March 2023 \$'000
Non-Current Assets			
Fixed assets		3,183,461	3,174,675
Investment properties		108,043	106,876
Intangible assets	6	391,969	402,744
Deferred tax asset		132,383	142,131
Retirement benefit assets	7	93,898	93,898
Investment securities		288,578	283,340
Investments accounted for using the equity method	9	217,016	214,583
		<u>4,415,348</u>	<u>4,418,247</u>
Current Assets			
Inventories		200,418	212,187
Receivables	8	1,238,103	1,077,995
Taxation recoverable		174,255	183,466
Investment securities		537,598	511,709
Cash and cash equivalents		238,703	317,356
		<u>2,389,077</u>	<u>2,302,713</u>
Current Liabilities			
Payables		1,393,888	1,265,347
Taxation payable		4,053	9,983
		<u>1,397,941</u>	<u>1,275,330</u>
Net Current Assets		<u>991,136</u>	<u>1,027,383</u>
		<u>5,406,484</u>	<u>5,445,630</u>
Stockholders' Equity			
Share capital	9	3,603,583	3,603,583
Foreign currency translation	10	(6,542)	(6,558)
Retained earnings		984,228	1,022,073
		<u>4,581,269</u>	<u>4,619,098</u>
Non-controlling Interests		1,948	1,948
Non-Current Liabilities			
Finance lease obligations	11	12,936	4,803
Long term loans	12	503,479	514,705
Deferred tax liabilities		123,397	121,621
Retirement benefit obligations	7	183,455	183,455
		<u>5,406,484</u>	<u>5,445,630</u>

Approved for issue by the Board of Directors on August 11, 2023 and signed on its behalf by:


Joseph M. Matalon Chairman


Gary Allen Chief Executive Officer

Consolidated Statement of Changes in Equity (Unaudited)

1st Quarter Ended 30 June 2023

	Number of Shares	Attributable to Stockholders of the Company						Equity Owners' Total	Non-controlling Interests Total	Total
		Share Capital	Retained Earnings	Foreign Currency Translation	Fair Value Reserve					
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
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		
Issue of shares	601,019	1,562,505	-	-	-	1,562,505	-	1,562,505		
Total comprehensive income	-	-	310,014	7,043	-	317,057	-	317,057		
Ordinary dividends	-	-	(48,450)	-	-	(48,450)	-	(48,450)		
Balance at 31 March 2023	2,998,702	3,603,583	1,022,073	(6,558)	-	4,619,098	1,948	4,621,046		
Total comprehensive income	-	-	(37,845)	16	-	(37,829)	-	(37,829)		
Balance at 30 June 2023	2,998,702	3,603,583	984,228	(6,542)	-	4,581,269	1,948	4,583,217		
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 income	-	-	(39,838)	(3,546)	-	(43,384)	-	(43,384)		
Balance at 30 June 2022	2,397,683	2,041,078	720,671	(17,147)	-	2,744,602	1,948	2,746,550		

Consolidated Cash Flow (Unaudited)

1st Quarter Ended 30 June 2023

	Unaudited June 2023 \$'000	Unaudited June 2022 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit	(37,845)	(39,838)
Items not affecting cash:		
Depreciation and amortisation	85,506	71,641
Gain on disposal of fixed assets	1	92
Interest income	(2,859)	(1,276)
Dividend income	(317)	-
Interest expense	13,374	12,707
Income tax charge	(6,905)	(10,872)
Exchange losses/(gains) on foreign currency balances	(9,559)	2,720
Revaluation of investment securities	25,086	166
	<u>66,482</u>	<u>35,340</u>
Changes in operating assets and liabilities:		
Inventories	11,769	(53,322)
Receivables	(160,109)	3,541
Payables	128,543	77,647
	<u>46,685</u>	<u>63,206</u>
Income tax (recoverable)/paid	12,056	(26,516)
Net Cash provided by operating activities	<u>58,741</u>	<u>36,690</u>
Investing Activities		
Purchase of fixed assets and intangibles	(83,518)	(77,306)
Purchase of Investment	(31,127)	-
Investment in associates	(2,433)	(3,326)
Interest received	2,860	1,276
Net Cash used in investing activities	<u>(114,218)</u>	<u>(79,356)</u>
Financing Activities		
Non-controlling interest on business combination	-	-
Loans repaid	(11,226)	(4,806)
Principal lease repayments	(8,135)	(256)
Interest paid	(13,374)	(12,707)
Exchange (losses)/gains on cash and cash equivalents	9,559	(2,720)
Net Cash used in financing activities	<u>(23,176)</u>	<u>(20,489)</u>
Decrease in cash and cash equivalents	<u>(78,653)</u>	<u>(63,155)</u>
Cash and cash equivalents at beginning of year	<u>317,356</u>	<u>750,871</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>238,703</u>	<u>687,716</u>

