

RADIO JAMAICA LIMITED



2021-2022

**Delivering on Our
Digital Agenda**

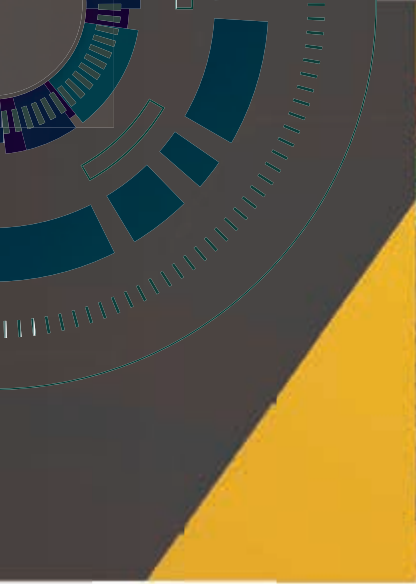
**74TH ANNUAL
REPORT**



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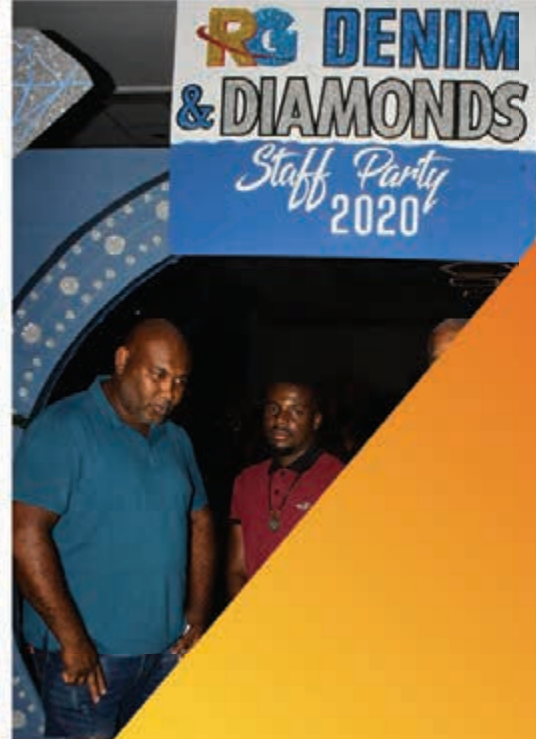
Shareholdings of Directors and Senior Managers as at March 31, 2022

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Form of Proxy

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Notice to Shareholders



MISSION STATEMENT

To be the national standard bearer in media and communications, enriching and transforming Jamaican awareness by innovatively delivering credible, world-class content on multiple platforms; always exceeding client and consumer expectations globally, through a trained and motivated team that delivers shareholder value while being committed to the good of our society.



VISION

To be the most credible, trusted, innovative and iconic Jamaican media and communications brand essential to people globally.

CORE VALUES

- a) Credibility
- b) Adaptability
- c) Integrity
- d) Innovation
- e) Excellence



DIRECTORS' & CORPORATE DATA

RADIO JAMAICA LIMITED

DIRECTORS (NON-EXECUTIVE)

Joseph M. Matalon, C.D. – Chairman

Dr. Lawrence Nicholson – Deputy Chairman

Carl Domville

Minna Israel

Hon. Douglas Orane, C.D., J.P.

Lisa Johnston

Prof. Carol Archer

Elizabeth Jones, C.D.

Dr. Cassida Jones Johnson

Sharon Roper

Mervyn Eyre

DIRECTORS (EXECUTIVE)

Gary Allen, C.D., J.P. – Chief Executive Officer

Christopher Barnes, J.P. – Chief Operating Officer

COMPANY SECRETARY

Tara Leevy – Company Secretary (effective May 1, 2022)

Shena Stubbs Gibson, J.P. – Company Secretary*

RJRGLEANER COMMUNICATIONS GROUP

SENIOR MANAGEMENT TEAM

Gary Allen, C.D., J.P. – Managing Director (Company)/Chief Executive Officer (Group)

Christopher Barnes, J.P. – Chief Operating Officer/General Manager (Interim), The Gleaner Company (Media) Limited

Andrea Messam, J.P. – Chief Financial Officer

Michael Henlin – Chief Technology Officer

Tara Leevy – Company Secretary/Group Senior Legal Officer (effective May 1, 2022)

Shena Stubbs Gibson, J.P. – Company Secretary*

Dr. Claire Grant – General Manager, Television Jamaica Limited, Television and Radio Services

Alethia Logan-Palmer – Group Information Technology Operations Manager

Roland Booth – Manager, Data Analytics and Digital Services

Tanya Smith – Group Human Resource Manager

Garfield Grandison – General Manager, The Gleaner Company (Media) Limited*

Michele Dunkley-White – Group Financial Controller

Karen Gill – Finance Manager

EDITORIAL MANAGERS

Milton Walker – Group Head of News and Sports (Broadcast)

Kaymar Jordan – Editor-in-Chief (Print and Online)

RJRGLEANER COMMUNICATIONS GROUP

COMMERCIAL MANAGERS

Yvonne Wilks-O'Grady - Corporate Affairs and Marketing Consultant

Natonia Sylva - Deputy General Manager Marketing and Sales - Television Jamaica Limited, Television and Radio Services

Sandra Clue - Manager, Advertising & Commercial Services (The Gleaner Company Media Limited)

Terry-Anne Wilson - Manager, Digital Integration & Marketing (Acting - The Gleaner Company Media Limited)

Burchell Gibson - Print, Plant & Circulation Manager (The Gleaner Company Media Limited)

Michelle Currey - Group Credit Manager

TECHNOLOGY MANAGERS

Michael Henlin - Chief Technology Officer

Melvis Cummings - Group Chief Engineer, Operations

Alethia Logan-Palmer - Group Information Technology Operations Manager

Roland Booth - Manager, Data Analytics and Digital Services

TELEVISION OPERATIONS

Dr. Claire Grant - General Manager, Television Jamaica Limited, Television and Radio Services

Trevor Johnson - Deputy General Manager, Television Jamaica Limited

Judith Alberga - Programmes Manager, Home Grown & Content Monetisation Unit

Hertha Beckmann - Programmes Manager - Television Jamaica Limited

Debbie Powell-Harris - Art Director



DIRECTORS' & CORPORATE DATA

SUBSIDIARIES' DIRECTORS

Television Jamaica Limited (TVJ) * *

Dr. Lawrence Nicholson - Chairman
Gary Allen, C.D., J.P. - Director
Christopher Barnes, J.P. - Director
Gregory Pullen, J.P. - Director
Elizabeth Jones, C.D. - Director
Novar Patrick McDonald - Director
Lori-Ann Glasgow - Director
Tara Leevy- Company Secretary - (Effective May 1, 2022)
Shena Stubbs Gibson, J.P. - Company Secretary*

Multi-Media Jamaica Limited (MMJ) * *

Dr. Lawrence Nicholson - Chairman
Gary Allen, C.D., J.P. - Director
Christopher Barnes, J.P. - Director
Gregory Pullen, J.P. - Director
Elizabeth Jones, C.D. - Director
Novar Patrick McDonald - Director
Lori-Ann Glasgow - Director
Tara Leevy- Company Secretary (Effective May 1, 2022)
Shena Stubbs Gibson, J.P. - Company Secretary*

Jamaica News Network Limited (JNN) * *

Dr. Lawrence Nicholson - Chairman
Gary Allen, C.D., J.P. - Director
Christopher Barnes, J.P. - Director
Gregory Pullen, J.P. - Director
Elizabeth Jones, C.D. - Director
Novar Patrick McDonald - Director

Lori-Ann Glasgow - Director
Tara Leevy- Company Secretary- (Effective May 1, 2022)
Shena Stubbs Gibson, J.P. - Company Secretary*

Reggae Entertainment Television Limited (RETV) * *

Dr. Lawrence Nicholson - Chairman
Gary Allen, C.D., J.P. - Director
Christopher Barnes, J.P. - Director
Gregory Pullen, J.P. - Director
Elizabeth Jones, C.D. - Director
Novar Patrick McDonald - Director
Lori-Ann Glasgow - Director
Tara Leevy- Company Secretary- (Effective May 1, 2022)
Shena Stubbs Gibson, J.P. - Company Secretary*

Independent Radio Company Limited (IRC) * *

Dr. Lawrence Nicholson - Chairman
Gary Allen, C.D., J.P. - Director
Christopher Barnes, J.P. - Director
Gregory Pullen, J.P. - Director
Elizabeth Jones, C.D. - Director
Novar Patrick McDonald - Director
Lori-Ann Glasgow - Director
Tara Leevy- Company Secretary- (Effective May 1, 2022)
Shena Stubbs Gibson, J.P. - Company Secretary*

DIRECTORS' & CORPORATE DATA

RJRGLEANER COMMUNICATIONS GROUP

The Gleaner Company (Media) Limited (GCML)

Carl Domville – Chairman

Christopher Barnes, J.P. – Director, General Manager (Interim), effective February 1, 2022)

Gary Allen, C.D., J.P. – Director

Joseph M. Matalon, C.D. – Director

Lisa Johnston – Director

Nadine Molloy, J.P. – Director

Ayanna Samuels – Director*

Carlette DeLeon – Director *

Jacquelyn Juceam – Director*

Sharon Roper – Director

Trevor Chung – Director (Effective January 24, 2022)

Tara Leevy – Company Secretary - (Effective May 1, 2022)

Shena Stubbs Gibson, J.P. – Company Secretary*

Gleaner Online Limited (GOL)

Carl Domville – Chairman

Christopher Barnes, J.P. – Director

Gary Allen, C.D., J.P. – Director

Joseph M. Matalon, C.D. – Director

Lisa Johnston – Director

Nadine Molloy, J.P. – Director

Ayanna Samuels – Director*

Carlette DeLeon – Director *

Jacquelyn Juceam – Director*

Sharon Roper – Director

Tara Leevy – Company Secretary- (Effective May 1, 2022)

Shena Stubbs Gibson, J.P. – Company Secretary*

AUDITORS

KPMG

6 Duke Street

Kingston

BANKERS

First Global Bank Limited

National Commercial Bank Jamaica Limited

Sagicor Bank Jamaica Limited

The Bank of Nova Scotia Jamaica Limited

REGISTRAR AND TRANSFER AGENT

Jamaica Central Securities Depository Limited

40 Harbour Street

Kingston,

Jamaica, W.I.

REGISTERED OFFICE

32 Lyndhurst Road

Kingston 5,

Jamaica, W.I.

* - Resigned during the financial year.

** - Collectively referred to as the "Broadcast Board."

NOTICE OF MEETING*

NOTICE IS HEREBY GIVEN that the Seventy-Fourth Annual General Meeting of Radio Jamaica Limited (the “Company”) will be held on the 28th day of September 2022 commencing at 10:00 a.m. at the Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5, and will also be streamed live.

To view the Annual General Meeting (AGM) via live stream, shareholders are being asked to access the following link:

<http://rjrgleanergroup.com/agm/virtually/>

Please note that this is not a hybrid meeting and, therefore, only shareholders who attend the AGM in person or proxies, will be able to vote on matters arising at the meeting. To register their votes on the resolutions set out in this Notice, shareholders participating via live stream, are encouraged to submit their proxies before the stipulated deadline.

This meeting will be held for the following purposes:

1. To receive the Accounts for the year ended March 31, 2022 and the reports of the Directors and Auditors thereon.

To consider and (if thought fit) pass the following resolution:

Resolution 1

“RESOLVED THAT the Audited Accounts for the year ended March 31, 2022, together with the Reports of the Directors and Auditors thereon be and are hereby adopted”

2. To re-elect retiring directors

To re-elect directors who retire from office by rotation in accordance with Article 98 of the Company’s Articles of Incorporation. The directors so retiring

are Dr. Lawrence Nicholson, Minna Israel, Mervyn Eyre, Sharon Roper and Dr. Cassida Jones Johnson and who, being eligible for re-election to the Board, offer themselves for re-election.

To consider and (if thought fit) pass the following resolutions:

Resolution 2

“RESOLVED THAT retiring director Dr. Lawrence Nicholson be and is hereby re-elected a director of the Company.”

Resolution 3

“RESOLVED THAT retiring director Minna Israel be and is hereby re-elected a director of the Company.”

Resolution 4

“RESOLVED THAT retiring director Mervyn Eyre be and is hereby re-elected a director of the Company.”

Resolution 5

“RESOLVED THAT retiring director Sharon Roper be and is hereby re-elected a director of the Company.”

Resolution 6

“RESOLVED THAT retiring director Dr. Cassida Jones Johnson be and is hereby re-elected a director of

NOTICE OF MEETING*

the Company.”

3. To fix the remuneration of the directors.

To consider and (if thought fit) pass the following resolution:

Resolution 7

“RESOLVED THAT the directors’ fees agreed and payable for the financial year ending March 31, 2023, to all non-executive directors of the Company be and are hereby approved.”

4. To appoint the auditors and to authorize the directors to fix their remuneration.

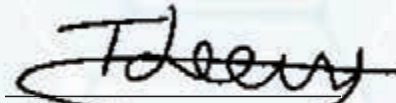
To consider and (if thought fit) pass the following special resolution:

Resolution 8

“RESOLVED THAT the firm KPMG having agreed to continue in office as auditors, the directors be and are hereby authorized to agree their remuneration in respect of the period ending with the conclusion of the next Annual General Meeting.”

Dated this 22nd day of August, 2022

BY ORDER OF THE BOARD



Tara Leevy, LL.B., LL.M (International), LL.M (Health)
Graduate, Chartered Governance Institute
Company Secretary

COVID 19 PROTOCOLS

Shareholders attending the Annual General Meeting will be required to wear masks to enter the venue and remain therein. Sanitizing and temperature checks may also be required upon entry.

PROXY

A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend and vote in place of him/her and such proxy need not be a member of the company. An appropriate form of proxy is enclosed. When completed, the form should be deposited with the Company Secretary at the registered office of the Company, 32 Lyndhurst Road, Kingston 5, Jamaica, W.I., not less than 48 hours before the time appointed for the meeting. The proxy form should bear stamp duty of \$100.00 JMD.

*First published online on August 26, 2022.

Radio Jamaica Limited
BOARD OF DIRECTORS 2022

Joseph M. Matalon

Minna Israel

Dr. Lawrence Nicholson



Sharon Roper

Hon. Douglas Orane

Dr. Cassida Jones Johnson

Gary Allen



Radio Jamaica Limited
BOARD OF DIRECTORS 2022

Carl Domville

Prof. Carol Archer

Elizabeth Jones



Mervyn Eyre

Lisa Johnston

Christopher Barnes



DIRECTORS' PROFILES



JOSEPH M. MATALON, C.D., B.Sc.

Appointed Chairman, May 2019

Appointed Director, March 2016

In addition to being Chairman of the Board, Mr. Matalon is also Chairman of ICD Group Holdings and a director of a number of its related companies, including British Caribbean Insurance Company, West Indies Home Contractors, Intcomex Group and Advantage Communications Inc. He is also Chairman and a director of 1834 Investments Limited (formerly, The Gleaner Company Limited).

Mr. Matalon served three terms as President of the Private Sector Organization of Jamaica (PSOJ) and was inducted into the PSOJ Hall of Fame in 2018. He also served as Chairman of the Development Bank of Jamaica between 2007 and 2016. In 2016, he was appointed Chairman of the Office of Utilities Regulation, a position in which he served until December 2019. In 2010, Mr. Matalon was awarded the Order of Distinction in the Rank of Commander in recognition of his contribution to the public and private sectors and to community service.



LAWRENCE NICHOLSON, B.Sc., M.Sc., Ph.D.

Appointed Director, September 2013

Appointed Deputy Chairman, December 2017

Dr. Nicholson is a senior lecturer in the Faculty of Social Sciences, Mona School of Business and Management (MSBM), The University of the West Indies, with over 20 years of experience in teaching and research. He has a PhD in Decision Sciences, with a concentration in Operations Management. Courses taught at both the undergraduate and graduate levels include: Decision Models for Managers, Business Statistics, Quantitative Methods and Operations Management. He has served in different capacities at MSBM, including as Deputy Executive Director and head of the Decision Sciences and Information Systems Unit. Areas of research include: supply chain management, yield management and women and family-owned businesses. In addition to being Deputy Chairman of the RJRGLEANER Communications Group Board, Dr. Nicholson serves as Chairman of the Broadcast Board and is a member of the Board's Corporate Governance and Compensation Committees.

DIRECTORS' PROFILES



GARY ALLEN, C.D. J.P., E.M.B.A.

Appointed Director, June 2006

Appointed Company Managing Director, October 2008

Appointed Group Chief Executive Officer, April 2016

Mr. Allen is a career journalist with experience in local, regional and international media. He has served Radio Jamaica Limited for over 20 years. At the regional level, he has served the Caribbean Broadcasting Union (CBU), the Caribbean News Agency and the Caribbean Media Corporation in management positions. He is a graduate of the Caribbean School of Media and Communications and the Mona School of Business and Management at the University of the West Indies. Mr. Allen is also a past chairman of the Media Association Jamaica Limited, the Jamaica Debates Commission and a former president of the CBU. In addition to being CEO of the RJRGLEANER Communications Group, Mr. Allen serves as a director on the board of the Public Media Alliance and as a director on subsidiary boards in the Group.



CHRISTOPHER BARNES, J.P., B.Sc., M.B.A

Appointed Director, March 2016

Appointed Group Chief Operating Officer, April 2016

Mr. Barnes is the Chief Operating Officer of Radio Jamaica Limited and a director on all RJRGLEANER Communications Group subsidiary boards. He also serves on external boards, JN Life Insurance Company Limited and PanJam Investment Limited. He is the Chairman of PALS Jamaica Limited and the Media Association Jamaica Limited and is a Past President of the Inter-American Press Association, a Florida-based press freedom lobby organisation for the Western Hemisphere. He has a Mechanical Engineering degree from Boston University and a graduate degree in Finance and International Business (M.B.A.) from McGill University.

DIRECTORS' PROFILES



CARL DOMVILLE, B.Sc., F.C.C.A., F.C.A.

Appointed Director, June 1990

Mr. Domville, a chartered accountant, is also Chairman of The Gleaner Company (Media) Limited, as well as Chairman of the Finance, Compliance and Audit Committee of the Radio Jamaica Board. He was the Chief Operating Officer and Group Treasurer of the Seprod Group of Companies (retired October 2013). He serves on the Boards of Directors of Barita Investments Limited and Ardenne High School and is a Trustee of the Superannuation Fund for Employees of Seprod Limited and Approved Organizations. Mr. Domville also served as President of the Jamaica Cooperative Credit Union League Ltd.

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**DADRAN GORDON
AND DELLY THE DEEJAY**
Saturdays
1:00PM - 5:00PM



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DIRECTORS' PROFILES



CAROL ARCHER, B.A., M.A., MURP, MPhil, Ph.D.

Appointed Director, March 2016

Professor Archer is the holder of a PhD and M.Phil. in Political Science from the City University of New York, Graduate Center, specializing in urban policy, public policy, housing, and community development. She also holds a Master of Arts in Geography, in Urban and Regional Planning and in Latin American and Caribbean Studies all from the State University of New York at Albany. Her undergraduate degrees are in Geography and Latin American and Caribbean Studies from the State University of New York. Before joining the University of Technology (UTECH), Professor Archer was an Adjunct Professor at Long Island University, Brooklyn Campus, and Adjunct Professor and Senior Director of Research at Medgar Evers College of the City University of New York. She was a LaGuardia Fellow in the New York City Municipal Government and served as a Post Graduate Intern at the prestigious Ford Foundation. Professor Archer has more than 25 years of experience in management, education, training, and research in a multi-disciplinary and international setting and has been employed to UTECH, Jamaica since 2000. She also served as Dean of the Faculty of the Built Environment from 2006 to 2016 and is a recipient of the University's President's Distinguished Award for Community Service in 2017.

Her current membership on other boards includes: Scotia Jamaica Building Society, 1834 Investments Limited (formerly, The Gleaner Company Limited), The Wolmer's Trust Board of Management, the Caribbean Network of Urban Land Managers, Nature Preservation Foundation Board of the Hope Botanical Gardens and the Caribbean Planners Association. In August 2021, Professor Archer was appointed to the Special Advisory Group Enterprise (SAGE) to the Executive Director of UN Habitat.



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DIRECTORS' PROFILES



LISA JOHNSTON, B.A., M.A.

Appointed Director, March 2016

Mrs. Johnston is the Corporate Affairs Manager at Jamaica Producers Group Limited and is the Honorary Consul for the Republic of Costa Rica. She is a director of 1834 Investments Limited (formerly, The Gleaner Company Limited), The Gleaner Company (Media) Limited, and the Consular Corps of Jamaica. She serves as a Vice President of the Jamaica Manufacturers and Exporters' Association and as a Trustee of the St. Mary Education Trust. She is also a member of the Jamaica Trade Policy Advisory Group (formerly JTAT) in the Ministry of Foreign Affairs and Foreign Trade and of the Food Security & Agribusiness Council (a joint committee of the Ministry of Agriculture & Fisheries, the Ministry of Industry, Investment & Commerce and the private sector). Mrs. Johnston is a former Galo Plaza Fellow at the Inter-American Dialogue in Washington D.C. and a former freelance columnist for The Gleaner. She is a member of the Corporate Governance and the Finance, Compliance & Audit Committees of the Board.



HON. DOUGLAS ORANE, C.D., J. P., B.Sc., M.B.A., LL.D. (HON)

Appointed Director, March 2016

Mr. Orane, retired director of GraceKennedy Limited, and its former Chairman and Managing Director, is a director of other boards, including that of 1834 Investments Limited (formerly, The Gleaner Company Limited). Mr. Orane served as President of the PSOJ from December 1992 to December 1994 and as Vice President from December 2001 to February 2003. Mr. Orane also served as an independent senator in the Jamaican parliament from 1998 to 2002 and was appointed a member of the Governor General's Privy Council in 2009. He is an industrial engineer and a Justice of the Peace (J.P.). Mr. Orane serves as the Chairman of the Corporate Governance Committee of the Board and is a member of the Compensation Committee.

DIRECTORS' PROFILES



MINNA ISRAEL, B.Sc., M.B.A., LLD (HON)

Appointed Director, September 2012

Ms. Israel is a Special Advisor to the Vice-Chancellor on Resource Development at The University of the West Indies, with a focus on philanthropy. A former banker for over 30 years, Ms. Israel served as President & Country Head of RBC Royal Bank (Jamaica) and Managing Director of Scotiabank (Bahamas) Limited. She serves on a number of boards and organizations including First Global Bank, Cari-Med Limited, Jamaica Public Service Company Limited, Stanley Motta Limited, the Mona School of Business & Management and the Judicial Services Commission. Ms. Israel is also a member of the Corporate Governance and the Human Resources Committees of the Board.



ELIZABETH ANN JONES, C.D., FCCA (UK), B.Sc.

Appointed Director, March 2016

Ms. Jones is a retired Senior Partner of KPMG in Jamaica, former Head of the firm's tax practice and past Chairman of KPMG CARICOM. She is also a director of the Company's subsidiary Broadcast Board, comprising Television Jamaica Limited, Jamaica News Network Limited, Reggae Entertainment Television Limited, Independent Radio Company Limited and Multimedia Jamaica Limited.

Ms. Jones was appointed chairman of the JN Financial Group Limited in April 2019. She joined the board of the Jamaica National Building Society in October 2014 and was appointed Chairman of JN Fund Managers Limited in May 2015. She joined the board of JN Bank in February 2017, as well as the restructured mutual holding company, The Jamaica National Group Limited and the JN Financial Group Limited. She was appointed Chairman of The Jamaica National Group Limited in July 2020.

Ms. Jones has served on several tax reform committees and was seconded to the Ministry of Finance, between 1989 and 1992, as special advisor to the Minister. Ms. Jones has also served as Chairman of the Trade Board Limited and Fiscal Services Limited and on the Committee to Review and Eliminate Waste in the Public Sector.

DIRECTORS' PROFILES

She has served on a committee to review the Government of Jamaica's tax system, as a member of the Divestment Committee responsible for the divestment of Government-owned sugar factories, and as a member of the Tax Policy and Tax Administration Working Group under the Partnership for Transformation Project in Jamaica. Ms. Jones is a member of the Finance, Compliance and Audit Committee of the Board.

Ms Jones is a Fellow of the Association of Chartered Certified Accountants and a retired Chartered Accountant. In 2015, she was conferred with the Order of Distinction, Commander Class by the Government of Jamaica.



CASSIDA JONES JOHNSON, B.A., M.A., FCIPD (UK), Ph.D.

Appointed Director, September 2019

Dr. Jones Johnson is an executive consultant to business leaders, learning institutions and professional associations, with over 20 years of experience in Strategic Human Resources, Executive/Management Recruitment, Talent Management, Performance Management, Organizational Transformation and People Integration. Her career unfolded in the United Kingdom in banking with Citibank, London, where her last role was as Relationship Manager for Corporate Accounts for the Nordic countries. Upon her return to Jamaica, she transitioned into the field of Human Resources, where her last corporate executive role was with the GraceKennedy Group of Companies, as the Group Chief HR Officer.

Dr. Jones Johnson has served as both Chair and member on several boards in various industries, as well as a board member of the Human Resource Management Association of Jamaica and the Tax Administration of Jamaica (TAJ), including as Chair of the HR Committee.

Dr. Jones Johnson is a double awardee for exceptional service in Human Resources and People Development from the Chartered Institute of People Development (CIPD) in the United Kingdom for 2018 and 2021. She is also the Chair of the HR Committee and member of the Compensation Committee of the Board.

DIRECTORS' PROFILES




SHARON ROPER, HN Dip., FCIM

Appointed Director, September 2019

Mrs. Roper is the Managing Director at SIAN Associates, an international brand development firm specialising in Marketing Strategy, Digital Transformation, Media, Communication Planning and Project Management for Corporate and Government entities across the Caribbean, Africa and Europe. A fellow of the Chartered Institute of Marketing with over 25 years of experience in her field, Mrs. Roper was formerly the Head of Marketing at Columbus Communications (Flow Jamaica) and Regional Brand Director for Digicel Group. Prior to moving to Jamaica, Mrs. Roper held Executive positions at PricewaterhouseCoopers and Accenture Plc. During her tenure at Accenture Plc's Communications and High-Tec European practice, she led the company's regional marketing teams to deliver transformational programmes, developed knowledge-based solutions for clients and managed brand programmes for the practice.

Mrs. Roper has served on several boards including Sagicor Life of Jamaica, Herboo Botanicals Corporation and currently sits on The Adoption Board of Jamaica, where she is chair of the communications committee. As an Angel Investor, she provides mentorship to young Jamaican entrepreneurs and start-ups in the Mobile Apps, Fintech, Services and Manufacturing sectors. Mrs. Roper is also a director of The Gleaner Company (Media) Limited.




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DIRECTORS' PROFILES



MERVYN EYRE

Appointed Director, September 2019

Mr. Eyre serves as President and Chief Executive Officer of Fujitsu's business in the Caribbean and Latin America region (CALA). In that capacity, he is responsible for managing the strategic direction as well as general management of Fujitsu's operations, assets, capabilities and service delivery facilities across multiple countries. He also serves as Executive Director to Fujitsu's international regions, supporting transformation programmes across Asia-Pacific, Europe and the Americas. Leveraging over 25 years of experience in the global IT industry, Mr. Eyre has led the introduction of managed and cloud-based IT services in the CALA region, opening up new, agile, pay-as-you use consumption models to Caribbean governments and enterprises. More recently, this has included guiding customers through the digital transformation of their businesses and the development of new operating models for success. Having successfully served multiple customers across multiple industries in the Caribbean, Mr. Eyre is now intent on combining access to global digital capabilities with local technology innovations to contribute meaningfully to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfils the dreams of people. Mr. Eyre is the Chairman of the Digital Business and Technology Committee of the Board.



Gleaner PREMIUM

Transform your online news experience and get access to:

- ✓ Exclusive News
- ✓ Members-only premium content
- ✓ Perks and bonuses

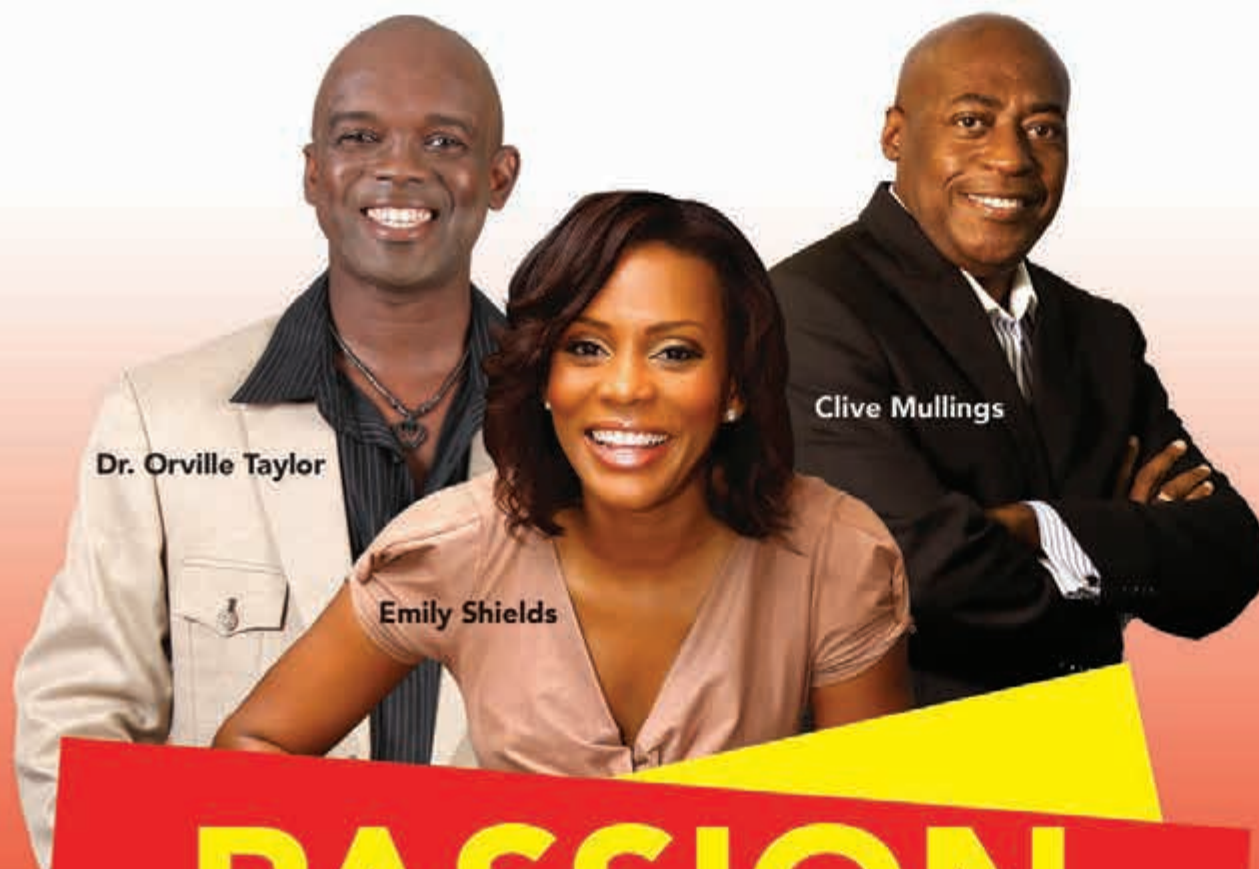
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FREQUENCIES

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CHAIRMAN'S STATEMENT



The financial year 2021/2022 saw the RJRGLEANER Communications Group register a healthy level of growth in business that signals the strong foundation we are re-building after the impact of the Coronavirus Disease 2019 (COVID-19) on the activities of most businesses, including ours.

The return to better health of many businesses and the attempt by others to achieve some level of normalcy have been positive factors for our business; as the confidence businesses have in launching and promoting new products and the advertising of their products and services contribute significantly to our fortunes.

An improvement in revenue flows and the discipline of holding our expenses within manageable levels contributed to our financial performance.

Improving our pre and after-tax profits by 76% and 100% respectively is due to strong and close collaboration among our directors, managers and staff, as well as to the support we continue to receive from the advertising market and the subscribers to our various products and services.

During the year, we continued our board sensitisation exercises, paid close attention to recommendations from our board committees and implemented improvements to our governance

processes as guided by external experts.

The resilience of the business was consistently bolstered through the ongoing changes in our operations as we moved to newer, more digitally driven business operations. This digitalization process has improved efficiencies in reports and information tabled at the board level, reports and information, as well as driven changes in how data is mined and used to guide decision making. Much more will be done in these areas in coming months, especially as the Group starts to receive data from the digitally driven broadcast network that will be used by television.

The entire Group was exceptionally proud that Television Jamaica helped Jamaica become the third country in the world to bring into service the next generation of television service, ATSC 3.0.

This service has prospects for significantly enriching our television services in the Group as it will expand coverage, improve the quality of that coverage. ATSC 3.0 will provide the almost 300,000 households that depend solely on over-the air antenna-based TV service with more channels free of charge, an emergency alert system for potential natural disasters and it will have its own television guide.

While TV is on the cusp of a new day, radio has already started to re-develop and expand its transmission. A modernisation

exercise has moved Radio Jamaica 94FM into a superior transmission delivery path. In the year under review, for the first time in more than a decade, we upgraded and replaced most of its major transmitters with new, state of the art ones.

In the financial year, we also saw the digital revenue earnings of the Group grow, through increased epaper subscriptions and digital advertising in the Gleaner; with clear plans for further growth through 1SpotMedia and our various digital services, the prospects are good.

Through all this, the Group remained a model corporate citizen, with corporate governance training for directors and managers, as well as the maintenance of the outreach initiatives, for which we have become known.

As we remain steadfast in our leadership in this industry, we take this opportunity to encourage policymakers to continue to foster an environment for a free press; we also ask that policy makers examine how they can provide an enabling environment for the transformation of our television market from an analogue to a digital one.

Having regard to the above-mentioned, we challenge our policymakers to examine what incentives they can make available for an accelerated transitioning of our television market to a new and more robust digital one. There are symbiotic relationships that can be

had from the process. If the goals of a functional digital economy are to include all, a broadcast model can accelerate reach to areas of the country where it is otherwise challenging to do so. If public broadcasting is a part of the way that effective communication can be achieved with our citizens, it can also be assisted through this development. We have always acted in the best interest of what is good for Jamaica and Jamaicans, and we are willing to do so again.

As we came towards the end of the financial year, the conflict in Ukraine and the increase in oil prices globally started to create concerns over the ensuing months. Our company has paid attention to how to be nimble and to respond with speed and agility to developments that can have a serious negative impact on our country, economy and business. It is that steadfast and sure-footed approach that has made the past year our most successful ever, and it is that approach that will keep us making progress in the years to come.

Thanks to all our stakeholders and partners for staying the course of another year with us. We look forward to our annual general meeting where we can greet each other in person and we also look forward to another fruitful year.


.....
Joseph M. Matalon, C.D.

MANAGING DIRECTOR'S STATEMENT



There were improved market conditions in the year under review; we were relentless in pursuit of new and recovering business revenues; we kept efficiencies and expenses as tightly managed as we could in what was a solid team effort across all our business divisions. In the end, we took our Group to its strongest profits yet recorded.

At the end of a challenging but rewarding year, we registered a pre-tax profit of \$409M, which was 76% better than the \$232M for the previous fiscal year. Our after-tax profit of \$342M was 100% better than the prior year. These performances resulted from positive contributions from all divisions in the Group as explained in our Management Discussion and Analysis (MD&A) segment of this report.

Our revenue improvements came from the general market recovery experienced by many businesses that had struggled during the crisis phase of the COVID-19 pandemic. There was also still some benefit, early in the year, from our partnership with the Ministry of Education before schools returned to face-to-face instruction in the second quarter.

There was also a significant increase (62%) in Other Income, due largely to the disposal of a transmission tower which was released after other efficiencies were achieved in our network.

We also saw the benefit of greater efficiency and reliability in the audio segment of the Group. This was largely attributable to investments made in our radio transmission modernization project and our radio brand strengthening exercise. The modernisation project is in keeping with technology upgrades

and digital developments we have been pursuing. There were several other systems and staff upgrades done as a part of our overall digital transformation.

We saw some recovery in our print and online segment of the business though it is still performing below pre-pandemic levels. The thrust of print's digital-first agenda, making premium content available on multiple platforms, with the usual strong journalism has kept our offerings in a leadership position. Group-wide, digital revenue growth increased during the period, including improved profitability from 1SpotMedia, our global platform for a wide range of Live, Pay Per View, On-Demand and digital advertising business.

Though our tech start-up investment ventures are not yet performing at desired levels, we are working to add positives from them to our digital earnings and eventually, digital profits.

By far, the Group's major capital spent as been in the area of television with the Digital Switch Over (DSO) from analogue transmission to ATSC 3.0 digital transmission being the most acclaimed achievement this past year. In January, the Group launched the region's first ATSC 3.0 NextGeneration (NextGen) television service. The technology is called NextGen because it is envisaged to be the base of digital television standards for the next 40 to 50 years. It provides major improvement in picture and sound quality, presents an offering of free multiple channels, and has its own programme guide. ATSC 3.0 is also more energy efficient to the broadcaster, will deliver significant operational savings and is able to

interface with several aspects of Internet Protocol (IP) services.

The Group is proud to be only the third country in the world to have launched this NextGen service, and the first in the world to be moving from analogue TV transmission directly to ATSC 3.0 digital services. We are also very proud that our January 31, 2022, switch over was done with a completely Jamaican engineering team on the ground.

We have invested hundreds of millions of dollars in the digital transformation of the Group, with business systems and High-Definition (HD) broadcasting capabilities now in place for television. The Group's investments include training of people as well as upgrading business systems. We have taken seriously cyber awareness and cyber security training, to help protect our investments.

While we met the government's January 2022 timeline to launch the DSO process, it is impossible to meet their Analogue Switch Off date of January 2023. No country in the world has been able to make the change in only one year and in any event, there are not sufficient television sets and set top (converter) boxes available at an affordable rate for that timeline to be met. However, we are willing to push forward strongly to achieve the shortest possible transition timeframe, to get these benefits to businesses and consumers. To ensure this outcome, we strongly appeal to our policymakers to create an enabling environment to do so. We call for duties and taxes on imports of NextGen TV sets and set top boxes to be removed for consumers until Analogue Switch Off is achieved. We ask for the General Consumption Tax (GCT) and Special Consumption

Tax (SCT) on the broadcast equipment required for this digital project to be removed. We also ask for a commitment to be given by the government that all government and quasi-government offices that now have TV sets, make it a priority to be the first to secure new sets or set top boxes and meet the government's January 2023 target timeline.

As the introduction of the NextGen technology will assist the government with the national distribution of its public broadcasting network and given that the network will include an emergency warning system for use by the Office of Disaster Preparedness and Emergency Management (ODPEM), it is in the best interest of our people and the government to facilitate a quick switchover timetable.

As we have done throughout our history, RJRGLEANER will continue the training, development and upgrading of its human capital (our employees). We will continue our leadership as good corporate citizens, working - as we did last year - with the young, the aged and the vulnerable. We commit to continuing our steadfastness in protecting freedom of expression and freedom of the media, as we pursue a viable, profitable and sustainable business for our shareholders, stakeholders, and our country.

We thank all those who support us and enable us to continue on this noble journey and look forward to our collective future successes.



.....
Gary Allen, C.D., J.P.

DIRECTORS' REPORT

The directors are pleased to present their report for the financial year ended March 31, 2022

FINANCIAL RESULTS:

| | \$'000' |
|---|----------|
| Profit before Taxation | 408,762 |
| Taxation | (67,071) |
| Net Profit | 341,691 |
| Retained Earnings at beginning of the year | 494,264 |
| Retained Earnings at the end of the year | 760,509 |

The Directors as at March 31, 2022 were as follows:

Joseph Matalon - Chairman

Dr. Lawrence Nicholson – Deputy Chairman

Gary Allen - Managing Director (Company)/Chief Executive Officer (Group)

Christopher Barnes - Chief Operating Officer

Carl Domville

Minna Israel

Hon. Douglas Orane

Lisa Johnston

Prof. Carol Archer

Elizabeth Jones

Mervyn Eyre

Sharon Roper

Dr. Cassida Jones Johnson

Mervyn Eyre

Sharon Roper

Dr. Cassida Jones Johnson

The Company's auditors, KPMG have indicated their willingness to continue in office pursuant to the provisions of Section 154 of the Companies Act.

The directors wish to place on record their appreciation and recognition of the dedicated efforts and hard work given by the officers and staff of the Company and its subsidiaries.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dated the 22nd day of August, 2022



Joseph M. Matalon, C.D.
Chairman

In accordance with Article 98 of the Company's Articles of Incorporation, the following directors will retire by rotation and being eligible, offer themselves for re-election:

Dr. Lawrence Nicholson

Minna Israel



GENZED

Fi di yutes, by di yutes

SATURDAYS

10am -



6:30pm -



#POWERGENZED #TVJGENZED

2021 - 2022 MANAGEMENT TEAM

Karen Gill
Finance Manager



Milton Walker
Group Head of News and Sports
(Broadcast)



Natonia Sylva
Deputy General Manager,
Marketing and Sales
Television and Radio Services



Tanya Smith
Group Human Resource Manager



Roland Booth
Manager, Data Analytics
and Digital Services



Burchell Gibson
Print, Plant & Circulation Manager
Print Services



Sandra Clue
Advertising & Commercial Manager
Print Services



Michelle Currey
Group Credit Manager



Christopher Barnes
Chief Operating Officer



Andrea Messam
Chief Financial Officer



Michael Henlin
Chief Technology Officer



Melvis Cummings
Group Chief Engineer, Operations



2021 - 2022 MANAGEMENT TEAM

Alethia Logan-Palmer
Group Information Technology
Operations Manager



Trevor Johnson
Deputy General Manager
Television and Radio Services



Michele Dunkley-White
Group Financial Controller



Claire Grant
General Manager
Television and Radio Services



Terry-Anne Wilson
Digital Integration & Marketing Manager (Acting)
Print Services



Tara Leevy
Group Company Secretary/Senior
Legal Officer
(Effective May 1, 2022)



Kaymar Jordan
Editor-in-Chief
Print Services



Gary Allen
Chief Executive Officer (Group)/
Managing Director (Company)



Shena Stubbs Gibson
Group Company Secretary/
Senior Legal Officer
(Demittd office April 30, 2022)



Yvonne Wilks-O'Grady
Corporate Affairs and Marketing Consultant



STRATEGIC REPORT

The Group has made considerable progress in all areas of its strategic plan, based on the five pillars of **Diversification, Efficiency, Content Leadership, Digital Transitioning, People and Corporate Culture**, which, once successfully implemented, will see the business emerge:

- a global leader in innovating, producing and providing **high-quality Jamaican content** for audiences everywhere that is easily and cost effectively, accessible via multiple platforms.
- using cutting edge technology and data analytical tools from an efficient, **digitally transformed entity** to provide consumers and clients with quality data-driven products and service solutions which **maximise return on client spend and consumer experience**.
- a leading developer of human capital providing an **inclusive environment for continuous learning** where team members are given space to grow and **are rewarded as valued contributors to the Group's journey towards sustainable profitability, through innovation**.

- remaining a model corporate citizen to **enhance the quality of life in Jamaica and for Jamaicans everywhere**.

The Group's diversification thrust for **growth achieved through investment in other complementary business opportunities** saw the acquisition of a 15% stake in data analytics and artificial intelligence service provider, Starapple Analytics Jamaica Limited. The Group also continued to look for the right partner for its other wireless technology project with the potential for deploying internet and subscription television services.

The important aim of **digitalisation of the Group** continued during the period. Having installed the necessary enterprise systems and facilitated the remote connectivity, this greatly helped the Group to manage operations during the pandemic. The Group then focused on greater leveraging of the efficiency improvements as well as inculcating a data analytics culture. A data analytics culture will assist with extracting maximum value from the vast store of data across the Group for product insights and this will in turn result in greater revenue opportunities. The data analytics team was installed and worked alongside all

departments to execute their data strategies using the tools now in place.

The Group's preparation for Digital Switch Over (DSO) continued with the Group pulling off a historic milestone by becoming the first broadcaster in the region to activate digital broadcast using the ATSC 3.0 digital standard, on time, and as per the government's announcement of when the transition should commence. The **High Definition (HD) transmission rollout, which is currently available only for certain sections of the corporate area**, will be deployed across the island over 2-3 years and will see all Over The Air (OTA) viewers having the same HD viewing experience as currently accessed by a small percentage of the market through cable providers. DSO holds great promise for the consumer as, in addition to the steep positive change in viewing experience, there is potential for:

- free multichannel distribution allowing for greater reach of the Group's current cable offerings, namely, RETV, JNN and TVJSN;
- data opportunities enabling Internet of Things (IOT) applications; and

- addressable advertising which will allow for geo-targeting.

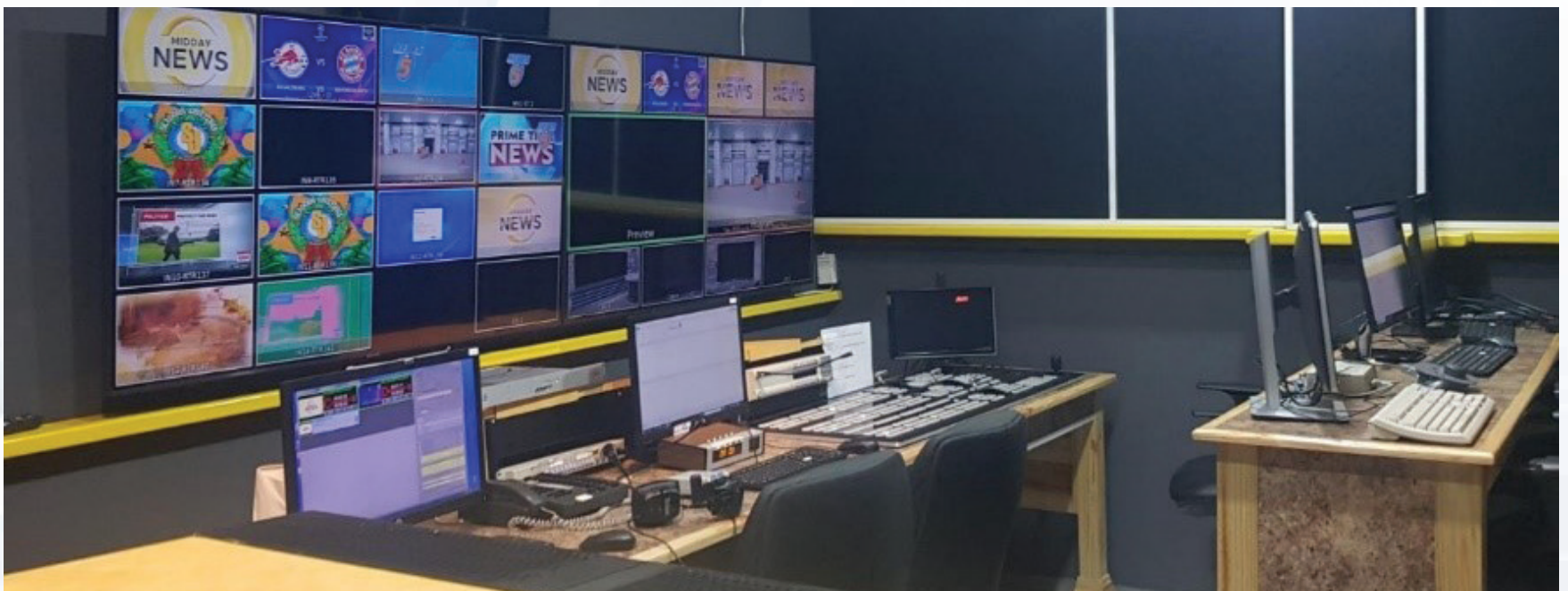
Developing and **extracting maximum value from content and programming** continued with a milestone achievement of operating profit from our Over the Top (OTT) investment, 1SpotMedia. The Group's paid subscriptions continued to grow, earn hard currency and to expand the content offered live, On Demand, and Pay Per View, to add value to the user experience. Building on the launch of Gleaner Premium, the Group continued to build on its premium content and improve user experiences with new technology upgrades to drive subscriber acquisition. In spite of a challenging environment globally

for paid news, the team remained focused on growing this offering of the business which holds great promise for the future of the print segment of the business.