Company Statement of Comprehensive Income (Unaudited)

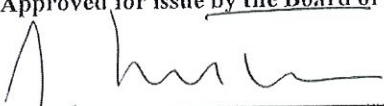
1st Quarter Ended 30 June 2023

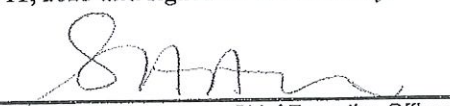
Current Quarter 3 Months to 30/06/23	Prior Year Quarter 3 Months to 30/06/22		Year-to-Date 3 Months to 30/06/23	Prior Year-to-date 3 Months to 30/06/22
\$'000	\$'000		\$'000	\$'000
171,539	167,762	Revenue	171,539	167,762
<u>(61,335)</u>	<u>(65,468)</u>	Direct expenses	<u>(61,335)</u>	<u>(65,468)</u>
110,204	102,294	Gross Profit	110,204	102,294
41,998	15,911	Other income	41,998	15,911
(32,099)	(30,154)	Selling expenses	(32,099)	(30,154)
(97,652)	(65,983)	Administration expenses	(97,652)	(65,983)
<u>(28,159)</u>	<u>(29,726)</u>	Other operating expenses	<u>(28,159)</u>	<u>(29,726)</u>
(5,708)	(7,658)	Operating Profit/(Loss)	(5,708)	(7,658)
<u>(5,439)</u>	<u>(2,849)</u>	Finance costs	<u>(5,439)</u>	<u>(2,849)</u>
(11,147)	(10,507)	Profit/(Loss) before Taxation	(11,147)	(10,507)
<u>2,228</u>	<u>2,627</u>	Taxation	<u>2,228</u>	<u>2,627</u>
<u>(8,919)</u>	<u>(7,880)</u>	Net Profit/(Loss)	<u>(8,919)</u>	<u>(7,880)</u>

Company Balance Sheet (Unaudited)
1st Quarter Ended 30 June 2023

	Unaudited June 2023 \$'000	Audited March 2023 \$'000
Non-Current Assets		
Fixed assets	1,627,314	1,627,618
Investment properties	27,125	27,300
Intangible assets	43,960	48,756
Retirement benefit asset	65,627	65,627
Deferred tax asset	22,359	38,692
Investment in subsidiaries	1,824,853	1,823,676
Investment securities	288,580	283,340
Investments accounted for using the equity method	60,647	60,647
	3,960,465	3,975,656
Current Assets		
Inventories	8,866	5,031
Due from subsidiaries	653,423	595,931
Receivables	342,332	223,140
Taxation recoverable	82,209	84,780
Investment securities	537,598	511,709
Cash and cash equivalents	114,773	163,164
	1,739,201	1,583,755
Current Liabilities		
Payables	534,966	406,934
Due to subsidiaries	286,957	254,589
	821,923	661,523
Net Current Assets	917,278	922,232
	4,877,743	4,897,888
Equity		
Share capital	3,603,583	3,603,583
Retained earnings	705,974	714,893
	4,309,557	4,318,476
Non-Current Liabilities		
Long term loans	503,479	514,705
Retirement benefit obligations	64,707	64,707
	4,877,743	4,897,888

Approved for issue by the Board of Directors on August 11, 2023 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 2023