The focus on **efficiency** continued throughout the year even as the Group settled from the restructuring efforts of the prior year. In the print segment of the business, there was a revision of the production shift system to better address production demands at a lower cost. The investment in consolidating the accounting systems of the past years paid off with the Group achieving its targets of reporting on monthly financial performance within five business days of close of the previous month. The radio modernization

project also saw greater progress with the establishment of a Network Operating Centre for remote monitoring of broadcast sites as well as the replacement of decades old transmitters and antennae for modern technology which will result in lower operating and maintenance costs.

This year's focus on an **accelerated approach to cultural transformation and change management for all staff**, was centered squarely on working with external consultants to benchmark staff engagement and morale and initiating strategic interventions to improve same. This important process continues.



New Network Operating Centre

MANAGEMENT DISCUSSION & ANALYSIS

COMPANY OVERVIEW AND PRINCIPAL ACTIVITIES

Radio Jamaica Limited (“the Company”) is incorporated and domiciled in Jamaica. It is listed on the Jamaica Stock Exchange, and its registered office is located at 32 Lyndhurst Road, Kingston 5.

The financial statements included in this report present the results and financial position of the operations of the Company and its subsidiaries during the period April 1, 2021 to March 31, 2022. Together the Company and its subsidiaries are referred to as the RJRGLEANER Communications Group (“the Group”).

The Group’s primary activities are the operation of a ‘free-to-air’ television station, three cable television channels, four radio stations and the publication of two major newspapers in print and in digital formats.

| Group’s Subsidiaries & Associates | | 2021 | 2022 |
|--|---------------------------|------------|------------|
| Subsidiaries | Domicile of Incorporation | % Holdings | % Holdings |
| Television Jamaica Limited | Jamaica | 100% | 100% |
| Multi-Media Jamaica Limited | Jamaica | 100% | 100% |
| Media Plus Limited and its subsidiaries | St. Lucia | 100% | 100% |
| - Reggae Entertainment Television Limited | Jamaica | 100% | 100% |
| - Jamaica News Network Limited | Jamaica | 100% | 100% |
| The Gleaner Company (Media) Limited | Jamaica | 100% | 100% |
| -The Gleaner Company (USA) Limited | United States of America | 100% | 100% |
| -The Gleaner Company (UK) Limited | United Kingdom | 100% | 100% |
| -Gleaner Media (Canada) Inc | Canada | 100% | 100% |
| -Independent Radio Company Limited | Jamaica | 100% | 100% |
| -A-Plus Learning Limited | Jamaica | 50% | 50% |
| -The Gleaner Online Limited | Jamaica | 100% | 100% |
| The operations of A-Plus learning Limited and The Gleaner Online Limited are dormant | | | |
| | | | |
| Associates | | | |
| Jamaica Holding, LLC | Puerto Rico | 50% | 50% |
| SIFI Studios Jamaica Limited | Jamaica | 17.29% | 17.29% |

interest in Jamaica Holding, LLC of 50% and in SiFi Studios Jamaica Limited of 17.29% during the year.

BUSINESS SEGMENTS

The Group is organized into three main business segments based on its business activities. Operating results for each segment are used to measure performance, as

The subsidiaries are incorporated and domiciled in Jamaica, with the exception of Media Plus Limited, The Gleaner Company (USA) Limited, The Gleaner Company (UK) Limited, and Gleaner Media (Canada) Inc, which are incorporated and domiciled in St. Lucia, the United States of America, the United Kingdom and Canada, respectively. The operations of A-Plus Learning Limited and The Gleaner Online Limited are dormant. The associate companies Jamaica Holding, LLC and SiFi Studios are incorporated and domiciled in Puerto Rico and Jamaica, respectively. The Group maintained its

management deems that information to be the most relevant in evaluating segments relative to other entities that operate within these industries. Reports from these segments are used by the Board and management to make strategic and operational business decisions. The segments are: -

1. Audio Visual: comprising the operations of the free-to-air television station, cable stations, 1SpotMedia and TVJ International.

MANAGEMENT DISCUSSION & ANALYSIS

2. Audio: comprising the operations of the radio stations, associated radio infrastructure; and associate companies.

3. Print & Others: comprising the print, digital and other operations.

OUR ECONOMIC ENVIRONMENT

During the financial year, the economy continued to be affected by the adverse conditions brought on by the COVID-19 pandemic. This was exacerbated by the supply chain challenges that arose because of the Russia/Ukraine war which resulted in business owners staying out of the advertising space based on the uncertainty of delivery dates of their goods. Throughout the financial year, the government consistently implemented strategies of reopening the economy in a manner it considered safe to stimulate the growth of the economy. The NIR at March 31, 2022 was USD3.7 billion and represented 46.9 weeks of goods imports. This compared favourably to March 2021, which was lower at USD3.3 billion or 38.7 weeks of goods imports.

At June 2022, the NIR stood at USD 3.8 billion, the highest sustained level it has ever been in our history. Trading Economics reported a growth in GDP of 6.4% for the fiscal year ending March 31, 2022. During the year, the country experienced volatility in the movement of the foreign exchange rate with its USA counterpart, with a high of US\$1.00: J\$157.13 in February 2022 and a low of US\$1.00: J\$149.34 in September 2021. At March 2022, the foreign exchange rate was US\$1.00: J\$154.15 compared to US\$1.00: J\$146.58 in the previous year. The unemployment rate decreased from 8.9% in 2021 to 7.3% in 2022.

Economic Indicators

| Macro-economic Indicators | March 2022 | March 2021 |
|---|--------------|--------------|
| Inflation | | |
| Calendar | 11.31% | 1.0% |
| Fiscal | 11.9% | 4.4% |
| Foreign Exchange Rate (Average J\$: US\$1) | \$154.15 | \$146.58 |
| Treasury Bill Yield | | |
| 90 Day | 6.12% | 1.23% |
| 180 Day | 6.37% | 1.52% |
| NIR (US\$M) | US\$3,675.85 | US\$3,319.33 |
| Weeks of goods and services imports | 29.60 | 23.65 |
| Weeks of goods imports | 46.90 | 38.71 |

FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market (including currency, fair value interest rate, cash flow interest rate and price risks), credit and liquidity risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The risk management policies are designed to identify and analyze these risks, to set appropriate risk controls, and to monitor the risks and adherence to limits, by means of reliable and up-to-date information systems. There has been no change to the Group's exposure to financial risks or the way it manages and measures the above-mentioned risks.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework which is executed through the following bodies:

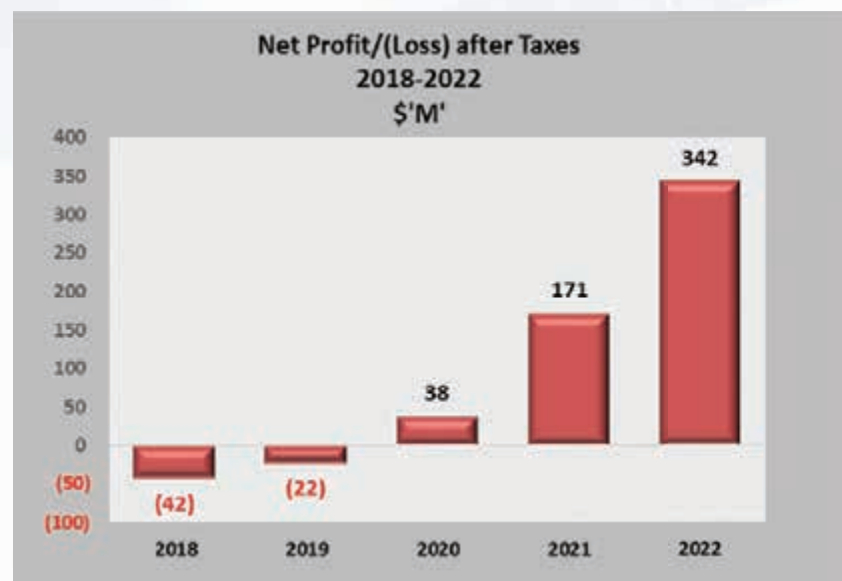
MANAGEMENT DISCUSSION & ANALYSIS

- Department of Finance and Administration - responsible for managing the Group's assets and liabilities and the overall financial portfolio. It is also primarily responsible for the funding and liquidity risks of the Group. The department identifies, evaluates and hedges against financial risks in conjunction with the Group's operating units. The Credit Department is primarily responsible for managing the Group's credit risk. The department also monitors and evaluates credit risks by assessing the credit worthiness of existing and potential clients.
- Finance Compliance and Audit Committee - oversees management's compliance with the Group's risk management policies and procedures and periodically reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Further details on the Group's risk management policies can be found in Note 3 of the Audited Financial Statements.

FINANCIAL PERFORMANCE

The Group recorded an after-tax profit of \$342 million representing a \$171 million or 100 percent improvement on the prior year's after-tax profit of \$171 million. The improved profitability was achieved on the back of a revenue and other operating income increase of \$519 million and \$50 million respectively. Direct expenses, Selling expenses and Other Operating expenses increased by \$222 million, \$156 million and \$113 million, respectively, while Administrative expenses were reduced by \$107 million. The Group's pre and post-tax performances represent the best performances over the 5-year period 2018 to 2022.



The segments generated operating profits (i.e., profit before elimination, interest and taxes) of \$493 million compared to \$308 million in the previous year. This represented an improvement of 60% or \$185 million on the prior year. The Print and other segments generated an operating profit of \$56 million, which was a \$322 million turnaround on the operating loss of \$266 million in the prior year. The improvement in the Print segment was driven by the improvement in revenue of \$51 million and the reduction in expenses of \$271 million. The operating profit performance of the Audio-visual and Audio segments reduced by \$86 million and \$51 million respectively. The reduction in the performances of the Audio-visual and Audio segments were driven by the businesses returning to a pre-pandemic cost structure and a noticeable increase in technology license fees driven by digital projects.

| RJRGLEANER SEGMENTS | Audio Visual \$'M' | Audio \$'M' | Print & Other \$'M' | TOTAL (before eliminations) \$'M' | Year |
|---------------------|-----------------------|----------------|------------------------|---|-----------|
| Operating Profit | 479 | 95 | (266) | 308 | 2020-2021 |
| Operating Profit | 393 | 45 | 56 | 493 | 2021-2022 |
| Increase/(Decrease) | (86) | (51) | 322 | 185 | |
| | | | | 60% | |

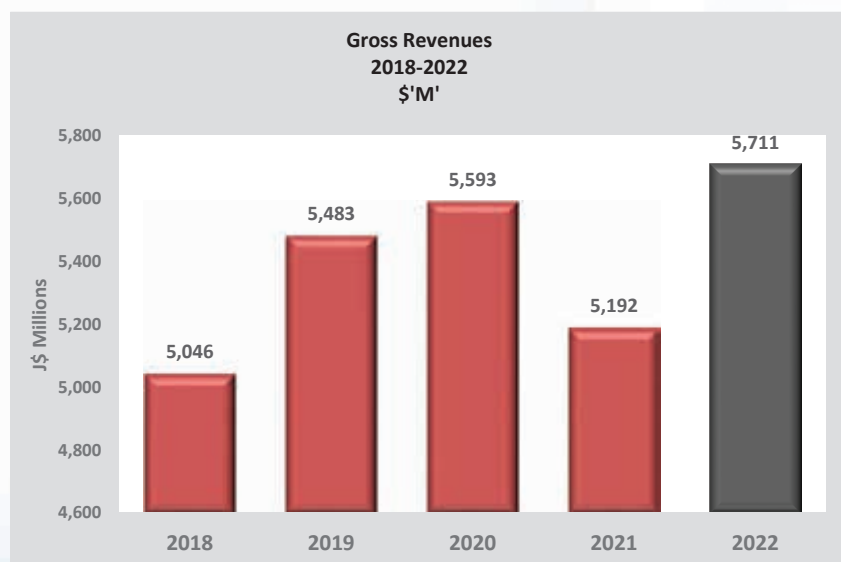
MANAGEMENT DISCUSSION & ANALYSIS

Revenues

The Group recorded a 10% or \$519 million increase in consolidated revenues in the prior year. The increase surpassed the \$401 million in revenues downturn in the previous year. All segments generated an increase during the period as follows: -

| RJRGLEANER SEGMENTS | Audio Visual \$'M' | Audio \$'M' | Print & Other \$'M' | Pre-eliminations \$'M' | Post eliminations \$'M' | Year |
|---------------------|-----------------------|----------------|------------------------|---------------------------|----------------------------|-----------|
| Revenues | 2,358 | 723 | 2,256 | 5,337 | 5,192 | 2020-2021 |
| Revenues | 2,695 | 833 | 2,306 | 5,835 | 5,711 | 2021-2022 |
| Increase/(Decrease) | 337 | 110 | 50 | 498 | 519 | |
| | 14% | 15% | 2% | 9% | 10% | |

Although the Group continued to be impacted by the lockdowns with advertisers staying away from the advertising market, the Group made inroads, recovered, and surpassed lost revenues in the previous year by attracting new entrants, participation in select profitable events and direct marketing to select clients.



Other Operating Income

Other Operating Income, comprising Interest Income, Foreign Exchange loss/gain, Rental Income, Sale of Scrap and Sale of Fixed Assets increased by 62% or \$50 million due mainly to profit on sale of an unused

transmission tower at Half-Way Tree in St. Andrew, the sale of replaced motor vehicles and income from library and newsprint waste sales.

Operating Expenses

Total Operating Expenses of \$5.3 billion, including Direct, Selling, Administrative and Other Operating Expenses, increased by \$383 million or 7.7% during the period.

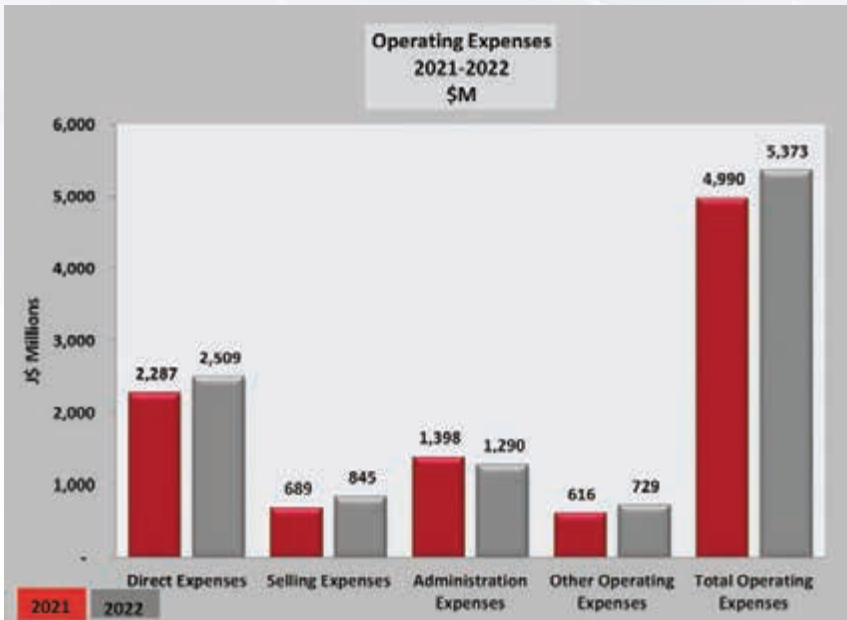
Direct Expenses were \$222 million or 10% above prior year due mainly to the increase in Newsprint and Ink, Circulation, Distribution and Staff Costs commensurate with the increase in revenue and with costs reverting to full year value compared to the prior year.

Selling Expenses increased by \$156 million or 23%, to reflect increased distribution commissions and sales commissions commensurate with the increase in revenues across the Group as well as increased marketing and promotional activities that were curtailed during the prior year.

Administrative Expenses fell by \$107 million, caused mainly by the reduction in bad debt of \$98 million.

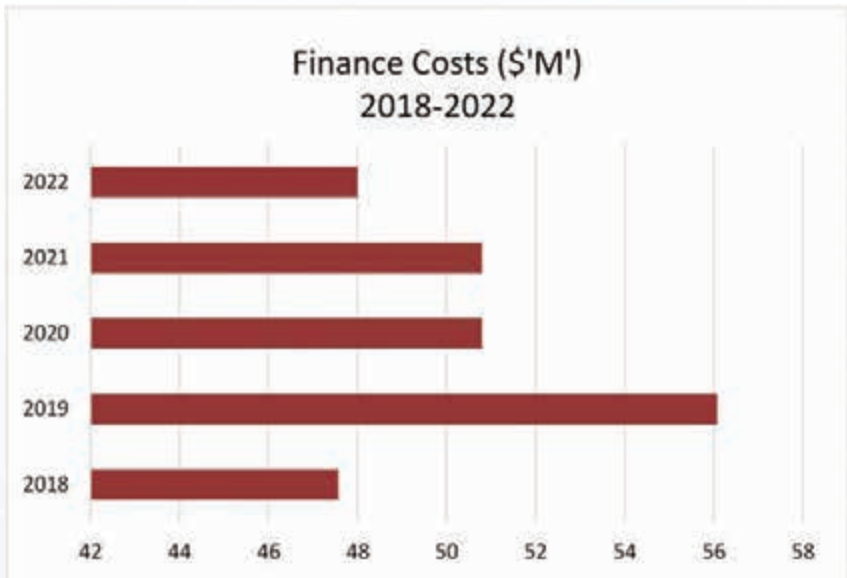
Other Operating Expenses comprising security, electricity, equipment and property maintenance were higher by \$113 million or 18%. The Group saw increased utility costs, technology licensing fees, transmitters and property maintenance costs during the year.

MANAGEMENT DISCUSSION & ANALYSIS



Finance Costs

Finance Costs fell by \$3 million to \$48 million due to the closure of high interest facilities and the negotiation of lower interest rates on facilities retained.



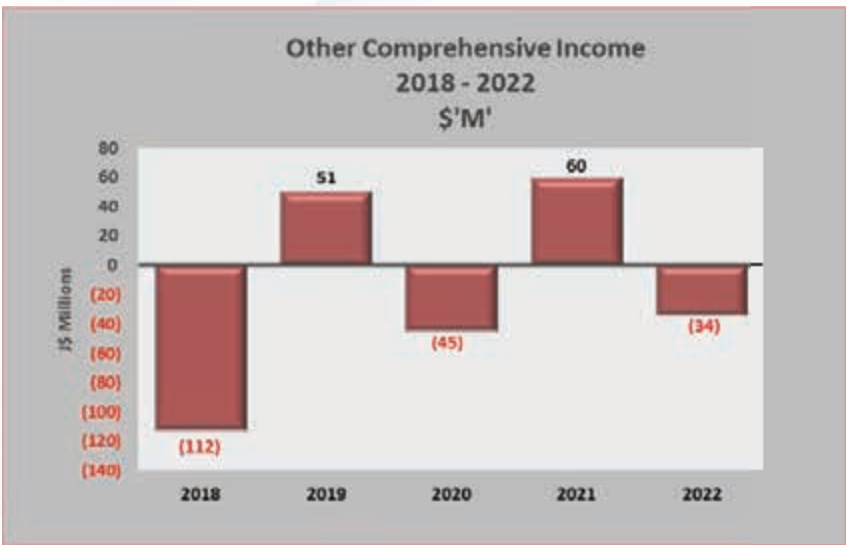
Taxation

The Group incurred a taxation charge of \$67 million compared to \$61 million in the prior year. The increase

was largely due to the increase in profitability and a reduction of the deferred tax liability in the previous year.

Other Comprehensive Income

The Group recorded a net change in Other Comprehensive Income after taxes of \$34 million, which included a foreign currency translation loss on foreign entities of \$7 million and an increased provision for post-employment benefits of \$27 million.



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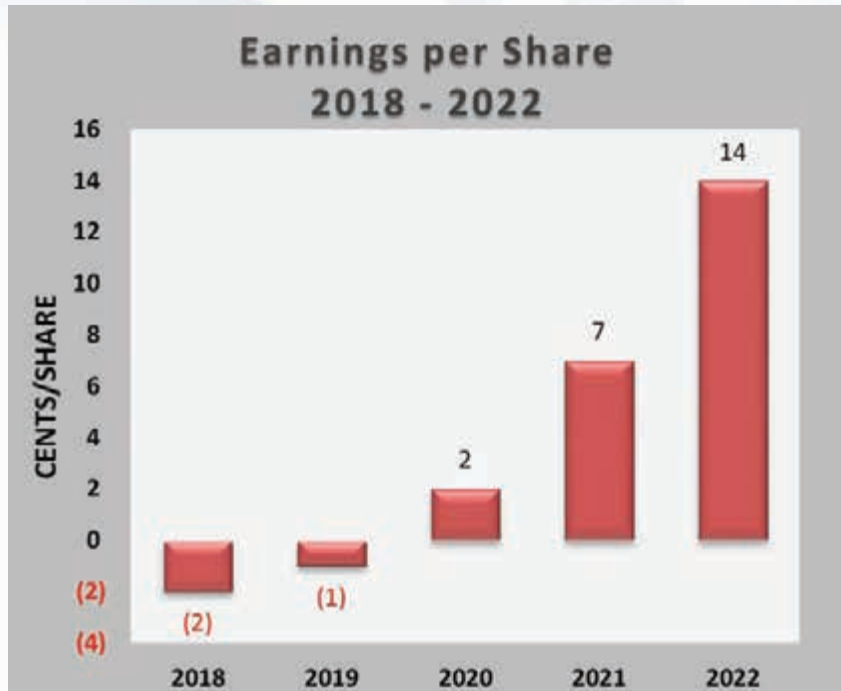
The STAR

#conditions apply

MANAGEMENT DISCUSSION & ANALYSIS

Earnings Per Share

The Group registered Earnings per Ordinary Share of \$0.14 compared to (\$0.07) per share in the prior year.



Non-Current Assets

Non-Current Assets of \$2.9 billion increased by \$533 million or 22% on the prior year's \$2.3 billion. This increase was largely due to increased property plant and equipment by \$644 million and a reduction in deferred tax assets by \$89 million.

Current Assets

Current Assets of \$2 billion decreased by \$17 million or 0.8% on prior year, due mainly to a Trade Receivables reduction of \$27 million, despite an increase in revenue of \$519 million.

Current Liabilities

Payables increased by \$426 million, driven by an increase in trade payables of \$238 million, current maturity of long-term loans \$142 million and other

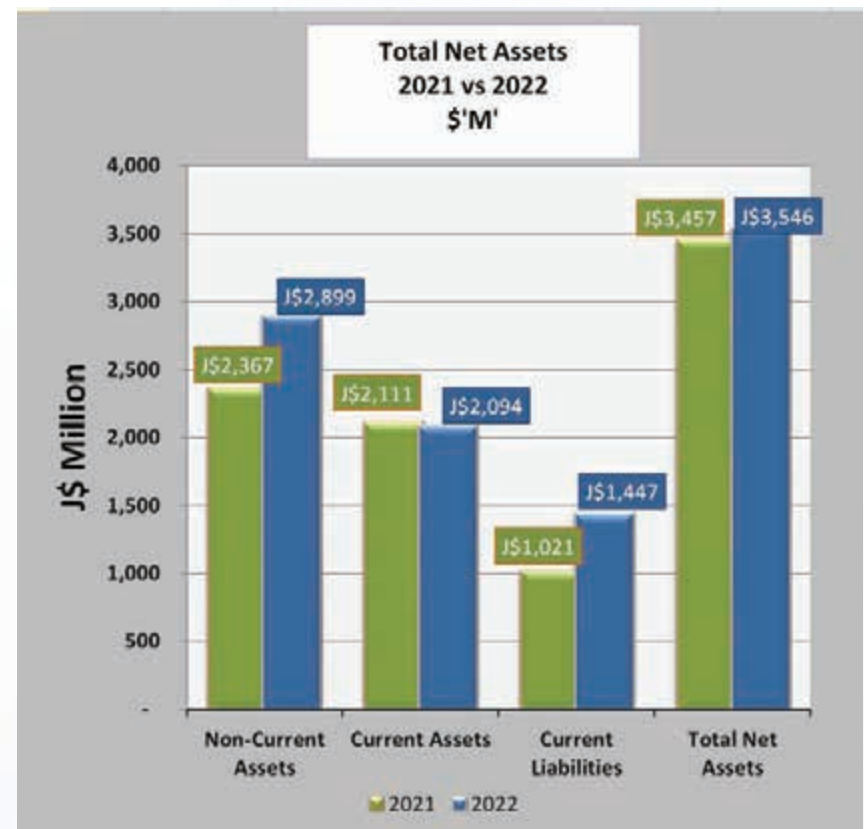
payables of \$93 million.

Shareholders' Equity

Shareholders' Equity of \$2.8 billion increased by \$259 million or 10% largely due to the improved profitability and the payment of a dividend of \$48 million during the year.

Total Non - Current Liabilities

Total Non- Current Liabilities of \$756 million reduced by \$171 million on the \$927 million reflected in the prior year. This was driven by the reduction in deferred tax liabilities of \$111 million and the reduction on long-term loans of \$91 million during the year.



MANAGEMENT DISCUSSION & ANALYSIS

Five Year Financial Highlights

| RJRGLEANER Communications Group | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--------|--------|--------|--------|--------|--------|
| 5 Year Analysis (2017-2021) | \$M | \$M | \$M | \$M | \$M | \$M |
| Turnover | 5,229 | 5,046 | 5,483 | 5,593 | 5,192 | 5,711 |
| Profit/(Loss) before tax | 220 | (28) | (24) | 40 | 232 | 409 |
| Taxation | (75) | (13) | 2 | (2) | (61) | (67) |
| Profit/(Loss) for the Financial Year | 145 | (42) | (22) | 38 | 171 | 342 |
| Dividends/Capital Distribution | 48 | 48 | 0 | 48 | 0 | 48 |
| <i>Shareholders Funds</i> | | | | | | |
| <i>Capital:</i> | | | | | | |
| Ordinary | 2,041 | 2,041 | 2,041 | 2,041 | 2,041 | 2,041 |
| Reserves | 560 | 362 | 312 | 256 | 487 | 747 |
| | 2,601 | 2,403 | 2,353 | 2,297 | 2,528 | 2,788 |
| Minority Interest | 0 | 0 | 2 | 2 | 2 | 2 |
| LongTerm Liability | 389 | 744 | 700 | 795 | 927 | 757 |
| Total Funds Employed | 2,990 | 3,146 | 3,055 | 3,094 | 3,457 | 3,547 |
| Represented by: | | | | | | |
| Fixed Assets & Investments | 2,518 | 2,469 | 2,207 | 2,411 | 2,367 | 2,899 |
| Net Current Assets | 472 | 677 | 847 | 683 | 1,090 | 648 |
| Net Worth | 2,990 | 3,146 | 3,055 | 3,094 | 3,457 | 3,547 |
| Ordinary Shares in Issue At Year End(M) | 2,422 | 2,422 | 2,422 | 2,422 | 2,422 | 2,422 |
| Dividend Per Ordinary Share (cents) | 2.0 | 2.0 | 0.0 | 2.0 | 0.0 | 2.0 |
| Shareholders Funds Per Ordinary Shares unit (\$) | \$1.07 | \$0.99 | \$0.97 | \$0.95 | \$1.04 | \$1.15 |
| Return on Sales (Profit before tax as a % of Sales) | 4.2% | -0.6% | -0.4% | 0.7% | 4.5% | 7.2% |
| Return on Net Assets (Profit after Tax as a % of Net Assets) | 4.8% | -1.3% | -0.7% | 1.2% | 4.9% | 9.6% |

STOCK PRICE AND MARKET CAPITALIZATION

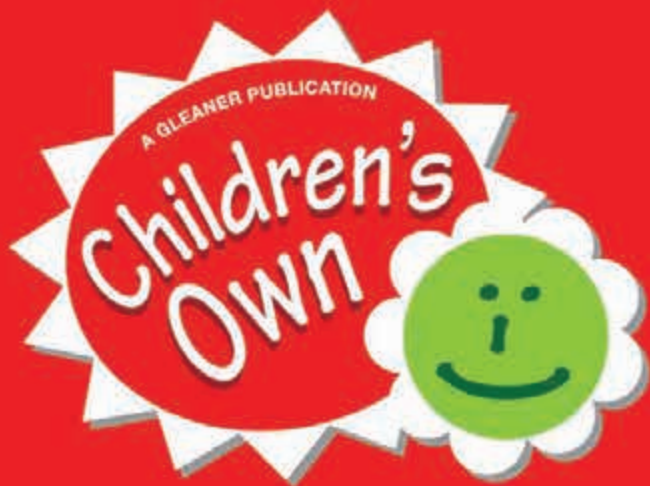
As at March 31, 2022, the Company's 2,422,487,654 shares traded at \$2.53 compared to the price of \$1.45 each in the prior year. The increase of \$1.08 resulted in a higher market capitalization of \$6,128,893,764 compared to the \$3,512,607,098 in the previous year.

The Group's Net Book Value per share stood at \$1.46 compared to \$1.43 on March 31, 2021.

INVESTMENTS

One Caribbean Media Limited (OCM)

The Company currently holds 48,254 shares in OCM with fair value of \$4.6 million, down \$0.4 million on the \$5 million in the prior year. OCM is a multi-media company which operates in Trinidad & Tobago, Barbados, Grenada, Guyana, Antigua and St. Lucia.



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CORPORATE GOVERNANCE REPORT

The Board of Directors and its Responsibilities

The Board is collectively responsible for promoting the success of the Radio Jamaica Limited ("the Company") by directing and overseeing the Group's affairs.

The Company's Corporate Governance Code highlights the primary responsibilities and duties of the Company which include:

- a. Setting policies and approving changes to same,
- b. Setting strategic goals and monitoring their implementation,
- c. Promoting the success of the Company by directing the management of the Company, and
- d. Supervising the management of the Company's affairs by requiring and receiving reports, plans, budgets and other such documentation on a regular basis.

Board Composition

As at March 31, 2022, the Board comprised thirteen (13) directors and was chaired by Mr. Joseph M. Matalon CD. Eleven (11) of the thirteen (13) board members were non-executive and nine (9) of the non-executive directors were also "independent," as defined in the Company's Corporate

Governance Code.

Independent Director

In determining whether a Board member is "independent," the Board considers whether there are circumstances which are likely to affect, or could appear to affect, the director's judgment and thereby independence. Examples of such circumstances which would deem a director not to be independent include:

- I. A director who has been employed to the Company within the last three years;
- II. A director who has accepted any compensation from the Company or any of its affiliates, other than compensation for board service, for the current year or any of the past three years;
- III. A director who has, or has had, within the last three years, a material business relationship with the Company directly, or as a partner, major shareholder, director or senior executive of a body that has had such a relationship with the Company;
- IV. A director who is a member of the immediate family of an individual who is, or has been in any of the past three years, employed by the Company or any of its affiliates as an

executive officer;

- V. A director who has participated or participates in the Company's share option, or any of the Company's performance-related pay schemes within the last three years;
- VI. A director who represents a significant shareholder with 5% or more in shareholdings; or
- VII. A director who is a partner in, or a significant shareholder with 5% or more in shareholdings, or an executive officer of any for-profit business organisation to which the Company made or from which the Company received, significant payments in any of the past three years. For this purpose, payments for transactions aggregated over the current financial year in excess of the Jamaican dollar equivalent of US\$200,000.00 are deemed significant.

Board Succession

All directors, except as provided under Article 113, are subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter, at intervals in keeping with the Company's Articles of Incorporation ("the Articles").

Subject to re-election/election, directors appointed to the Board

CORPORATE GOVERNANCE REPORT

may serve on the Board until he or she attains the age of seventy-eight (78) years.

Board Compensation

The shareholders determine the remuneration of the non-executive

directors within the guidelines set out in the Articles. Executive directors receive no remuneration for their directorship. The remuneration of directors for the year is set out in the table below.

Board Meetings

Six (6) Board meetings were held between April 1, 2021 and March 31, 2022. The meeting attendance per director is reflected in the table which follows below:

DIRECTORS' DATA APRIL 1, 2021 TO MARCH 31, 2022

| NAME OF DIRECTORS | INDEPENDENCE YES (Y)/NO (N) | EXECUTIVE YES (Y)/NO (N) | NUMBER OF MEETINGS ATTENDED OUT OF A TOTAL OF 6 | DIRECTORS' FEES PAYABLE DURING YEAR* |
|---|--------------------------------|-----------------------------|---|---|
| Joseph Matalon (Chairman) | N | N | 6 | \$937,000.00 |
| Dr. Lawrence Nicholson (Deputy Chairman) | Y | N | 6 | \$906,000.00 |
| Prof. Carol Archer | Y | N | 6 | \$748,000.00 |
| Gary Allen | N | Y | 6 | nil |
| Christopher Barnes | N | Y | 6 | nil |
| Carl Domville | Y | N | 6 | \$835,000.00 |
| Minna Israel | Y | N | 5 | \$866,000.00 |
| Lisa Johnston | Y | N | 6 | \$906,000.00 |
| Elizabeth Jones | Y | N | 6 | \$788,000.00 |
| Hon. Douglas Orane | N | N | 6 | \$784,000.00 |
| Dr. Cassida Jones Johnson | Y | N | 6 | \$783,562.51 |
| Sharon Roper | Y | N | 6 | \$630,000.00 |
| Mervyn Eyre | Y | N | 6 | \$783,562.51 |

*The variances in fees for the directors' payable during the year is as a result of the number of subsidiary boards and committees to which a director is appointed.

CORPORATE GOVERNANCE REPORT

During the year, several activities were embarked on to strengthen the governance mechanisms of the Board. These activities included the strengthening of the induction process for new directors, conducting enterprise risk management training for directors and employing peer evaluations to gain a more holistic picture of the strengths and weaknesses of each director and their contribution to the effectiveness of the Board. The Terms of Reference for all Committees were also updated to ensure that the Committees' performances are reviewed on a consistent and synchronised basis.

Committees of the Board

To ensure that specific issues are subject to in-depth and timely review, certain functions have been delegated to various board committees, which in turn, submit their recommendations or decisions to the Board. The committees, constituted by the Board, are: the Corporate Governance Committee, the Finance, Compliance and Audit Committee, the Human Resource Committee, the Digital Business and Technology Committee and the Compensation Committee. They are described briefly below:

- **Corporate Governance Committee**

The purpose of this Committee

is to strive to achieve global corporate governance best practices. The Terms of Reference of the Committee stipulate that the Committee comprise not less than four (4) members of the Board, all of whom shall be non-executive directors and the majority of whom shall be independent. The members of the Committee are set out below:

Hon. Douglas Orane

(Chairman, Non-Executive/Non-Independent)

Lisa Johnston

(Non-Executive/Independent)

Minna Israel

(Non-Executive/Independent)

Dr. Lawrence Nicholson

(Non-Executive/Independent)

Amongst other things, the Committee assists the Board with:

- Organising and executing the annual review of the Board's performance and the performance of individual directors.
- Establishing, monitoring, reviewing and recommending to the Board, the corporate governance policies and procedures by which the Company and the Board shall

be guided.

- Monitoring and reviewing issues regarding the Company's conduct of its business as a responsible corporate citizen and to this end to review and revise, and where necessary, create ethical standards, rules and codes for compliance with best practices, for the approval of the Board.
- Reviewing the composition, operations and effectiveness of board committees and to this end, make recommendations to the Board to enhance performance and effectiveness.
- Seeing to the development and implementation of a board induction process which includes ensuring the orientation of new directors and appropriate training for all directors.
- Ensuring systems are in place to bring possible conflicts of interest of directors and related party transactions to the attention of the Board; in addition, making relevant proposals to the Board in accordance with the Company's Corporate Governance Code.
- The nomination of new directors and reviewing of proposed and

CORPORATE GOVERNANCE REPORT

existing directors.

The Committee met four (4) times during the year under review. Below is the attendance record of the Committee members:

ATTENDANCE RECORD FOR CORPORATE GOVERNANCE COMMITTEE MEETINGS APRIL 1, 2021 - MARCH 31, 2022 (FOUR (4) MEETINGS HELD)

| NAME OF MEMBERS | NUMBER OF MEETINGS ATTENDED |
|--------------------|-----------------------------|
| Hon. Douglas Orane | 4 |
| Lia Johnston | 4 |
| Lawrence Nicholson | 4 |
| Minna Isaacs | 4 |

The Company's Corporate Governance Code can be found on the Company's website:
<https://tinyurl.com/zefy2crm>

• Finance, Compliance and Audit Committee (FCAC)

The FCAC meets periodically during the year to review the financial performance, budgets, internal and external audit reports of the Company and to

assess its operational risks and mitigation plans, as well as to make recommendations to the Board for action to be taken, where necessary. Under the mandate of the Board, the Committee comprises a minimum of four (4) members, at least three (3) of whom shall be non-executive, independent directors of the Board. The members of the FCAC Committee as at March 31, 2022 were:

Carl Domville

(Chairman, Non-Executive/ Independent)

Elizabeth Jones

(Non-Executive/Independent)

Lisa Johnston

(Non-Executive/Independent)

Glenworth Francis

(Non-Executive/Independent/Non-Director)

Andrew Leo-Rhynie

(Non-Executive/Independent/Non-Director)

The roles and responsibilities of the FCAC include:

- Reviewing the audited annual financial statements and the quarterly financial results of

the Group and when satisfied, recommend the same for adoption by the Board of Directors and for submission to the Stock Exchange and other regulators as may be required;

- Reviewing any formal financial announcements relating to the Group's financial performance;
- Reviewing the Group's operating, financial and accounting policies and practices;
- Reviewing significant accounting and reporting issues, including recent professional and regulatory pronouncements, and their impact on financial reports; and
- Reviewing the financial objectives of the Group and recommending to the Board, the Group's five-year plan and annual operating and capital budget.

The Committee met eleven (11) times during the year under review. Below is the attendance record of the Committee members:

CORPORATE GOVERNANCE REPORT

ATTENDANCE RECORD FOR FINANCE COMPLIANCE AND AUDIT COMMITTEE MEETINGS APRIL 1, 2021 - MARCH 31, 2022 (ELEVEN (11) MEETINGS HELD)

| NAME OF MEMBERS | NUMBER OF MEETINGS ATTENDED |
|-------------------|-----------------------------|
| Carl Domir Ile | 11 |
| Elia beth d nes | 9 |
| Lia d hnt on | 10 |
| Glenworth Francis | 10 |
| Andrew Leo-Rhy ie | 9 |

• Compensation Committee

This is a committee of the Board that meets to review the Chief Executive Officer/Managing Director's and Chief Operating Officer's compensation package and performance goals. The Committee comprises the Chairman, Deputy Chairman, Chairman of the Corporate Governance Committee and the Chair of the Human Resource Committee. The members of the Compensation Committee are set out below:

Joseph Matalon

(Group and Committee Chairman, Non-Executive/Non-Independent)

Hon. Douglas Orane

(Non-Executive/Non-Independent)

Dr. Lawrence Nicholson

(Non-Executive/Independent)

Dr. Cassida Jones Johnson

(Non-Executive/Independent)

The roles and responsibilities of the Compensation Committee include:

- Recommending the Chief Executive Officer's and Chief Operating Officer's performance objectives for approval by the Board of Directors.
- Appraising the Chief Executive Officer's and Chief Operating Officer's performance ratings against their performance objectives in accordance with standards and guidelines set by Human Resource Policies.
- Assessing the risks to which the Compensation Committee is exposed and providing its input to the Board of Directors.

The Committee met two (2) times during the year under review. Below is the attendance record of the Committee members:

ATTENDANCE RECORD FOR COMPENSATION COMMITTEE MEETINGS APRIL 1, 2021 - MARCH 31, 2022 (TWO (2) MEETINGS HELD)

| NAME OF MEMBERS | NUMBER OF MEETINGS ATTENDED |
|---------------------------|-----------------------------|
| Joseph Matalon | 2 |
| Douglas Orane | 2 |
| Dr. Lawrence Nicholson | 2 |
| Dr. Cassida Jones Johnson | 2 |

• Human Resource Committee

This Committee oversees the management of human capital to ensure that the Group attracts, develops and retains the talent needed to deliver on its mandate and business objectives.

Under the mandate of the Board, this Committee comprises of three (3) members of the Board, one of whom is appointed by the Board as Chairperson of the Committee, all of whom are non-executive directors and the majority of whom are independent. The members of the Committee are set out below:

CORPORATE GOVERNANCE REPORT

Dr. Cassida Jones Johnson

(Committee Chairperson, Non-Executive/Independent)

Minna Israel

(Non-Executive/Independent)

Prof. Carol Archer

(Non-Executive/Independent)

The roles and responsibilities of the Human Resource Committee include:

- Reviewing and recommending for Board approval the Human Resources Strategy including key Human Resource objectives, plans and workforce requirements, and monitoring the implementation of same, in keeping with the Group’s strategic plan.
- Commenting and reporting annually to the Board on Radio Jamaica Limited’s succession plan for mission critical and key positions and reviewing development plans, talent retention and career development for potential successors.

- Recommending for appointment of Senior Executives reporting to the Chief Executive Officer.
- Establishing a process by which the Chief Executive Officer and Chief Operating Officer’s performance objectives and Key Performance Indicators (KPIs) will be set and recommending the performance objectives and KPIs for the Chief Executive Officer and Chief Operating Officer to the Compensation Committee.
- In consultation with the Chief Executive Officer, review and recommend for Board approval the performance measures and targets, compensation strategies, any new programme/plan design or material modifications to an existing design, material payments for salary and bonus, policies and other human resource strategies for Radio Jamaica Limited’s employees.
- Regularly reviewing, recommending and monitoring

Radio Jamaica Limited’s policies that provide for the sound administration of management and staff, in compliance with applicable legislation.

- Assessing the risks to which the Human Resource function is exposed, and provide its input to the Board

The Committee met three (3) times during the year under review. Below is the attendance record of the Committee members:

**ATTENDANCE RECORD FOR HUMAN RESOURCES COMMITTEE MEETINGS
APRIL 1, 2021 - MARCH 31, 2022 (THREE (3) MEETINGS HELD)**

| NAME OF MEMBERS | NUMBER OF MEETINGS ATTENDED |
|-----------------------------------|-----------------------------|
| Dr. Cassida Jones Johnson (Chair) | 3 |
| Minna Israel | 3 |
| Prof. Carol Archer | 3 |

Digital Business and Technology Committee

This Committee has a mandate from the Board to provide advice,

CORPORATE GOVERNANCE REPORT

guidance and oversight to the Group, to ensure that digital technology is at the core of everything the Group does, and that its Information Technology (IT) and Core Engineering assets deliver value to its operations.

As per the Terms of Reference of the Digital Business and Technology Committee, the Committee comprises three (3) members, two of whom are from the Group Board, one of whom is appointed by the Board as Chairperson of the Committee. The remaining membership comprises independent subject matter experts recommended by the Chairman of the Committee in consultation with existing Committee members and approved by the Group Board. The members of the Committee are set out below:

Mervyn Eyre

(Committee Chairman, Executive/Independent)

Kavi Maharajh

(Non-Executive/Independent/Non-Director)

Gregory Pullen

(Non-Executive/Independent/Non-Director)

Joseph M. Matalon

(Group Chairman, Non-Executive/Non-Independent)

The Committee met four (4) times during the year under review. Below is the attendance record of the Committee members:

ATTENDANCE RECORD FOR THE DIGITAL BUSINESS AND TECHNOLOGY COMMITTEE APRIL 1, 2021 - MARCH 31, 2022 (FOUR (4) MEETINGS HELD)

| NAME OF MEMBERS | NUMBER OF MEETINGS ATTENDED |
|---------------------|-----------------------------|
| Mervyn Eyre (Chair) | 4 |
| Joseph Matalon | 3 |
| Kavi Maharajh | 4 |
| Gregory Pullen | 4 |



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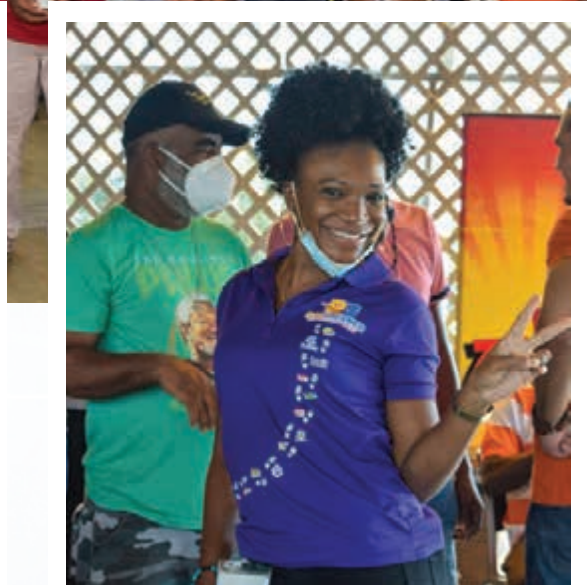
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OPERATIONAL HIGHLIGHTS

HUMAN RESOURCE



MANAGING OUR WORKFORCE

Group HR workforce at a glance:

- Percentage turnover – 7.8%
- Training spend/training hours – Over 13,800 hours of training
- Filling of positions from within the Group – 21
- Number of internal

promotions – 12

- Senior manager male to female ratio - 44% males, 56% females

INVESTING IN EARLY CAREERS

18 interns were given opportunities to gain experience in our Editorial, Information Technology, Human Resource, Digital Integration & Marketing, News & Sports, Marketing & Sales, Broadcast Libraries, Engineering Department

and Cable divisions. We provided scholarships for 49 children of staff at the tertiary, secondary and primary levels valued at \$1,491,000.