	Attributable to Stockholders of the Company				Total \$'000
	Number of Shares '000	Share Capital \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	
Balance at 31 March 2021	2,397,683	2,041,078	-	353,390	2,394,468
Total comprehensive income	-	-	-	(11,491)	(11,491)
Ordinary dividends	-	-	-	(48,449)	(48,449)
Balance at 31 March 2022	2,397,683	2,041,078	-	293,450	2,334,528
Total comprehensive income	-	-	-	469,893	469,893
Ordinary dividends	-	-	-	(48,450)	(48,450)
Issue of shares	601,019	1,562,505	-	-	1,562,505
Balance at 31 March 2023	2,998,702	3,603,583	-	714,893	4,318,476
Total comprehensive income	-	-	-	(8,919)	(8,919)
Balance at 30 June 2023	2,998,702	3,603,583	-	705,974	4,309,557
Balance at 31 March 2022	2,397,683	2,041,078	-	293,450	2,334,528
Total comprehensive income	-	-	-	(7,880)	(7,880)
Balance at 30 June 2022	2,397,683	2,041,078	-	285,570	2,326,648

Company Cash Flow (Unaudited)
1st Quarter Ended 30 June 2023

	Unaudited June 2023 \$'000	Unaudited June 2022 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Net Loss	(8,919)	(7,880)
Items not affecting cash:		
Depreciation and amortisation	16,167	11,880
Loss on disposal of fixed assets	-	1,032
Dividend income	(317)	-
Interest income	(2,852)	(1,277)
Interest expense	5,757	2,849
Income tax	(2,228)	(2,627)
Exchange gains on foreign currency balances	(2,859)	(2,833)
Revaluation of investment securities	23,384	166
	28,133	1,310
Changes in operating assets and liabilities:		
Inventories	(3,835)	(3,840)
Due from subsidiaries	(25,124)	(43,126)
Receivables	(119,192)	(7,337)
Payables	128,032	(116)
	8,014	(53,109)
Income tax paid	(1,934)	(3,329)
	6,080	(56,438)
Cash Flows from Investing Activities		
Purchase of fixed assets	(10,893)	(19,052)
Purchase of investment	(32,306)	-
Interest received	2,852	1,277
	(40,347)	(17,775)
Cash Flows from Financing Activities		
Loans repaid	(11,226)	(4,806)
Interest paid	(5,757)	(2,849)
Exchange gains on cash and cash equivalents	2,859	2,833
	(14,124)	(4,822)
Decrease in cash and cash equivalents	(48,391)	(79,035)
Cash and cash equivalents at beginning of year	163,164	436,535
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	114,773	357,500

Segment Report (Unaudited)
1st Quarter Ended 30 June 2023

	Audio Visual	Audio	Print & Others	Sub-total	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
JUNE 2023						
Revenues	557,950	200,227	570,885	1,329,062	(31,371)	1,297,690
Operating profit/(loss)	13,554	(10,028)	(31,218)	(27,692)	(3,685)	(31,376)
Assets	2,786,382	3,597,940	1,182,132	7,566,454	(762,029)	6,804,425
Liabilities	1,171,705	1,453,556	842,820	3,468,081	(1,246,873)	2,221,208
Capital expenditure	46,760	10,893	25,865	83,518	-	83,518
Depreciation & amortisation	41,690	16,715	27,101	85,506	-	85,506
Finance costs	7,443	5,439	493	13,375	-	13,375
JUNE 2022						
Revenues	562,356	195,714	573,973	1,332,043	(33,775)	1,298,267
Operating Profit/(Loss)	17,906	(10,012)	(39,850)	(31,956)	(6,048)	(38,004)
Assets	2,744,402	1,805,477	1,320,805	5,870,684	(878,495)	4,992,189
Liabilities	1,244,030	1,295,053	842,006	3,381,089	(1,135,450)	2,245,639
Capital expenditure	43,231	19,052	15,023	77,306	-	77,306
Depreciation & amortisation	39,523	12,428	19,690	71,641	-	71,641
Finance costs	6,435	3,257	3,015	12,707	-	12,707

Notes to the financial statements
1st Quarter Ended 30 June 2023

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, 2023. 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, 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 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 of 2,397,683 were increased by 601,019,187 shares relating to the issue of shares to 1834 shareholders.
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. Brand is amortised over its estimated useful life.
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 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. In the amalgamation of 1834 Investments, 601,019,187 additional shares were issued by Radio Jamaica Limited to the 1834 shareholders. Share capital represents authorised number of shares of 3,633,781,481; issued and fully paid shares of 3,023,506,841 (2,422,487,654 March 2023).
10. 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.