DEVELOPING OUR LEADERS

Our senior managers received training and certification in Transformational Leadership from Mona School of Business and our middle managers and supervisors continued training in supervisory management and development.

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCE

The department also facilitated a series of sessions totalling 120 hours, on performance management.

EMPOWERING OUR EMPLOYEES

During the year under review, the following employee recognition events were executed:

- Staff of the Quarter
- Department Appreciation
- Shout Outs
- Birthday Notifications
- RG Happenings

Staff complement

| COMPANY | PERMANENT | TEMPORARY | TOTAL |
|-----------------------------------|------------|------------|--------------|
| Television | 67 | 145 | 212 |
| Cable | 6 | 18 | 24 |
| Radio | 116 | 105 | 221 |
| Multimedia | 9 | 8 | 17 |
| IRC | 2 | 22 | 24 |
| Gleaner | 173 | 341 | 514 |
| Total as at March 31, 2022 | 373 | 639 | 1,012 |

for 45 members of staff valued at \$3,829,287.15 for endeavours at the tertiary, vocational, technical and secondary levels.

TRAINING AND DEVELOPMENT

Staff received training and development in various areas including the following:

HARD SKILLS

- Delegation Skills
- Industrial Relation Training

- Group sponsored CSEC programme
- Digital Switch Over training

SOFT SKILLS

- Coaching
- Time management
- Personal branding
- Interpersonal Skills
- Managing Relations/ Improving

RELATIONAL SKILLS

- Self Confidence
- Customer Service
- Professionalism
- Team Building
- Communication skills
- Voice and speech

COVID 19

The Company continued its strict adherence to pandemic protocols in all areas to protect team members. The work-from-home policy implemented across all departments also helped to ensure the safety of team members.

DEVELOPING OUR EMPLOYEES

The Group provided scholarships

- Supervisory Management
- Project Management
- Performance Management
- Transformational Leadership Training

OPERATIONAL HIGHLIGHTS

GROUP CORPORATE AFFAIRS & SOCIAL RESPONSIBILITY

DOING WELL BY DOING GOOD

During the financial year April 2021 to March 2022, the Group remained mindful of the core corporate philosophy that inspires and motivates us, namely, *Doing Well By Doing Good!* In tangible terms, the maxim means corporate altruism through balancing profits with people.

Though faced with overwhelming competing challenges and uncharted waters, the Group was determined to emerge from the pandemic stronger and did so.

The Group faced the year under review with a spirit of agility, creativity and reinvention. The focus firmly remained on improving the Group's Corporate Social Responsibility (CSR) along the lines of the five tenets that guide its CSR engagement: (1) education, (2) social/entertainment, (3) community, (4) sports and (5) nation-building. Support was given in a number of ways – cash donations, sponsorships, promotional and educational airtime and production support.

CORPORATE AFFAIRS & GROUP MARKETING

The Group sought to boost community engagements at various levels by building ties with the surrounding communities and implementing ongoing strategies.

CHARITABLE PARTNERSHIPS

The Group was happy to participate in a number of charitable events. The Sagikor Sigma run in March 2022 raised J\$52 million which was donated to Kingston Public Hospital for the purchase of well needed medical equipment. The Group also partnered with the Private Sector Organisation of Jamaica (PSOJ) Vaccine Initiative (PSVI) as the PSOJ campaigned to increase the number of Jamaicans vaccinated against COVID-19.

Private sector employees were targeted through promotional messages in print, TV, radio and online. Other charitable events supported by the Group were the Jamaica Stock Exchange "Sow a Seed for the Mustard Seed" Community initiative, Community Based Rehabilitation JA, and the Digicel 5K run.



(L-R) Yvonne Wilks-O'Grady, Consultant Corporate Affairs & Group Marketing, RG Group, Nora Blake, Manager Jamaica Social Stock Exchange, Ms Eunice Hunt (Donor) from New Orleans, David Silvera, Head of Business Unit, Mustard Seed Community and Thelecia Patrickson, Marketing Executive, RG Group.



(L-R) David Silvera, Head of Business Unit, Mustard Seed Community, Thelecia Patrickson, Marketing Executive, RJR Gleaner Communications Group, Nora Blake, Manager Jamaica Social Stock Exchange and Patria-Kaye Charles, Corporate Communications Manager, Massey Distribution.

OPERATIONAL HIGHLIGHTS

GROUP CORPORATE AFFAIRS & SOCIAL RESPONSIBILITY

>> NATION BUILDING

The Group was a corporate sponsor of the National Customer Service Week from October 3-9, under the theme, "You...Me...We Got the Power of Service Excellence!" The Group contributed a promotional value of \$956,000.00.

The Lupus Foundation of Jamaica benefitted from the Group's support to the value of \$1,837,000 in promotional airtime. The National Poppy Appeal, National Child Month, Reggae Month and the Governor General's programme were also well-deserved recipients of the Group's support.

The Group continued its efforts at being a **good corporate citizen**, which saw the Group spearheading and playing a coordinating role for the construction of a COVID-19 field hospital at the University of the West Indies Hospital. This effort saw the coming together of generous private sector donors who committed funds and building materials to a project which was delivered in record time and during a time when the country was experiencing a spike in COVID-19 rates and needed hospital beds.



(L/R) Gary Allen, Chief Executive Officer, RJRGLEANER Communications Group, Major Canon Dr. Sirrano Kitson, Dr. Christopher Tufton, Minister of Health and Wellness, Dr. Morais Guy, Opposition Spokesman on Health and Mr. Willard Brown, Vice President Sagicor Group



Mr. Willard Brown, Vice President Sagicor Group, Dr. Morais Guy, Opposition Spokesman on Health, Dr. Christopher Tufton, Minister of Health and Wellness, Major Canon Dr. Sirrano Kitson, Mr. Kevin Allen, Chief Executive Officer, University Hospital of the West Indies and Gary Allen, Chief Executive Officer, RJRGLEANER Communications Group.

>> COMMUNITY OUTREACH - BROADCAST

Though not able to make frequent trips to the National Golden Age Home, Cluster C, or the RJRGLEANER/Citizens' Advice Bureau Basic School (CABBS), due to COVID-19 restrictions, the Group, nevertheless, maintained its support of both institutions.

The Group hosted the annual Easter treat for the residents of Cluster C through the delivery of packaged bun and cheese, and in Christmas, treated the residents to the usual Christmas lunches in fine COVID-19 style.

Throughout the year, the Group worked closely with Mrs. Moncrieffe, Head of Operations at the Golden Age Home to ensure the residents were equipped with much-needed toiletries and bedding supplies.

CABBS was restored to some amount of normalcy in September 2021 and the Group feted students and staff alike.

>> COMMUNITY OUTREACH-PRINT

The Newspaper brands maintained

OPERATIONAL HIGHLIGHTS

GROUP CORPORATE AFFAIRS & SOCIAL RESPONSIBILITY

their visibility throughout the period and were able to support a number of events including the “Make Your Mark Middle Managers Conference,” KC Basketball Development, St. Andrew Parish Church Fundraising, Jamaica Premier League, UWI 5K and Smart Eggs Kids K. These associations were valued at J\$9 million.

CROSS COUNTRY BENEVOLENT FUND

The iconic RJRGLEANER Cross Country Invasion was well received by all 14 parishes. The Group was happy to again partner with the Digicel Foundation to offer charitable support to communities, schools and institutions across the island, a partnership that has been maintained for over 5 years. Through the combined efforts of the Group and Digicel, assistance was given to 14 charities across the 14 parishes, namely:

1. *City of Refuge Children's Home*
2. *Joyce Eccleston Basic School*
3. *Mount Olivet Boys Home*
4. *Leah Little Dreamers Nursery Basic*

School

5. *Combined Disabilities Association*
6. *Sunshine Child Care Facility*
7. *Savanna-La-Mar Hospital*
8. *Knockalva High School*
9. *Corinaldi Avenue Primary School*
10. *Newton Primary School*
11. *Little Faith Day Care & Pre School*
12. *Stem up Education*
13. *Eastern Paradise Prep*
14. *Falmouth Public General Hospital*



Handing over at City of Refuge Children's Home by Thelecia Patrickson of the RJRGLEANER Group



Grateful students and teachers of Little Dreamers Basic School

RJRGLEANER SPORTS FOUNDATION

RJRGLEANER Sports Foundation celebrated 61 years of unbroken recognition of excellence in sports on January 21, 2022. Elaine Thompson-Herah and Hansle Parchment were crowned Sportswoman and Sportsman of the

OPERATIONAL HIGHLIGHTS

GROUP CORPORATE AFFAIRS & SOCIAL RESPONSIBILITY

Year, respectively. Mrs. Thompson-Herah had had an outstanding year and was also named World Athletics Female Athlete of the Year. The runners-up for the two major titles were: Shelly-Ann Fraser-Pryce and Ronald Levy, respectively. Other major awards presented were the Chairman's Award to veteran journalist, Lance Whittaker; the People's Choice "Performance of the Year Award" to Fraser McConnell; the VM Group Y.O.U.T.H Award to sprinter Tina Clayton; and the Gleaner Newspaper Iconic Award to Michael Holding. Also presented on the night, were the Secondary School Awards (ISSA) to Javier Brown of Jamaica College; and Tina Clayton of Edwin Allen High.

The event premiered in Jamaica, 22 Caribbean countries and in the Tri-State area of the United States of America, as well as to global subscribers on 1SpotMedia and broadcast on Television Jamaica (TVJ), Television Sports Network (TVJSN) and HITZ 92FM.

UK Weekly Gleaner – celebrating 70 years strong



During the year, the UK Weekly Gleaner produced a supplement, hosted three successful webinars discussing the following subjects:

- *Is Black History Month Still Relevant?* – October 28, 2021
- *Real Estate & Investment* – November 17, 2021
- *Should Jamaica become a Republic?* – December 10, 2021

The webinars attracted well

respected and knowledgeable panellists and were widely supported.

The Group will be utilising the Weekly Gleaner UK's 70th-anniversary celebrations to introduce the 42-year-old RG Gleaner Honour Awards to the diaspora community in the UK during 2022.





Congratulations

to our National Sports Awardees



OPERATIONAL HIGHLIGHTS

BROADCAST SERVICES

Broadcast Services is comprised of the brands: Television Jamaica (TVJ), Television Jamaica Sports Network (TVJSN), Jamaica News Network (JNN), Reggae Entertainment Television (RETV), Radio Jamaica 94FM (Radio Jamaica), Power 106FM (Power), FAME 95FM (FAME), Hitz 92FM and Multi - Media Jamaica.

REVENUES AND PROFITABILITY

The impact of the COVID-19 pandemic continued during the 2021/22 financial year, however, both radio and television services were able to weather the storm and return profits, as they had done in the prior year. TVJ, Radio Jamaica, FAME and Power were the standout brands as far as revenue generation was concerned against their budgeted expectation.

Emerging from the constraints of a pandemic-induced-production-mindset, has been challenging, however, the radio and television teams have been using the lessons afforded by the COVID-19 experience to be more efficient and effective in their operations.

In 2021, the Group was the television and radio broadcaster for the Olympics Games which were hosted in Japan. Aside from being

out of schedule because of the pandemic (the Olympics should have been in 2020), it was also a strained execution with continued uncertainty in the months before the event around whether it was going to be cancelled. This uncertainty negatively impacted the marketing and monetization of the product. The rights for the product were not signed off until mere weeks before the event was scheduled to start. Normally an event of this magnitude would have been in the market several months before.

TVJ'S SCHOOLS' CHALLENGE QUIZ A BEACON OF NORMALCY DURING THE PANDEMIC

In January to March 2022, TVJ was able to return to the normal broadcast time for TVJ's Schools' Challenge Quiz (SCQ). The matches were recorded in a blitz as a precaution against the possible interruption of production due to COVID-19. St. Jago High School - from Spanish Town - met Calabar High School - from St. Andrew - in the finals. St. Jago High won.

With COVID-19 restrictions modified by the government,

TVJ was able to once again host sponsors and spectators from the competing schools in its parking lot for the spectacle that is the finals of TVJ's SCQ. However, as an extra precaution, the number of spectators allowed on the premises was significantly reduced.

LOCAL CONTENT

Local content production continued to be impacted by the pandemic, however, Thicker Than Water, season 2 - a co-production between DMH and TVJ - was completed and aired during the year. A new programme for young Jamaicans was also launched, called GenZed. GenZed is a cross platform show that airs on Power and also on TVJ.

The Group celebrated the second anniversary of Fame Frequency in March 2022. Fame Frequency started in the Fame studio in March 2020 and has grown to a hybrid execution, engaging virtual audiences, locally and overseas and now a small live audience in the studio or on the roof of our Sports Club each Saturday night. The anniversary was marked with an all-white party at the Sports Club with performances by Ding Dong and QQ. The show continues to be sponsored by Smirnoff, which has been a sponsor from day one,

OPERATIONAL HIGHLIGHTS BROADCAST SERVICES

with more than 8 other sponsors participating throughout the year.

The Group took a decision to maintain the format of the RJRGLEANER Group Cross Country Invasion executed in 2021. It stuck with the 4-region format and did a combination of outside and virtual broadcasts. There were much fewer outside broadcasts compared to pre-COVID-19 years, but the Group was able to execute 30 outside broadcasts (OBs), 6 more than the previous year. Additionally, 2 Street Jams were executed

after the COVID-19 restrictions on events were lifted in March 2022. These events were well supported and were held under the strict observance of police and with approval from all relevant bodies.

RADIO CALENDARS

For the second time, the Group produced 1 calendar for all radio brands. The design, just as it did in the previous year, allowed you to keep your favourite brand image

up all year-round while changing the months. It was well received by the fans of the radio brands during the Cross-Country Invasion distribution. A limited number of calendars were printed given the challenges of distribution.



OPERATIONAL HIGHLIGHTS

NEWS & SPORTS (BROADCAST)

COVID-19

The newsroom spent another full year operating within the COVID-19 pandemic. It continued to pose serious challenges for the team especially during the third wave in the summer of 2021. The Group had to redouble its efforts to cover the pandemic at a higher level of personal risk whilst taking the necessary precautions.

The Group stepped up its coverage of the pandemic with several reports from inside the COVID-19 wards on the nation's hospitals. The All Angles team did two major documentary-type programmes on the Savanna-La-Mar General Hospital, in Westmoreland, and the National Chest Hospital. The team went into the hospitals to give a voice to the health care workers who were operating under trying and life-threatening circumstances. The reportage provided a stark illustration of the horrible conditions and the depth of the crises in the hospitals, including oxygen shortage, inadequate bed space and lack of sufficient staff. The newsroom reports also provided an insight into the mental well-being of the staff, many of whom were close to breaking point.

The news team also produced the first documentary on the COVID-19 crisis in Jamaica which was aired on the second anniversary of the first case of the Coronavirus being confirmed in Jamaica.

Another production worthy of mention was a major series looking at the Maroon dispute with the government of Jamaica.

"Beyond the Headlines," our flagship radio current affairs programme, also introduced new features last year while "All Angles" celebrated its fifteenth year on air.

AWARDS

The broadcast team continues to do well by winning several awards at the Press Association of Jamaica (PAJ) and Caribbean Broadcasting Union (CBU) awards. At the PAJ Awards dinner, the team won awards for News, Environment, Children's Issues, Health, Technology and Videography. The broadcast team also won an award for its reporting on the COVID-19 crisis in featured hospitals. The Group won awards in both television and radio categories at the CBU Awards. The news team won awards for Investigative Journalism, News and Radio Documentary.

SPORTS

The highlight of the year was the Olympic Games from Tokyo Japan where the team of Spencer Darlington and Oral Napier, along with the team back home, did a sterling job of providing coverage for television and radio audiences. The Boys' and Girls' Championships also returned in May 2021 after its cancellation in 2020 because of the pandemic.

The team also broadcast several World Cup qualifying matches for the Reggae Boyz and Reggae Girlz. For the first time in a few years, the Group had international boxing returning to television in February 2022 with a fight card out of Canada. With the non-renewal of various COVID-19 related Orders, at the end of March, the team plans to have much more sporting activity in the up-coming year.

OPERATIONAL HIGHLIGHTS

PRINT SERVICES

This past financial year could be characterised as a recovery year for the print segment of the business. While the effects of the pandemic continued and even peaked with islandwide lockdowns, the business showed encouraging signs of improvement with both distribution sales and advertising sales showing increases over the prior year. These reflect a growing acceptance that the Jamaican economy must continue and that we as a nation have to learn to live with the pandemic.

On the digital side of the business, we saw accelerated growth of website usage as well as increased registered users of the Gleaner Premium offerings initiated at the start of the pandemic.

Underpinning all of this improvement was the continued investment in generating premium content with credibility unmatched in the market, as well as the implementation of data analytics capabilities and employment of same for subscriber acquisition. These efforts are at the core of the future success of the business.

The Editorial Department continued its investigative/enterprise reporting and specialised coverage of the pandemic to keep the nation and

the diaspora constantly informed and engaged. As is customary, several members of the reporting team took home awards for their journalism from the Press Association of Jamaica (PAJ) Awards, with Jovan Johnson taking home the coveted "Journalist of the Year" award.

The editorial digital unit's success continued to be evident in the number of social media followers and market leading engagement for both The Gleaner and The Star. During the period, the influence of the Group's journalism continued to top the market and drive the public discussions necessary for our nation's development.

The efforts of the Digital Integration and Marketing team were largely focused on increasing subscriber acquisition during the year. Webinars, digital events, newsletters, and podcasts were used in the unit's acquisition and engagement efforts. A co-branding initiative with Coffee Traders also placed the Gleaner Premium brand on supermarket shelves across Jamaica and the diaspora. This effort will continue in earnest as the team seeks to achieve its ambitious targets.

Attention was also given to activities to encourage take up of print publications in a recovering market emerging from the constraints of the pandemic. The team was also able to continue its outreach commitment through the refurbishing of a classroom at the Saint Aloysius Primary School for students with learning difficulties, and the continued support of the Governor-General's Achievement Awards.

The team from the Advertising and



CONGRATULATIONS

2021 PRESS ASSOCIATION OF JAMAICA

AWARDEES

from the



Through hard work, dedication, and passion for journalism, our team excelled and has been recognized for their immense talent. Congratulations to the RJRGLEANER Communications Group and all other awardees who were acknowledged for their excellent contributions to journalism in Jamaica.

Jovan Johnson

- Journalist Of The Year
- Hector Bernard/Theodore Sealy Award for News (Print)
- Carlton Alexander Award for Business and Finance Journalism



Gladstone Taylor
Junior Dowle Award for Sports Photography



Christopher Serju and Ashley Anguin
Carl Wint Award for Human Interest Feature Story (Print)

Commercial Services Department continued its push to restore advertising to pre-pandemic levels through increased supplements and features, small businesses' push and the traditional seasonal cookbooks that are popular among readers.

The library continued to facilitate research and sales of archive materials electronically. The online archives, accessed via www.gleanerarchives.com, saw growth in subscriptions and overall improvement in revenue. This business offering is poised for growth and is being greatly leveraged for Jamaica's 60th year of independence.

During the period under review, all four major publications – The Gleaner, The Sunday Gleaner, The Star and The Weekend Star – showed increases in total average net paid over the prior year as the country gradually reopened. With the reopening of schools, Print Services saw the measured return of the Children's Own publication which is now being distributed at a run rate on par with pre-COVID-19 rates. These are signs of a still-existing healthy demand for the Group's print publications which Print Services continues to serve with a focus on production efficiency and on customer service excellence. Throughout the pandemic the Group's distribution network remained robust and this is expected to improve even further as the Group strives to maximise hard copy sales.



Orville Taylor
Morris Cargill Award for Opinion Journalism



Andre Lowe/Gleaner Sports Team
Best Breaking News Coverage



Giovanni Derris
- Carl Wint Award for Best Feature (Electronic)
- Best Radio Feature/Documentary
- DIGICEL Award for Technology



Glenford Campbell
Ken Dawson Award for Videography



Krista Campbell
Excellence in Reporting on the Environment



Kayann Morgan
UNICEF Media Award for Excellence
in Reporting on Children's Rights



Dionne Jackson Miller and team - TVJ's All Angles
Excellence in Reporting on Health and Wellness

Print Services' engagement with the diaspora continued with specialty publications, distributed free of charge to the Jamaican communities in the United States and Canada. Monthly digital publications have also been introduced in the diaspora markets which are gaining traction amongst those advertisers looking for greater consistency of presence. The UK market for weekly printed publications continued to be strong, supported by continued public service advertisements from the overnment. The diaspora publications continue to distinguish themselves by providing news and information from the communities they serve.

With the COVID-19 pandemic receding and the new normal settling in, Print Services has an even stronger and more resilient team better prepared to take on the challenges of the years to come. The Gleaner's strategy for digital transition remains the same but will be accelerated to convert the opportunities available in the evolving digital landscape.

The PAJ National Journalism Awards 2021, **RJRGLEANER** Group Awardees

The Group achieved much success through the news and broadcast teams at The PAJ National Journalism Awards 2021. We received 13 Awards as follows:

Journalist of the Year Award

Jovan Johnson **(The Gleaner)**

Carl Wint Award for Human Interest Feature

Giovanni Dennis – The Ray Morgan Story **(TVJ News)**

Christopher Serju and Ashley Anguin -Trapped within and without **(The Gleaner)**

Best Radio Feature/Documentary

Giovanni Dennis – Walker's fire **(Radio Jamaica)**

Ken Dawson Award for Videography

Glenford Campbell – Housing Crisis **(TVJ News)**

Junior Dowie Award for Sports Photography

Gladstone Taylor – Dream deferred **(The Gleaner)**

The Morris Cargill Award for Opinion Journalism

Orville Taylor **(The Gleaner)**

Best Breaking News

Andre Lowe and The Gleaner's Sports team – The

Sha'Carri Richardson story **(The Gleaner)**

Excellence in Reporting on the Environment

Krysta Campbell - Where have the mangroves gone?
(TVJ News)

UNICEF Media Award for Excellence In Reporting On Children's Rights

Kay-Ann Morgan **(TVJ News)**

Excellence in Reporting on Health and Wellness

All-Angles - COVID health care crisis **(TVJ)**

Excellence In Reporting On Technology

Giovanni Dennis - SIM swap scam **(TVJ News)**

Carlton Alexander Award for Business and Finance Journalism

Jovan Johnson **(The Gleaner)**

Hector Bernard/Theodore Sealy award for News

Jovan Johnson **(The Gleaner)**

OPERATIONAL HIGHLIGHTS

TECHNOLOGY

The Group's digital transformation journey remained focused on the continued integration of digital technologies organisation-wide.

INFORMATION TECHNOLOGY

The year 2021/2022 continued with the Information Technology (IT) team supporting the Group in several initiatives with respect to the acceleration of the digital transformation spurred on by the pandemic.

The Wi-Fi service on the TVJ building was upgraded facilitating a more reliable and stable internet connectivity, especially during live broadcasts.

At the Group's North Street Campus, the team undertook the modernisation of the network infrastructure, optimising the environment while facilitating improvements in the backup and recovery of all mission critical applications.

Within the broadcast systems, several IT components were upgraded to improve the existing workflow and to ensure adherence to industry best practices. This included the upgrade of the Xpression graphics system in all the studios as well as the outside broadcast truck. The Fork system for playout was also upgraded along with the implementation of

additional storage which provided increased capacity for audio-visual content for the News centre and TVJ's media library.

system was upgraded to provide a more stable system while the application used by the Advertising and Commercial



Over the past few decades, the Group's broadcast teams, radio and television, have amassed several volumes of historical content on various media types. 2022 saw the start of the long-awaited digitization process aimed at preserving and ultimately allowing the Group to monetize this asset. This will be a multi-year initiative and so far, the Group has converted over 600 hours of audio (radio) content.

For Print Services, the circulation

Services departments, A-Profit, was extended to the North America offices allowing for a more efficient and integrated workflow for the team.

Fundamental to Print Services' digital transformation, was the provision of improved client facing systems. Accordingly, during the year, the Gleaner implemented a more user-friendly classified advertising website. This system has numerous features that are more aligned to customers' needs

OPERATIONAL HIGHLIGHTS TECHNOLOGY

as well as providing management with several financial reports.

employees during the period.

As the IT Department continued

was completed and will be implemented in the upcoming financial year.

During the year, we made significant strides in improving the cybersecurity defense within the Group. Along with the implementation of several top-tier IT systems, like Darktrace, there was increased focus on attaining full compliance for our cyber awareness training offered to all categories of employees.

BROADCAST ENGINEERING

During the year, the team's third execution of its High Definition (HD) workflow conversion, saw the Engineering team continuing with the execution of several projects:

- a. Studio B, the news and sports studio, was renovated and upgraded to a full high-definition studio and control room while providing more efficient operations and production. This included the addition of new HD cameras, audio board and graphics systems.
- b. Phase 1 of the LED light upgrade for studio A (Production studio) was completed. This represented 50% of the total requirement and was very critical as the Engineering team continues



To support the remote-work mandate necessitated by the pandemic, additional laptops were acquired and provided to

to support the transformation of the Group's financial systems, the process of evaluation, recommendation and selection of a new budget application

OPERATIONAL HIGHLIGHTS TECHNOLOGY

to engage in various ways to reduce the Group's electricity consumption, while improving lighting conditions for studio cameras. A new IP enabled communication (talkback) system was installed in the TVJ building and extended to the Radio building. This has significantly improved interbuilding communication, especially during live broadcasts.

The Group's FM radio transmitter network for all four (4) brands is quite aged and the year saw the start of a 3-year project to modernize the network. This will ensure that the team is able to continue to provide consistent high quality listening experience as well as improved island wide coverage. The year saw the Engineering team replacing several Radio Jamaica 94 and Power 106 transmitters with high efficiency state of the art transmitters as well as new high gain lower power antenna systems. Similar upgrades will be done for the other brands over the next 2 years.

DIGITAL SWITCH OVER (DSO)

The government, in January 2021 mandated all Free to Air Television broadcasters to switch over to a new digital television standard, ATSC 3.0, by January 2022.

After a year of planning and

design, despite the pandemic, the team along with its external vendors commissioned the Group's first ATSC 3.0 transmission site on January 31, 2022, broadcasting from the Lyndhurst Road location. This was indeed a proud moment for the team as with this switchover, Jamaica became the 3rd country in the world and 1st in the Caribbean to be transmitting using this new digital TV standard.

in full HD quality.

DATA ANALYTICS & DIGITAL SERVICES

As the Group seeks to expand its use of data in the decision-making process, having established a Data Analytics Department a year ago, this year the Data Analytics team onboarded two (2) Data Analysts



Minister of Information, Hon. Robert Morgan, officially turning on our first ATSC3.0 transmission site

Over the next 18 - 24 months, the Group will be expanding this service to the rest of the island at which time all viewers will be able to receive all of the Group's stations

who are leading the creation and delivery of various dashboards and other business intelligence tools for use by both the Broadcast and Print teams.



REST IN PEACE

Errol Crosby – July 2021
Driver/Photographer, Editorial Department

Theodore Johnson – September 2021
Member of Editorial team, Gleaner

Winston Duhaney – October 2021
Circulation Department

Errol Thompson – November 2021
Circulation Department

Mark Haye – January 2022
Caretaker – Engineering Department

Winston Lewis – December 2021
Caretaker – Engineering Department

Paulene Reid – August 2021
Office Attendant - Facilities & Admin
Department

Volier Johnson – August 2021
Presenter – Radio Programmes

Allan Van Reil – June 2021
Correspondent/ Videographer - News Centre

RADIO JAMAICA LIMITED'S FINANCIAL STATEMENTS

31 MARCH 2022

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INDEPENDENT AUDITORS' REPORT

To the Members of
RADIO JAMAICA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of Radio Jamaica Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 81 to 155, which comprise the Group's and Company's statement of financial position as at March 31, 2022, the Group's and the Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at March 31, 2022, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

| | | |
|---------------------|--------------------|------------------------|
| R. Tarun Handa | Nigel R. Chambers | Rochelle N. Stephenson |
| Cynthia L. Lawrence | Nyssa A. Johnson | Sandra A. Edwards |
| Rajan Trehan | W. Gihan C. de Mel | Karen Ragooobirsingh |
| Norman O. Rainford | Wilbert A. Spence | |



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
RADIO JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment of goodwill

| Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| <p>The carrying value of the Group's intangible assets, including goodwill, may not be recoverable due to changes in the business and economic environment in which the relevant subsidiaries operate. Additionally, the effects of COVID-19 on overall economic activity and deteriorating trading conditions adversely increased the risk of impairment of the associated intangible assets.</p> <p>These factors create increased uncertainty in forecasting, and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability.</p> | <p>Our audit response included:</p> <ul style="list-style-type: none">• Evaluating the design and implementation of controls and effectiveness, or lack thereof.• Evaluating whether there were indicators of impairment for the cash generating units (CGU's), including those which contained goodwill and intangible assets, considering market prices, the economic environment and business performance of each subsidiary.• For the relevant CGUs, we tested the reasonableness of management's forecasts and discounted cash flow calculations, including use of our valuation specialists to evaluate the assumptions and methodologies used by management and to test the mathematical accuracy of the calculations. |

| Key Audit Matter | How the matter was addressed in our audit |
|------------------|--|
| | <p data-bbox="1056 799 1431 823">Our audit response included (continued):</p> <ul data-bbox="1056 860 1443 1690" style="list-style-type: none"> <li data-bbox="1056 860 1443 1088">• Comparing management's assumptions to externally derived data as well as our own assessments of key inputs, such as projected economic growth, competition, cost inflation and discount rates, as well as performing sensitivity analysis on the assumptions <li data-bbox="1056 1211 1443 1440">• Comparing the sum of the discounted cash flows to the investees' carrying values, where applicable and our understanding of market conditions, to assess the reasonableness of those cash flows. <li data-bbox="1056 1563 1443 1690">• Assessing the adequacy of management's disclosures about the key assumptions and the sensitivity of the impairment assessments to changes in key assumptions. <p data-bbox="625 1610 1025 1690"><i>See note 15 of the consolidated financial statements.</i></p> |



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
RADIO JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

2. Expected credit losses on trade receivables

| Key Audit Matter | How the matter was addressed in our audit |
|---|--|
| <p>The Group is required to recognise expected credit losses (ECL) on trade receivables, the determination of which is highly subjective and requires management to make significant judgement and estimates including determination of the appropriate variables and assumptions used and the application of forward-looking information.</p> <p>We therefore determined that the impairment of trade receivables has a high degree of estimation uncertainty.</p> <p>The key areas requiring greater management judgement include the identification of significant increase in credit risk ('SICR'), the determination of probabilities of default, loss given default, exposures at default and the application of forward-looking information.</p> | <p>Our audit procedures in this area included the following:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of controls and effectiveness, or lack thereof. • Obtaining an understanding of the models used by management for the calculation of expected credit losses on trade receivables, including governance over the determination of key judgements. • Evaluating the appropriateness of economic parameters including the use of forward looking information and management overlay. • Testing the completeness and accuracy of the data used in the ECL models to the underlying accounting records, including the ageing of trade receivables on a sample basis. |



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
RADIO JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

2. *Expected credit losses on trade receivables (continued)*

| <i>Key Audit Matter</i> | <i>How the matter was addressed in our audit</i> |
|---|--|
| <p>Significant management judgement is used in determining the appropriate variables and assumptions used in the ECL calculations, which increases the risk of a material misstatement.</p> <p>These estimates also involve increased judgment as a result of the economic impact of COVID-19 on the group's trade receivables.</p> <p>Management considered the following:</p> <ul style="list-style-type: none"> • Qualitative factors that create COVID-19-related changes to SICR. • Increased uncertainty about potential future economic scenarios and their impact on credit losses. <p><i>See notes 23 and 31(a)(i) of the consolidated financial statements.</i></p> | <p>Our audit procedures in this area included the following (continued):</p> <ul style="list-style-type: none"> • Involving our financial risk modelling specialists to evaluate the appropriateness of: <ul style="list-style-type: none"> - the group's impairment methodologies, including the SICR criteria used and independently assessing the assumptions for probability of default, loss given default and exposure at default; and - the group's methodology for determining the economic scenarios used and the probability weightings applied to them. We also tested to external sources, a sample of economic variables used. • Assessing the adequacy of the disclosures of the key assumptions and judgements for compliance with IFRS 9. |



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
RADIO JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
RADIO JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 79 to 80, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is R. Tarun Handa.

Chartered Accountants
Kingston, Jamaica

July 14, 2022



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
RADIO JAMAICA LIMITED

Appendix to the Independent Auditors' Report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
RADIO JAMAICA LIMITED

Appendix to the Independent Auditors' Report (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

RADIO JAMAICA LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

| | <u>Notes</u> | <u>2022</u> \$'000 | <u>2021</u> \$'000 |
|--|--------------|-----------------------|-----------------------|
| Revenue | | 5,711,158 | 5,192,392 |
| Direct expenses | 6 | (2,509,381) | (2,287,408) |
| Gross profit | | 3,201,777 | 2,904,984 |
| Other operating income | 5 | 130,813 | 81,124 |
| Selling expenses | 6 | (844,609) | (688,914) |
| Administrative expenses | 6 | (1,290,286) | (1,397,528) |
| Other operating expenses | 6 | (728,749) | (616,144) |
| Operating profit | | 468,946 | 283,522 |
| Finance costs | 8 | (47,899) | (51,054) |
| Share of net loss of associates | 30 | (12,285) | (779) |
| Profit before taxation | | 408,762 | 231,689 |
| Taxation | 9 | (67,071) | (61,031) |
| Net profit | 10 | <u>341,691</u> | <u>170,658</u> |
| Other comprehensive (loss)/income, net of taxes: | | | |
| Item that will not be reclassified to profit or loss: | | | |
| Re-measurements of post-employment benefits | 9 | (26,997) | 52,470 |
| Items that will be reclassified to profit or loss: | | | |
| Currency translation differences | | (6,726) | 7,951 |
| Total other comprehensive (loss)/income | | (33,723) | 60,421 |
| Total comprehensive income | | <u>307,968</u> | <u>231,079</u> |
| Earnings per ordinary stock unit attributable to stockholders of the Company | 12 | \$ <u>0.14</u> | <u>0.07</u> |

The accompanying notes form an integral part of the financial statements.

RADIO JAMAICA LIMITED

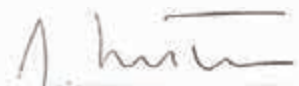
Consolidated Statement of Financial Position

March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

| | Notes | 2022 \$'000 | 2021 \$'000 |
|---|-------|-------------------------|-------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS: | | | |
| Property, plant and equipment | 13 | 1,984,825 | 1,340,525 |
| Investment properties | 14 | 80,918 | 82,260 |
| Intangible assets | 15 | 452,652 | 422,251 |
| Retirement benefit assets | 16 | 91,906 | 148,766 |
| Deferred tax assets | 17 | 142,890 | 232,498 |
| Long-term receivables | | - | 349 |
| Investment securities | 19 | 24,268 | 14,738 |
| Investments accounted for using the equity method | 30 | <u>121,957</u> | <u>125,831</u> |
| | | <u>2,899,416</u> | <u>2,367,218</u> |
| CURRENT ASSETS: | | | |
| Inventories | 20 | 118,494 | 142,171 |
| Receivables | 23 | 1,182,340 | 1,209,492 |
| Taxation recoverable | | 42,566 | 34,136 |
| Cash and short-term investments | 24 | <u>750,871</u> | <u>725,305</u> |
| | | <u>2,094,271</u> | <u>2,111,104</u> |
| TOTAL ASSETS | | <u>4,993,687</u> | <u>4,478,322</u> |
| EQUITY AND LIABILITIES | | | |
| STOCKHOLDER'S EQUITY: | | | |
| Share capital | 25 | 2,041,078 | 2,041,078 |
| Foreign currency translation | | (13,601) | (6,875) |
| Retained earnings | | <u>760,509</u> | <u>494,264</u> |
| | | 2,787,986 | 2,528,467 |
| Non-controlling interests | | <u>1,948</u> | <u>1,948</u> |
| | | <u>2,789,934</u> | <u>2,530,415</u> |
| NON-CURRENT LIABILITIES: | | | |
| Lease obligations | 26 | 3,056 | 11,207 |
| Long-term loans | 26 | 408,717 | 499,760 |
| Deferred tax liabilities | 17 | 94,519 | 205,912 |
| Retirement benefit obligations | 16 | <u>250,224</u> | <u>209,816</u> |
| | | <u>756,516</u> | <u>926,695</u> |
| CURRENT LIABILITIES: | | | |
| Payables | 27 | 1,397,368 | 928,076 |
| Taxation payable | | <u>49,869</u> | <u>93,136</u> |
| | | <u>1,447,237</u> | <u>1,021,212</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>4,993,687</u> | <u>4,478,322</u> |

The financial statements on pages 81 to 155 were approved for issue by the Board of Directors on July 14, 2022, and signed on its behalf by:


Joseph M. Matalon, C.D. Director


Gary H. Allen, C.D., J.P. Director

The accompanying notes form an integral part of the financial statements.

RADIO JAMAICA LIMITED

Consolidated Statement of Changes in Equity

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

| | Number of <u>stock units</u> '000 | Share <u>capital</u> \$'000 (note 25) | Foreign currency <u>translation</u> \$'000 | Fair value <u>reserve</u> \$'000 | Retained <u>earnings</u> \$'000 | Equity <u>owners</u> \$'000 | Non- controlling <u>interests</u> \$'000 | <u>Total</u> \$'000 |
|--|---|--|---|--|---------------------------------------|-----------------------------------|---|------------------------|
| Balance at March 31, 2020 | 2,397,683 | 2,041,078 | (14,826) | (7,135) | 278,271 | 2,297,388 | 1,948 | 2,299,336 |
| Total comprehensive income | - | - | 7,951 | - | 223,128 | 231,079 | - | 231,079 |
| Transfer to retained earnings | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,135</u> | <u>(7,135)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance at March 31, 2021 | 2,397,683 | 2,041,078 | (6,875) | - | 494,264 | 2,528,467 | 1,948 | 2,530,415 |
| Total comprehensive income | - | - | (6,726) | - | 314,694 | 307,968 | - | 307,968 |
| Transaction with owners: Dividends paid (note 11) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(48,449)</u> | <u>(48,449)</u> | <u>-</u> | <u>(48,449)</u> |
| Balance at March 31, 2022 | <u>2,397,683</u> | <u>2,041,078</u> | <u>(13,601)</u> | <u>-</u> | <u>760,509</u> | <u>2,787,986</u> | <u>1,948</u> | <u>2,789,934</u> |

The accompanying notes form an integral part of the financial statements.

RADIO JAMAICA LIMITED

Consolidated Statement of Cash Flows

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

| | <u>2022</u> \$'000 | <u>2021</u> \$'000 |
|---|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Profit for the year | 341,691 | 170,658 |
| Adjustments for: | | |
| Depreciation and amortisation | 293,122 | 291,103 |
| Gain on disposal of property, plant and equipment | (26,934) | (19,940) |
| Interest income | (6,122) | (3,102) |
| Interest expense | 30,374 | 50,288 |
| Income tax charge | 67,071 | 61,031 |
| Exchange losses on foreign currency balance | (24,724) | (9,994) |
| Retirement benefits | 61,272 | 59,857 |
| Share of net loss of associates | <u>12,285</u> | <u>779</u> |
| | 748,035 | 600,680 |
| Changes in operating assets and liabilities: | | |
| Inventories | 23,677 | (5,779) |
| Accounts receivable | 26,473 | (185,040) |
| Accounts payable | <u>330,804</u> | <u>171,692</u> |
| | 1,128,989 | 581,553 |
| Income tax paid | (131,554) | (42,039) |
| Net cash provided by operating activities | <u>997,435</u> | <u>539,514</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from disposal of property, plant and equipment | 53,079 | 43,081 |
| Purchase of property, plant and equipment and intangibles | (992,626) | (175,931) |
| (Payments)/proceeds from long-term investments | (9,530) | 10,985 |
| Investment in associates | (8,411) | (56,177) |
| Interest received | <u>7,150</u> | <u>3,102</u> |
| Net cash used in investing activities | (950,338) | (174,940) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Loans repaid | (542,864) | (26,588) |
| Loan acquired | 593,350 | 150,000 |
| Principal lease repayments | (11,192) | (12,154) |
| Interest paid | (30,374) | (50,288) |
| Dividends paid | <u>(48,449)</u> | <u>-</u> |
| Net cash (used in)/provided by financing activities | (39,529) | 60,970 |
| Increase in cash and cash equivalents | 7,568 | 425,544 |
| Exchange gains on cash and cash equivalents | 17,998 | 17,945 |
| Net cash and cash equivalents at beginning of year | <u>725,305</u> | <u>281,816</u> |
| Net cash and cash equivalents at end of year | <u>750,871</u> | <u>725,305</u> |
| Comprised of: | | |
| Cash and short-term investments | <u>750,871</u> | <u>725,305</u> |

The accompanying notes form an integral part of the financial statements.

RADIO JAMAICA LIMITED

Company Statement of Profit or Loss and Other Comprehensive Income Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

| | <u>Notes</u> | <u>2022</u> \$'000 | <u>2021</u> \$'000 |
|---|--------------|-----------------------|-----------------------|
| Revenue | | 718,745 | 597,785 |
| Direct expenses | 6 | (<u>279,322</u>) | (<u>240,381</u>) |
| Gross profit | | 439,423 | 357,404 |
| Other operating income | 5 | 87,387 | 71,031 |
| Selling expenses | 6 | (119,384) | (97,871) |
| Administrative expenses | 6 | (269,291) | (193,390) |
| Other operating expenses | 6 | (<u>122,773</u>) | (<u>100,696</u>) |
| Operating profit | | 15,362 | 36,478 |
| Finance costs | 8 | (<u>8,643</u>) | (<u>2,952</u>) |
| Profit before taxation | | 6,719 | 33,526 |
| Taxation | 9 | <u>4,794</u> | (<u>10,701</u>) |
| Net profit | 10 | <u>11,513</u> | <u>22,825</u> |
| Other Comprehensive Income, net of taxes: | | | |
| Item that will not be reclassified to profit or loss: | | | |
| Re-measurements of post-employment benefits, being total other comprehensive (loss)/income | 9 | (<u>23,004</u>) | <u>22,741</u> |
| Total comprehensive (loss)/income | | (<u>11,491</u>) | <u>45,566</u> |

The accompanying notes form an integral part of the financial statements.

RADIO JAMAICA LIMITED

Company Statement of Financial Position

March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

| | Notes | 2022 \$'000 | 2021 \$'000 |
|-------------------------------------|-------|------------------|------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS: | | | |
| Property, plant and equipment | 13 | 448,062 | 316,375 |
| Intangible assets | 15 | 932 | 3,166 |
| Retirement benefit assets | 16 | 91,906 | 148,766 |
| Deferred tax asset | 17 | 34,495 | 18,261 |
| Investment in subsidiaries | 18 | 1,824,854 | 1,824,854 |
| Investment securities | 19 | 24,067 | 14,537 |
| | | <u>2,424,316</u> | <u>2,325,959</u> |
| CURRENT ASSETS: | | | |
| Inventories | 20 | 4,405 | 4,842 |
| Due from subsidiaries | 21 | 442,294 | 651,469 |
| Receivables | 23 | 220,885 | 175,630 |
| Taxation recoverable | | 21,780 | 8,168 |
| Cash and short-term investments | 24 | 436,535 | 466,186 |
| | | <u>1,125,899</u> | <u>1,306,295</u> |
| TOTAL ASSETS | | <u>3,550,215</u> | <u>3,632,254</u> |
| EQUITY AND LIABILITIES | | | |
| STOCKHOLDER'S EQUITY: | | | |
| Share capital | 25 | 2,041,078 | 2,041,078 |
| Retained earnings | | <u>293,450</u> | <u>353,390</u> |
| | | <u>2,334,528</u> | <u>2,394,468</u> |
| NON-CURRENT LIABILITIES: | | | |
| Long-term loans | 26 | 408,717 | 332,357 |
| Retirement benefit obligations | 16 | <u>77,503</u> | <u>69,947</u> |
| | | <u>486,220</u> | <u>402,304</u> |
| CURRENT LIABILITIES: | | | |
| Payables | 27 | 429,548 | 237,069 |
| Due to subsidiaries | 21 | <u>299,919</u> | <u>598,413</u> |
| | | <u>729,467</u> | <u>835,482</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>3,550,215</u> | <u>3,632,254</u> |

The financial statements on pages 81 to 155 were approved for issue by the Board of Directors on July 14, 2022, and signed on its behalf by:

 Director
Joseph M. Matalon, C.D.

 Director
Gary H. Allen, C.D., J.P.

The accompanying notes form an integral part of the financial statements.

RADIO JAMAICA LIMITED

Company Statement of Changes in Equity

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

| | Number of <u>Stock units</u> '000 | Share <u>capital</u> \$'000 (note 25) | Fair value <u>reserve</u> \$'000 | Retained <u>earnings</u> \$'000 | <u>Total</u> \$'000 |
|-------------------------------|---|--|--|---------------------------------------|------------------------|
| Balance at March 31, 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 | <u>-</u> | <u>-</u> | <u>7,135</u> | <u>(7,135)</u> | <u>-</u> |
| Balance at March 31, 2021 | 2,397,683 | 2,041,078 | - | 353,390 | 2,394,468 |
| Total comprehensive income | - | - | - | (11,491) | (11,491) |
| Transactions with owners: | | | | | |
| Dividends paid (note 11) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(48,449)</u> | <u>(48,449)</u> |
| Balance at March 31, 2022 | <u>2,397,683</u> | <u>2,041,078</u> | <u>-</u> | <u>293,450</u> | <u>2,334,528</u> |

The accompanying notes form an integral part of the financial statements.

RADIO JAMAICA LIMITED

Company Statement of Cash Flows

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

| | <u>2022</u> | <u>2021</u> |
|--|------------------|------------------|
| | \$'000 | \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Profit for the year | 11,513 | 22,825 |
| Adjustments for: | | |
| Depreciation and amortisation | 37,748 | 31,599 |
| (Gain)/loss on disposal of property, plant and equipment | (1,008) | 420 |
| Interest income | (6,122) | (2,907) |
| Interest expense | 7,871 | 2,610 |
| Income tax charge | (4,794) | 10,701 |
| Exchange gain on foreign currency balances | (5,533) | (196) |
| Retirement benefits | <u>33,744</u> | <u>38,871</u> |
| | 73,419 | 103,923 |
| Changes in operating assets and liabilities: | | |
| Inventories | 437 | (407) |
| Due from subsidiaries | 209,175 | (163,580) |
| Accounts receivable | (43,934) | (11,812) |
| Accounts payable | 52,166 | 21,261 |
| Due to subsidiaries | <u>(298,494)</u> | <u>418,835</u> |
| | (7,231) | 368,220 |
| Taxation paid | <u>(17,384)</u> | <u>(6,299)</u> |
| Net cash (used in)/provided by operating activities | <u>(24,615)</u> | <u>361,921</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from disposal of property, plant and equipment | 5,178 | - |
| Purchase of property, plant and equipment | (171,371) | (45,714) |
| Payments/(proceeds) from investments | (9,530) | 10,985 |
| Interest received | <u>4,801</u> | <u>2,907</u> |
| Net cash used in investing activities | <u>(170,922)</u> | <u>(31,822)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Loans repaid | (376,677) | 4,808 |
| Loan received | 593,350 | - |
| Interest paid | (7,871) | (2,610) |
| Dividends paid | <u>(48,449)</u> | <u>-</u> |
| Net cash provided in financing activities | <u>160,353</u> | <u>2,198</u> |
| (Decrease)/increase in cash and cash equivalents | (35,184) | 332,297 |
| Exchange gains on cash and cash equivalents | 5,533 | 196 |
| Cash and cash equivalents at beginning of year | <u>466,186</u> | <u>133,693</u> |
| Cash and cash equivalents at end of year | <u>436,535</u> | <u>466,186</u> |
| Comprised of: | | |
| Cash and short-term investments | <u>436,535</u> | <u>466,186</u> |

The accompanying notes form an integral part of the financial statements.

RADIO JAMAICA LIMITED

Notes to the Financial Statements

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

1. Identification

Radio Jamaica Limited (“the Company”) is incorporated and domiciled in Jamaica. The Company is listed on the Jamaica Stock Exchange, and has its registered office at 32 Lyndhurst Road, Kingston 5.

These financial statements present the results of operations and financial position of the Company and its subsidiaries, which are collectively referred to as “the Group”.

The Group’s primary activities are the operation of a ‘free-to-air’ television station, cable television stations, radio stations and the publication of news in print and digital media.

The Company’s subsidiaries are as follows:

| | <u>Domicile of incorporation</u> | <u>2022 and 2021</u> |
|---|--------------------------------------|----------------------|
| Television Jamaica Limited | Jamaica | 100% |
| Multi-Media Jamaica Limited | Jamaica | 100% |
| Media Plus Limited | Saint Lucia | 100% |
| Reggae Entertainment Television Limited | Jamaica | 100% |
| Jamaica News Network Limited | Jamaica | 100% |
| The Gleaner Company (Media) Limited | Jamaica | 100% |
| The Gleaner Company (USA) Limited | United States of America | 100% |
| Independent Radio Company Limited | Jamaica | 100% |
| A-Plus Learning Limited | Jamaica | 50% |
| The Gleaner Online Limited | Jamaica | 100% |
| The Gleaner Company (UK) Limited | United Kingdom | 100% |
| Gleaner Media (Canada) Inc. | Canada | 100% |

The operations of A-Plus Learning Limited and The Gleaner Online Limited are dormant.

The Group’s associates are as follows:

| | <u>Domicile of incorporation</u> | <u>2022 and 2021</u> |
|-----------------------------------|--------------------------------------|----------------------|
| Jamaica Holding, LLC. (i) | Puerto Rico | 50.00% |
| SiFi Studios Jamaica Limited (ii) | Jamaica | 17.29% |

(i) Jamaica Holding, LLC., trades as “Gustazos.” Based on management’s assessment, the group’s holding in Gustazos does not translate to control.

(ii) During 2021, based on the subscription agreement with the investee, the Group increased its ownership in SiFi Studios Jamaica Limited (SiFi), a technology company, to 17.29%, rights to board representation. Additionally, two directors of the Company own, in aggregate, 5.95% of the issued shares of SiFi. Consequently, SiFi is accounted for as an associate.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

2. Statement of compliance and basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment securities to fair value.

New and amended standards that came into effect during the current year

Certain new standards, interpretations and amendments to existing standards that have been published, became effective during the current financial year. The adoption of all such new standards, interpretations and amendments did not have any significant impact on the amounts and disclosures in the financial statements.

New and amended standards and interpretations that are not yet in effect

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year, and which the Group has not adopted early. The Group has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IAS 37 *Provision, Contingent Liabilities and Contingent Assets* is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs - e.g. direct labour and materials; and an allocation of other direct costs -e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IFRS 16 *Leases*, IAS 41 *Agriculture*, and are effective for annual periods beginning on or after January 1, 2022. The amendments applicable to the Group are:
 - (i) IFRS 9 *Financial Instruments* amendment clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf
 - (ii) IFRS 16 *Leases* amendment removes the illustration of payments from the lessor relating to leasehold improvements.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations that are not yet in effect (continued)

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A Company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the Company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a Company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the Company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a Company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations that are not yet in effect (continued)

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (continued)

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

The Group has not completed the process of evaluating the impact that these amendments would have on its financial statements when they become effective.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

2. Statement of compliance and basis of preparation (continued)

(b) Basis of consolidation

(i) Business combinations:

Business combinations are accounted for using the acquisition method as at the acquisition date, which is at the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group uses predecessor value (book value) method of accounting for business combinations with entities under common control. Any differences between the consideration paid and the net assets of the acquired entity is recognised in equity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date.

(ii) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group “controls” an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The subsidiary companies are listed in (Note 1) and are referred to as “subsidiaries” or “subsidiary” in these financial statements. The Company and its subsidiaries are collectively referred to as “the Group”.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

2. Statement of compliance and basis of preparation (continued)

(b) Basis of consolidation (continued)

(iii) Subsidiaries:

The consolidated financial statements comprise the financial results of the Company and its subsidiaries prepared to March 31, 2022.

All significant inter-company transactions are eliminated.

(iv) Loss of control:

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(v) Joint arrangements:

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of joint ventures on the equity accounting basis.

If the Group's share of losses exceeds its interest in a joint venture the Group's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of a joint venture. If the joint venture subsequently reports gains, the Group resumes recognising its share of those gains only after its share of gains equals the share of losses not recognised.

Investments in joint arrangements are deemed as joint operations when they are not structured through a separately identifiable financial structure. The contractual arrangement between the Group and the other parties to the joint arrangements outline each parties' rights to the assets, and obligations for the liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses.

The Group does not have any interest in joint arrangements.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

2. Statement of compliance and basis of preparation (continued)

(b) Basis of consolidation (continued)

(vi) Associates:

Associates are all entities over which the Group has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights including voting rights generally exercised together with related parties. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, including transaction costs.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income to the extent that the profits, losses or movements are consistent with the Group's significant accounting policies. Should the Group's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured receivables, the Group will not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

As the entities are in their start-up phase, no impairment has been assessed at this time and the Group's investment is carried at cost, net of its share of losses to date.

(vii) Non-controlling interests (NCI):

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(viii) Transactions eliminated in consolidation:

Balances and transactions between companies within the Group, and any unrealised gains arising from those transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c) Functional and presentation currency:

Items included in the financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates, referred to as the functional currency. The consolidated financial statements are presented in Jamaica dollars, which is the Company's functional and presentation currency.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies

(a) Revenue and income recognition

Revenue comprises the sale of newspapers and other publications, airtime, programme material, the rental of studios and equipment, the delivery of internet media and Pay-Per-View services and associated advertising, net of General Consumption Tax. Revenue recognition policies are detailed in note (b) below:

(b) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of the goods or services to a customer.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

| Type of revenue | Nature and timing of satisfaction of performance obligations, including significant payment terms | Revenue recognition under IFRS 15 |
|--|--|--|
| Airtime and programme material | The Group sells airtime for production to companies and individual customers on a daily basis. | Revenue is recognised at a point in time when productions and programmes are aired on the radio, television or cable. |
| Revenue from sale of newspapers and other publications | The Group sells newspaper publications to sales agents, companies and individual customers on a daily basis. | Revenue is recognised when newspapers are delivered to the customers' premises. For contracts that permit return of newspapers, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur. |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(b) Performance obligations and revenue recognition policies (continued):

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

| Type of revenue | Nature and timing of satisfaction of performance obligations, including significant payment terms | Revenue recognition under IFRS 15 |
|--------------------------|--|---|
| Advertising revenue | <p>The Group sells display and classified advertising spaces in its newspaper publications and on its websites to customers at a predetermined rate.</p> <p>The Group also sells airtime for advertising on the radio, television and cable to customers at a predetermined rate.</p> | Advertising revenue is recognised at a point in time when the advertisement is placed in the published newspapers or internet site, or when the advertisement is aired on the radio, television or cable. |
| Subscription revenue | The Group collects revenue in advance from subscribers for the sale of newspapers on specified dates for specified amounts. | Revenue is recognised over the life of the subscription as the newspapers are delivered to subscribers. |
| Premium Digital Services | <p>(i) The Group collects revenue from Pay-Per-View (PPV) services on its internet channels.</p> <p>(ii) 1SpotMedia is a premium subscription-based internet media service offering the full range of RJRGleaner television and radio brands, delivering Jamaican and Caribbean content to viewers/listeners around the world on PCs, tablets and laptops.</p> | <p>Revenue related to PPV services is recognised at the point in time the customer pays for consuming the content.</p> <p>Revenue is recognised over time, i.e., over the life of the subscription.</p> |

Rental income

Rental income from investment properties is recognised as other revenue on a straight-line basis over the terms of the lease. Lease incentives are recognised as an integral part of the total revenue recognised.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(b) Performance obligations and revenue recognition policies (continued):

Interest income

Interest income is recognised in profit or loss using the effective interest method. The “effective interest rate” is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instruments to its gross carrying amount.

When calculating the effective interest rate for financial instruments, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

The ‘amortised cost’ of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The ‘gross carrying amount of a financial asset’ is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and short-term investments, receivables, due from subsidiaries and investment securities. Financial liabilities include payables (but not general consumption taxes), due to subsidiaries, lease obligations and long-term loans.

Financial assets

(i) Measurement methods

Initial recognition and measurement

Financial assets are recognised when the entity becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

Financial assets (continued)

(i) Measurement methods (continued)

Initial recognition and measurement (continued)

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, which results in an impairment loss being recognised in profit or loss.

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate, discounted using the original effective interest rate. Changes are recognised in profit or loss.

Classification

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as fair value through profit or loss (FVTPL):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

Financial assets (continued)

(i) Measurement methods (continued)

Classification (continued)

Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

(ii) Derecognition of financial assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets; and
- (ii) Is prohibited from selling or pledging the assets; and has an obligation to remit any cash it collects from the assets without material delay.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

Financial assets (continued)

(iii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses.

Forward looking information

The Group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

For trade receivables, the Group applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected losses. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

Financial liabilities

(i) Recognition

A financial liability is measured initially at fair value, plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial liabilities are classified and subsequently measured at amortised cost.

(iii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(d) Income taxes

Taxation expense in the statement of profit or loss and other comprehensive income comprises current and deferred tax charges.

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 have been enacted at reporting date.

Deferred tax is the 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. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is charged or credited to profit or loss and other comprehensive income, except where it relates to items charged or credited to equity, in which case, deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

(e) Property, plant and equipment

Freehold land and buildings are stated at deemed cost less subsequent depreciation for buildings. All other fixed assets are carried at historical cost less accumulated depreciation.

Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to profit or loss during the financial period in which they were incurred.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

Depreciation is calculated on the straight-line basis at rates estimated to write off the cost of the assets over their expected useful lives. Annual rates used are as follows:

| | |
|------------------------------------|----------------------------|
| Freehold buildings | 2.5% and 5% |
| Improvements to leasehold property | 2.5% |
| Furniture, fixtures & equipment | 5 - 33⅓% |
| Motor vehicles | 10 - 25% |
| Spares | 20% |
| Lease operating assets | over the term of the lease |

Land is not depreciated as it is deemed to have an indefinite life.

No depreciation is charged on work-in-progress.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amounts is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit or loss.

(f) Investment properties

Investment properties, which comprises freehold land, on which no depreciation is calculated, and buildings, are carried at cost, less accumulated depreciation. Depreciation is calculated on buildings at the rate of 2½%.

(g) Intangible assets

Goodwill

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(g) Intangible assets (continued)

Broadcast rights

Broadcast rights acquired are recognised and measured at cost. These represent the exclusive rights to broadcast FIFA events for the period 2016 to 2022. Broadcast rights have a finite useful life. Amortisation is calculated using the straight-line method to allocate the cost of the rights over their estimated contractual lives. Amortisation will commence once the first event under the rights have been broadcast.

Computer software

This represents acquired computer software licences, which are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

Brand and lease

The brand and lease arising on acquisition of The Gleaner Company (Media) Limited are shown at historical cost less amortisation and impairment and are deemed to have a finite useful life. The lease is in respect of the rental of properties at rates below market rate for a period of 15 years. Amortisation is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives of 15 years.

(h) Investment securities

Investment securities are classified as financial assets at fair value through profit (FVTPL) or fair value through other comprehensive income (FVOCI). Realised and unrealised gains and losses arising from changes in the fair value of investments classified as financial assets at fair value through profit or loss are included in the determination of profit or loss in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of investments classified as FVOCI are recognised in other comprehensive income. When debt securities classified as FVOCI are sold or impaired, the accumulated fair value adjustments are included in profit or loss.

The fair values of quoted investments are based on current bid prices. If the market for an investment is not active, the Group establishes fair value by using valuation techniques.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(i) Retirement benefits

Defined Pension plans

Radio Jamaica Limited operates defined benefit pension plans, the assets of which are generally held in separate trustee-administered funds. A defined benefit pension plan is one that defines an amount of benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The asset or liability in respect of defined benefit plans is the difference between present value of the defined benefit obligation at the reporting date and the fair value of plan assets. Where a pension asset arises, the amount recognised is limited to the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The pension costs are assessed using the Projected Unit Credit Method. Under this method, the cost of providing pensions is charged in arriving at profit or loss so as to spread the regular cost over the service lives of the employees in accordance with the advice of the actuaries, who carry out a full valuation of the plans every year.

The pension obligation is measured at the present value of the estimated future cash outflows using discount estimated rates based on market yields on government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Defined Contribution Plans

The Gleaner Company (Media) Limited operates a defined-contribution pension scheme; the assets of which were held separately from those of the Group. Obligations for contributions to this Plan are recognised as an expense in profit or loss as incurred.

Other retirement benefits

The Group provides retirement health care and life insurance to its retirees. The entitlement for these benefits is usually based on the employee remaining in services up to retirement age and the completion of a minimum period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans. Valuations for these benefits are carried out annually by independent actuaries.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(j) Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready for use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. For film and books, actual costs are used, while average cost is used for the other categories.

Net realisable value is the estimated proceeds of disposal in the ordinary course of business, less applicable expenses.

(l) Trade receivables

Trade and other receivables are measured at amortised cost, less impairment losses.

(m) Cash and cash equivalents

Cash and short-term investments comprise cash, bank balances and resale agreements with maturities of three months or less from the date of placement and are measured at amortised cost. The resale agreements are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term commitments.

(n) Trade payables

Trade payables are measured at amortised cost.

(o) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(o) Leases (continued)

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any direct initial direct costs incurred and an estimate of costs to dismantle and remove underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option.

In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the scheduled lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liabilities comprise fixed payments.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(o) Leases (continued)

As a lessee (continued)

Lease liabilities include the net present value of the following lease payments:

- i) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- ii) Variable lease payments that are based on an index or a rate;
- iii) Amounts expected to be payable by the lessee under residual value guarantees;
- iv) The exercise price of purchase option if the lessee is reasonably certain to exercise that option; and
- v) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate, the Group uses existing borrowing rates obtained from its bankers.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or a rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

3. Significant accounting policies (continued)

(o) Leases (continued)

As a lessee (continued)

The lease term is determined as the non-cancellable period of the lease and takes account of extension and termination options if it is reasonably certain to be exercised. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

As a lessor

The Group leases out property. The Management has classified such leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

(p) Foreign currencies

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from such transactions and from the translation of foreign currency monetary assets and liabilities at the year-end exchange rates are recognised in arriving at net profit or loss.

Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at exchange rates ruling at the reporting date.
- (ii) Income and expenses for each income statement are translated at average exchange rates.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker and for which discrete financial information is available. The chief operating decision-maker is the person or the leadership collective that makes decisions about resources to be allocated to a segment and assesses its performance.

3. Significant accounting policies (continued)

(r) Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in arriving at profit or loss over the period of the borrowings.

(s) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group entity purchases the Company's equity (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable transaction costs and income taxes) is included in equity attributable to the Company's equity holders.

(t) Dividends

Dividends are recorded as a liability in the financial statements in the period in which they have been approved by shareholders.

4. Critical accounting judgements and key sources of estimation uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognised in the financial statements.

(i) Income taxes

Estimates are required in determining the loss allowance for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax loss allowances in the period in which such determination is made.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Critical judgements in applying the Group's accounting policies (continued)

(ii) Recognition of deferred tax assets

Deferred tax assets have not been recognised on tax losses carried forward in respect of certain subsidiaries based on management's expectation that the subsidiaries will not generate sufficient taxable profits to utilise the tax losses carried forward (Note 17). At March 31, 2022, unrecognised deferred tax assets in respect of tax losses carried forward amounted to \$32,831,000 (2021: \$41,407,000).

(b) Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Retirement benefit obligations

The cost of these benefits and the present value of the future obligations depend on a number of factors that are determined by actuaries using a number of assumptions. The assumptions used in determining the net periodic cost or income for retirement benefits include the expected long-term rate of return on the relevant plan assets, the discount rate, and, in the case of health benefits, the expected rate of increase in health costs. Any changes in these assumptions will impact the net periodic cost or income recorded for retirement benefits and may affect planned funding of the pension plan. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns.

The Group determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations. In determining the appropriate discount rate, the Group considered the interest rates of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the related obligations. The expected rate of increase of health costs has been determined by comparing the historical relationship of the actual health cost increases with the rate of inflation. Other key assumptions for the retirement benefits are based on current market conditions.

The principal actuarial assumptions used in valuing retirement benefits are disclosed in Note 16.

(ii) Assessment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 3(g). The assessment of goodwill impairment involves the determination of the value in use. Determination of value in use involves the estimation of future cash flows from the business taking into consideration the growth rates, inflation rates and the discount rate. Any changes in these variables would impact the value in use calculations.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

4. Critical accounting judgements and key sources of estimation uncertainty(continued)

(b) Key sources of estimation uncertainty (continued)

(iii) Expected credit losses

(1) Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

(2) Impairment of financial assets:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement.

(3) Allowance for impairment losses:

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information.

Management also estimates the likely amount of cash flows recoverable on the financial assets in determining loss given default. The use of assumptions make uncertainty inherent in such estimates [see notes 23 and 31(a)(i)].

5. Other operating income

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|---------------|--------------------|---------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest income | 6,122 | 3,102 | 6,122 | 2,907 |
| Net foreign exchange gain/(loss) | 5,537 | (2,043) | 5,533 | 196 |
| Unrealised gain on revaluation of investment securities classified as financial assets at fair value through profit or loss | - | 4,045 | - | 4,045 |
| Gain/(loss) on disposal of property, plant and equipment | 26,934 | 19,940 | 1,008 | (420) |
| Rental income | 61,499 | 46,658 | 72,060 | 58,677 |
| Compensation for damages | - | 648 | - | 648 |
| Other income | <u>30,721</u> | <u>8,774</u> | <u>2,664</u> | <u>4,978</u> |
| | <u>130,813</u> | <u>81,124</u> | <u>87,387</u> | <u>71,031</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

6. Expenses by nature

Total direct, selling, administrative and other operating expenses:

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------|------------------|------------------|--------------------|----------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Auditors' remuneration | 18,119 | 29,405 | 4,580 | 11,569 |
| Bad debts expense | 54,822 | 152,613 | 23,593 | 24,942 |
| Commissions | 433,835 | 447,990 | 52,547 | 47,869 |
| Depreciation and amortisation | 293,122 | 291,103 | 37,748 | 31,599 |
| Distribution costs | 357,961 | 301,948 | 53 | 7,222 |
| Insurance | 116,681 | 154,222 | 14,203 | 13,588 |
| Production expenses | 344,564 | 235,247 | 15,750 | 15,499 |
| Programming expenses | 135,421 | 80,865 | 26,389 | 19,176 |
| Publicity | 36,315 | 26,447 | 18,091 | 7,418 |
| Repairs and maintenance | 306,254 | 193,130 | 56,520 | 45,668 |
| Security expense | 48,284 | 51,290 | 5,254 | 5,232 |
| Special events | 346,994 | 43,584 | 4,434 | (6,778) |
| Staff costs (Note 7) | 2,250,536 | 2,174,963 | 424,085 | 274,589 |
| Travelling expenses | 80,585 | 76,398 | 23,518 | 17,293 |
| Utilities | 349,207 | 339,206 | 48,245 | 45,000 |
| Website development | 124,528 | 164,579 | 26,248 | 26,441 |
| Others | <u>75,797</u> | <u>227,004</u> | <u>9,512</u> | <u>46,011</u> |
| | <u>5,373,025</u> | <u>4,989,994</u> | <u>790,770</u> | <u>632,338</u> |

Others includes legal fees, directors' fees, professional fees, janitorial costs, canteen expenses, market research and rental expense.

Expenses have been analysed by nature as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--------------------------|------------------|------------------|--------------------|----------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Direct expenses | 2,509,381 | 2,287,408 | 279,322 | 240,381 |
| Selling expenses | 844,609 | 688,914 | 119,384 | 97,871 |
| Administrative expenses | 1,290,286 | 1,397,528 | 269,291 | 193,390 |
| Other operating expenses | <u>728,749</u> | <u>616,144</u> | <u>122,773</u> | <u>100,696</u> |
| | <u>5,373,025</u> | <u>4,989,994</u> | <u>790,770</u> | <u>632,338</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

7. Staff costs

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|------------------|--------------------|----------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Wages and salaries | 1,852,604 | 1,496,745 | 264,835 | 159,530 |
| Statutory contributions | 174,635 | 141,876 | 50,940 | 34,312 |
| Pension benefits (Note 16) | 56,585 | 57,771 | 28,020 | 34,282 |
| Other retirement (defined benefit scheme) benefits (Note 16) | 14,006 | 18,164 | 9,125 | 7,623 |
| Redundancy costs | - | 183,543 | - | 7,920 |
| Others, including contribution to defined contribution schemes | <u>152,706</u> | <u>276,864</u> | <u>71,165</u> | <u>30,922</u> |
| | <u>2,250,536</u> | <u>2,174,963</u> | <u>424,085</u> | <u>274,589</u> |

Others includes uniform, vacation leave, health and life insurance, and training.

8. Finance costs

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------|------------------|---------------|--------------------|--------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest expense: | | | | |
| Bank borrowings | 28,670 | 29,287 | 7,871 | 2,610 |
| Leases | 1,704 | 1,891 | - | - |
| Others | <u>17,525</u> | <u>19,876</u> | <u>772</u> | <u>342</u> |
| | <u>47,899</u> | <u>51,054</u> | <u>8,643</u> | <u>2,952</u> |

9. Taxation expense

Taxation is computed on the profit or loss for the year adjusted for tax purposes. The charge/(credit) for taxation comprises income tax at 25%:

| | <u>The Group</u> | | <u>The Company</u> | |
|--------------------------|------------------|-----------------|--------------------|---------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current tax | 79,857 | 99,219 | 3,772 | 11,449 |
| Prior year under accrual | - | (329) | - | - |
| Deferred tax (Note 17) | <u>(12,786)</u> | <u>(37,859)</u> | <u>(8,566)</u> | <u>(748)</u> |
| | <u>67,071</u> | <u>61,031</u> | <u>(4,794)</u> | <u>10,701</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

9. Taxation expense (continued)

The tax on the Group and the Company's profit was derived as follows. Deferred tax was derived as detailed in Note 17.

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|----------------|--------------------|---------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Profit before taxation | <u>408,762</u> | <u>231,689</u> | <u>6,719</u> | <u>33,526</u> |
| Tax calculated at a tax rate of 25% | 102,191 | 57,922 | 1,680 | 8,382 |
| Adjusted for the effects of: | | | | |
| Expenses not deductible for tax purposes | 96 | 78 | 96 | 78 |
| Income not subject to tax | - | 50 | - | 50 |
| Employment tax credit | (26,504) | - | - | - |
| Tax losses utilised | 20,132 | (15,508) | 2,852 | (11,449) |
| Disallowed expenses and other capital adjustments | (28,844) | <u>18,489</u> | <u>(9,422)</u> | <u>13,640</u> |
| | <u>67,071</u> | <u>61,031</u> | <u>(4,794)</u> | <u>10,701</u> |

Tax credit/(charge) relating to components of other comprehensive income are as follows:

| | | <u>Group</u> | | |
|--|-------------|-------------------|-------------------|------------------|
| | | <u>Before tax</u> | <u>Tax effect</u> | <u>After tax</u> |
| | | \$'000 | \$'000 | \$'000 |
| Remeasurement of post-employment benefit liabilities (Note 16) | <u>2022</u> | <u>(35,996)</u> | <u>8,999</u> | <u>(26,997)</u> |
| Remeasurement of post-employment benefit liabilities (Note 16) | <u>2021</u> | <u>69,966</u> | <u>(17,496)</u> | <u>52,470</u> |
| | | <u>Company</u> | | |
| | | <u>Before tax</u> | <u>Tax effect</u> | <u>After tax</u> |
| | | \$'000 | \$'000 | \$'000 |
| Remeasurement of post-employment benefit liabilities (Note 16) | <u>2022</u> | <u>(30,672)</u> | <u>7,668</u> | <u>(23,004)</u> |
| Remeasurement of post-employment benefit liabilities (Note 16) | <u>2021</u> | <u>30,322</u> | <u>(7,581)</u> | <u>22,741</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

10. Net profit and retained earnings attributable to stockholders of the Company

- (a) The net profit attributable to stockholders of the Company is dealt with in the financial statements as follows:

| | <u>2022</u> \$'000 | <u>2021</u> \$'000 |
|---------------------------------|-----------------------|-----------------------|
| The Company | 11,513 | 22,825 |
| The subsidiaries and associates | <u>330,178</u> | <u>147,833</u> |
| | <u>341,691</u> | <u>170,658</u> |

- (b) Retained earnings are dealt with in the financial statements as follows:

| | <u>2022</u> \$'000 | <u>2021</u> \$'000 |
|---------------------------------|-----------------------|-----------------------|
| The Company | 293,450 | 353,390 |
| The subsidiaries and associates | <u>467,059</u> | <u>140,874</u> |
| | <u>760,509</u> | <u>494,264</u> |

11. Ordinary dividends

| | <u>2022</u> \$'000 | <u>2021</u> \$'000 |
|---|-----------------------|-----------------------|
| Interim dividends \$0.02 (2021: \$Nil) per stock unit | <u>48,449</u> | <u>-</u> |

12. Earnings per ordinary stock unit

Basic earnings per 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.

| | <u>2022</u> | <u>2021</u> |
|---|------------------|------------------|
| Net profit attributable to stockholders \$'000 | <u>341,691</u> | <u>170,658</u> |
| Weighted average number of ordinary stock units in issue ('000) | <u>2,397,683</u> | <u>2,397,683</u> |
| Basic earnings per ordinary stock unit | <u>0.14</u> | <u>0.07</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

13. Property, plant and equipment

| | The Group | | | | | | | | |
|---------------------------------------|-----------------------------------|--|---|---|------------------------------------|-------------------------|--|--------------------------------------|------------------------|
| | Freehold <u>land</u> \$'000 | Freehold <u>buildings</u> \$'000 | Improvements to leasehold <u>property</u> \$'000 | Furniture fixtures & <u>equipment</u> \$'000 | Motor <u>vehicles</u> \$'000 | <u>Spares</u> \$'000 | Leased operating <u>assets</u> \$'000 | Work in <u>progress</u> \$'000 | <u>Total</u> \$'000 |
| Cost: | | | | | | | | | |
| March 31, 2020 | 17,231 | 393,245 | 134,580 | 2,625,326 | 209,265 | 27,934 | 35,178 | 62,553 | 3,505,312 |
| Additions | - | 54 | 997 | 32,653 | 25,641 | 222 | - | 33,805 | 93,372 |
| Disposals | - | - | - | (342) | (7,186) | - | - | (4,940) | (12,468) |
| Utilisation | - | - | - | - | - | (430) | - | - | (430) |
| Transfers | - | <u>3,161</u> | - | <u>9,654</u> | <u>3,263</u> | - | (<u>3,411</u>) | (<u>14,639</u>) | (<u>1,972</u>) |
| March 31, 2021 | 17,231 | 396,460 | 135,577 | 2,667,291 | 230,983 | 27,726 | 31,767 | 76,779 | 3,583,814 |
| Additions | - | 392 | 13,464 | 257,201 | 68,677 | 108 | - | 532,328 | 872,170 |
| Disposals | - | (3,764) | - | (72,167) | (25,015) | (294) | (6,820) | - | (108,060) |
| Transfers/adjustments | - | <u>2,702</u> | - | <u>46,170</u> | - | - | - | (<u>48,872</u>) | - |
| March 31, 2022 | <u>17,231</u> | <u>395,790</u> | <u>149,041</u> | <u>2,898,495</u> | <u>274,645</u> | <u>27,540</u> | <u>24,947</u> | <u>560,235</u> | <u>4,347,924</u> |
| Depreciation: | | | | | | | | | |
| March 31, 2020 | - | 149,634 | 30,878 | 1,696,795 | 136,037 | 15,333 | 12,304 | - | 2,040,981 |
| Charge for the year | - | 27,422 | 9,412 | 130,042 | 22,106 | 3,966 | 8,487 | - | 201,435 |
| Relieved on disposals/ utilisation | - | - | - | - | <u>2,426</u> | (<u>189</u>) | (<u>1,364</u>) | - | <u>873</u> |
| March 31, 2021 | - | 177,056 | 40,290 | 1,826,837 | 160,569 | 19,110 | 19,427 | - | 2,243,289 |
| Charge for the year | - | 9,267 | 11,620 | 134,591 | 35,165 | 4,395 | 6,687 | - | 201,725 |
| Relieved on disposals/ utilisation | - | (<u>2,393</u>) | - | (<u>47,594</u>) | (<u>25,014</u>) | (<u>94</u>) | (<u>6,820</u>) | - | (<u>81,915</u>) |
| March 31, 2022 | - | <u>183,930</u> | <u>51,910</u> | <u>1,913,834</u> | <u>170,720</u> | <u>23,411</u> | <u>19,294</u> | - | <u>2,363,099</u> |
| Net book value: | | | | | | | | | |
| March 31, 2022 | <u>17,231</u> | <u>211,860</u> | <u>97,131</u> | <u>984,661</u> | <u>103,925</u> | <u>4,129</u> | <u>5,653</u> | <u>560,235</u> | <u>1,984,825</u> |
| March 31, 2021 | <u>17,231</u> | <u>219,404</u> | <u>95,287</u> | <u>840,454</u> | <u>70,414</u> | <u>8,616</u> | <u>12,340</u> | <u>76,779</u> | <u>1,340,525</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

13. Property, plant and equipment (continued)

| | The Company | | | | | | |
|---------------------------------------|----------------------------|---------------------------------|--|-----------------------------|------------------|-------------------------------|------------------|
| | Freehold land \$'000 | Freehold buildings \$'000 | Furniture fixtures & equipment \$'000 | Motor vehicles \$'000 | Spares \$'000 | Work in progress \$'000 | Total \$'000 |
| Cost: | | | | | | | |
| March 31, 2020 | 5,516 | 316,912 | 447,527 | 17,894 | 8,897 | 30,982 | 827,728 |
| Additions | - | 54 | 9,675 | 8,420 | 222 | 25,958 | 44,329 |
| Disposals | - | - | (19) | (7,318) | - | (8,658) | (15,995) |
| Transfers | - | 3,160 | 6,840 | - | - | - | 10,000 |
| Utilisations | - | - | - | - | (322) | - | (322) |
| March 31, 2021 | 5,516 | 320,126 | 464,023 | 18,996 | 8,797 | 48,282 | 865,740 |
| Additions | - | 392 | 29,971 | 21,391 | 108 | 119,509 | 171,371 |
| Disposals | - | (3,754) | (2,971) | (1,668) | (294) | - | (8,687) |
| Transfers | - | 2,624 | - | - | - | (2,624) | - |
| March 31, 2022 | <u>5,516</u> | <u>319,388</u> | <u>491,023</u> | <u>38,719</u> | <u>8,611</u> | <u>165,167</u> | <u>1,028,424</u> |
| Depreciation: | | | | | | | |
| March 31, 2020 | - | 121,283 | 387,596 | 9,780 | 8,623 | - | 527,282 |
| Charge for the year | - | 7,736 | 19,157 | 2,402 | 94 | - | 29,389 |
| Relieved on disposals/ utilisation | - | - | - | (7,167) | (139) | - | (7,306) |
| March 31, 2021 | - | 129,019 | 406,753 | 5,015 | 8,578 | - | 549,365 |
| Charge for the year | - | 7,720 | 19,385 | 8,343 | 66 | - | 35,514 |
| Relieved on disposals/ utilisation | - | (2,315) | (449) | (1,668) | (85) | - | (4,517) |
| March 31, 2022 | - | <u>134,424</u> | <u>425,689</u> | <u>11,690</u> | <u>8,559</u> | - | <u>580,362</u> |
| Net book value: | | | | | | | |
| March 31, 2022 | <u>5,516</u> | <u>184,964</u> | <u>65,334</u> | <u>27,029</u> | <u>52</u> | <u>165,167</u> | <u>448,062</u> |
| March 31, 2021 | <u>5,516</u> | <u>191,107</u> | <u>57,270</u> | <u>13,981</u> | <u>219</u> | <u>48,282</u> | <u>316,375</u> |

14. Investment properties

| | The Group | |
|---------------------------------------|---------------|---------------|
| | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 |
| Cost at the beginning and end of year | <u>93,000</u> | <u>93,000</u> |
| Depreciation: | | |
| At the beginning of year | 10,740 | 9,398 |
| Charge for the year | <u>1,342</u> | <u>1,342</u> |
| At end of year | <u>12,082</u> | <u>10,740</u> |
| Carrying value | <u>80,918</u> | <u>82,260</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

14. Investment properties (continued)

During the year, investment properties generated income and incurred expenses as follows:

| | <u>The Group</u> | |
|---|------------------|---------------|
| | <u>2022</u> | <u>2021</u> |
| | <u>\$'000</u> | <u>\$'000</u> |
| Income earned from investment properties | <u>5,522</u> | <u>4,261</u> |
| Expense incurred on the investment properties | <u>-</u> | <u>-</u> |

This represents the cost of a property owned by the Group and is being held for investment purposes and therefore classified as investment properties. As at the reporting date, the Directors estimate the fair value of the property to be approximately \$110,000,000 (2021: \$110,000,000) and has been categorised as Level 3 in the fair value hierarchy. The Directors' estimate as at March 31, 2022 was informed by a formal valuation conducted by an independent property appraiser as at May 12, 2020, using the sales comparison approach. This approach compares the property valued with recent sales of comparable properties adjusted for specific circumstances.

Future lease income expected to be received under a five-year lease term commencing in June 2019, within one year from the reporting date is US\$36,315 (2021: US\$36,315). The next rate increase is in discussion.

15. Intangible assets

| | <u>The Group</u> | | | | | | <u>The Company</u> |
|---------------------|------------------|----------------------------|----------------|----------------|--------------------------|------------------|--------------------------|
| | <u>Goodwill</u> | <u>Broadcasting rights</u> | <u>Brand</u> | <u>Leases</u> | <u>Computer software</u> | <u>Total</u> | <u>Computer Software</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Cost: | | | | | | | |
| March 31, 2020 | 75,002 | 263,949 | 221,100 | 141,800 | 227,237 | 929,088 | 15,955 |
| Additions | - | - | - | - | 82,559 | 82,559 | - |
| March 31, 2021 | 75,002 | 263,949 | 221,100 | 141,800 | 309,796 | 1,011,647 | 15,955 |
| Additions | - | - | - | - | 120,456 | 120,456 | - |
| March 31, 2022 | <u>75,002</u> | <u>263,949</u> | <u>221,100</u> | <u>141,800</u> | <u>430,252</u> | <u>1,132,103</u> | <u>15,955</u> |
| Amortisation: | | | | | | | |
| March 31, 2020 | - | 263,949 | 58,960 | 37,812 | 132,951 | 493,672 | 10,555 |
| Amortisation charge | - | - | 24,192 | 8,733 | 62,799 | 95,724 | 2,234 |
| March 31, 2021 | - | 263,949 | 83,152 | 46,545 | 195,750 | 589,396 | 12,789 |
| Amortisation charge | - | - | 14,740 | 9,453 | 65,862 | 90,055 | 2,234 |
| March 31, 2022 | <u>-</u> | <u>263,949</u> | <u>97,892</u> | <u>55,998</u> | <u>261,612</u> | <u>679,451</u> | <u>15,023</u> |
| Net book value: | | | | | | | |
| March 31, 2022 | <u>75,002</u> | <u>-</u> | <u>123,208</u> | <u>85,802</u> | <u>168,640</u> | <u>452,652</u> | <u>932</u> |
| March 31, 2021 | <u>75,002</u> | <u>-</u> | <u>137,948</u> | <u>95,255</u> | <u>114,046</u> | <u>422,251</u> | <u>3,166</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

15. Intangible assets (continued)

Broadcast rights

The Company acquired exclusive rights to broadcast FIFA events for the period 2016 to 2022.

Brand/Leases:

These arose on the acquisition of GCML and represents the Gleaner brand as well as rental of properties at rental rates below market value for a period of 15 years, from 1834 Investments Limited, a company considered related by means of common directors.

Goodwill:

This arose on the acquisition of GCML and is attributable to the years of creation and maintenance of internal and external business relationships, operational contracts, operating systems and general business operations. Goodwill is allocated to the print and other segment.

Impairment tests for goodwill:

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount is usually determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows

The amortisation of intangible assets is included in administration expenses in profit or loss.

The recoverable amount of a CGU is determined based on value in use. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. The impairment testing indicated that there was no significant risk of impairment.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|---------------|--------------------|--------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Amounts recognised in the Statement of financial position: | | | | |
| Pension schemes | 91,906 | 148,766 | 91,906 | 148,766 |
| Other retirement benefits | (250,224) | (209,816) | (77,503) | (69,947) |
| Amounts recognised in profit or loss: | | | | |
| Pension schemes | 48,285 | 57,771 | 28,020 | 34,282 |
| Other retirement benefits | 14,006 | 18,164 | 9,125 | 7,623 |
| Amounts recognised in other comprehensive income: | | | | |
| Pension schemes | 35,721 | (59,525) | 30,437 | (26,256) |
| Other retirement benefits | 275 | (10,441) | 235 | (4,066) |
| Deferred tax | (8,999) | <u>17,496</u> | (7,668) | <u>7,581</u> |

Pension schemes:

The Company operates a defined benefit pension scheme covering all permanent employees of Radio Jamaica Limited, Multi-Media Jamaica Limited and Television Jamaica Limited. The Trustees of the pension fund are required by law and the Trust deed 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. The scheme is funded at 15% of pensionable salaries, being 5% by members and 10% by the sponsoring entity. Members may contribute up to an additional 5%. The scheme is valued annually by independent actuaries using the projected unit credit method. The latest actuarial valuation, for accounting purposes, was done as at February 28, 2022, with the movement to March 31, 2022 deemed insignificant to the financial statements.

The Gleaner Company (Media) Limited and its subsidiaries including Independent Radio Company Limited operate a defined contribution pension fund for all permanent employees who satisfy certain minimum service requirements. The fund is managed and administered by JN Fund Managers Limited. Total contributions by the subsidiaries to this defined contribution scheme during the year aggregated \$17,599,000 (2021: \$17,284,000).

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Pension schemes (continued):

The amounts recognised in the statement of financial position, in respect of the defined benefit scheme, were determined as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|----------------|--------------------|----------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Fair value of plan assets | 1,678,790 | 1,518,131 | 1,232,130 | 1,137,813 |
| Present value of funded obligation | (1,586,884) | (1,369,365) | (1,140,224) | (989,047) |
| Asset in the statement of financial position | <u>91,906</u> | <u>148,766</u> | <u>91,906</u> | <u>148,766</u> |

The movement in the present value of the funded obligation was as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|-------------------|--------------------|-------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at start of year | 1,369,365 | 1,416,604 | 989,047 | 1,025,157 |
| Current service cost | 51,711 | 56,611 | 34,222 | 37,325 |
| Interest cost | <u>122,327</u> | <u>92,352</u> | <u>82,591</u> | <u>66,650</u> |
| | 1,543,403 | 1,565,567 | 1,105,860 | 1,129,132 |
| Remeasurements: | | | | |
| Experience (gains)/losses | (15,872) | (673) | (5,814) | 5,960 |
| Losses/(gains) from change in financial assumptions | <u>39,029</u> | <u>(196,939)</u> | <u>27,107</u> | <u>(137,150)</u> |
| | <u>1,566,560</u> | <u>1,367,955</u> | <u>1,127,153</u> | <u>997,942</u> |
| Employee contributions | 63,410 | 41,335 | 41,790 | 25,895 |
| Benefits paid | (43,086) | (39,925) | (28,719) | (34,790) |
| | <u>1,586,884</u> | <u>1,369,365</u> | <u>1,140,224</u> | <u>989,047</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Pension schemes (continued):

The movement in the fair value of plan assets was as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--------------------------------|------------------|------------------|--------------------|------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at start of year | 1,518,131 | 1,549,090 | 1,137,813 | 1,180,647 |
| Employee contributions | 96,378 | 53,805 | 41,790 | 25,895 |
| Employer contributions | 2,478 | 2,058 | 1,597 | 1,302 |
| Interest income on plan assets | 127,682 | 100,765 | 96,143 | 76,608 |
| Benefits paid | (43,086) | (39,925) | (28,719) | (34,790) |
| Administrative fees | (10,229) | (9,573) | (7,350) | (6,915) |
| Remeasurements of plan assets | (12,564) | (138,089) | (9,144) | (104,934) |
| Balance at end of year | <u>1,678,790</u> | <u>1,518,131</u> | <u>1,232,130</u> | <u>1,137,813</u> |

The amounts recognised in arriving at profit or loss were determined as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|---------------|--------------------|---------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current service cost | 51,711 | 56,611 | 34,222 | 37,325 |
| Interest cost | 122,327 | 92,352 | 82,591 | 66,650 |
| Interest income on plan assets | (127,682) | (100,765) | (96,143) | (76,608) |
| Administrative fees | <u>10,229</u> | <u>9,573</u> | <u>7,350</u> | <u>6,915</u> |
| Total included in staff costs (Note 7) | <u>56,585</u> | <u>57,771</u> | <u>28,020</u> | <u>34,282</u> |

The amounts recognised in other comprehensive income were determined as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|------------------|--------------------|------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Remeasurements of the defined benefit obligation | 23,157 | (197,614) | 21,293 | (131,190) |
| Remeasurements of the plan assets | <u>12,564</u> | <u>138,089</u> | <u>9,144</u> | <u>104,934</u> |
| Total | <u>35,721</u> | <u>(59,525)</u> | <u>30,437</u> | <u>(26,256)</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Pension schemes (continued):

The distribution of plan assets attributable to the defined benefit scheme, was as follows:

| | <u>The Group & Company</u> | |
|----------------------------------|--------------------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| | % | % |
| Equities | 46 | 47 |
| Government of Jamaica securities | 31 | 23 |
| Certificate of deposits | 2 | 1 |
| US\$ Investments | 1 | 2 |
| Corporate bonds | 15 | 21 |
| Other | <u>5</u> | <u>6</u> |
| | <u>100</u> | <u>100</u> |

Expected employer contributions to the defined benefit plan for the year ending March 31, 2023, amount to \$2,627,000 for the Group and \$1,692,000 for the Company.

Principal actuarial assumptions used in valuing retirement benefits:

| | <u>The Group & Company</u> | |
|-----------------------------------|--|---|
| | <u>2022</u> | <u>2021</u> |
| | Increase assumption <u>by one year</u> | Decrease in assumption <u>by one year</u> |
| Discount rate | 8.0% | 8.5% |
| Inflation rate | 5.0% | 5.5% |
| Future salary increases | 6.0% | 6.5% |
| Future pension increases | 3.25% | 3.5% |
| Long-term increase in health cost | 6.5% | 7.5% |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Pension schemes (continued):

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

| | The Group | | |
|-------------------------|--|-------------------------------|-------------------------------|
| | 2022 | | |
| | <u>Impact on post employment obligations</u> | | |
| | <u>Change in assumption</u> | <u>Increase in assumption</u> | <u>Decrease in assumption</u> |
| | | \$'000 | \$'000 |
| Discount rate | 1% | (188,291) | 239,645 |
| Future salary increases | 1% | 63,450 | (57,078) |
| Pension increases | <u>1%</u> | <u>153,801</u> | <u>(128,480)</u> |

| | The Group | | |
|-------------------------|--|-------------------------------|-------------------------------|
| | 2021 | | |
| | <u>Impact on post employment obligations</u> | | |
| | <u>Change in assumption</u> | <u>Increase in assumption</u> | <u>Decrease in assumption</u> |
| | | \$'000 | \$'000 |
| Discount rate | 1% | (159,931) | 203,732 |
| Future salary increases | 1% | 54,680 | (49,121) |
| Pension increases | <u>1%</u> | <u>130,306</u> | <u>(108,492)</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Pension schemes (continued):

The sensitivity of the defined benefit obligation to changes in the principal assumptions is (continued):

| | <u>The Company</u> | | |
|-------------------------|--|--------------------|--------------------|
| | <u>2022</u> | | |
| | <u>Impact on post employment obligations</u> | | |
| | <u>Change in</u> | <u>Increase in</u> | <u>Decrease in</u> |
| | <u>assumption</u> | <u>assumption</u> | <u>assumption</u> |
| | | <u>\$'000</u> | <u>\$'000</u> |
| Discount rate | 1% | (129,217) | 163,079 |
| Future salary increases | 1% | 42,045 | (38,020) |
| Pension increases | <u>1%</u> | <u>105,605</u> | <u>(88,852)</u> |

| | <u>The Company</u> | | |
|-------------------------|--|--------------------|--------------------|
| | <u>2021</u> | | |
| | <u>Impact on post employment obligations</u> | | |
| | <u>Change in</u> | <u>Increase in</u> | <u>Decrease in</u> |
| | <u>assumption</u> | <u>assumption</u> | <u>assumption</u> |
| | | <u>\$'000</u> | <u>\$'000</u> |
| Discount rate | 1% | (110,099) | 138,836 |
| Future salary increases | 1% | 36,023 | (32,598) |
| Pension increases | <u>1%</u> | <u>89,944</u> | <u>(75,533)</u> |

| | | <u>The Group</u> | |
|-----------------|------|--------------------|--------------------|
| | | <u>Increase</u> | <u>Decrease in</u> |
| | | <u>assumption</u> | <u>assumption</u> |
| | | <u>by one year</u> | <u>by one year</u> |
| | | <u>\$'000</u> | <u>\$'000</u> |
| Life expectancy | 2022 | <u>38,200</u> | <u>(38,600)</u> |
| Life expectancy | 2021 | <u>35,300</u> | <u>(36,100)</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Pension schemes (continued):

The sensitivity of the defined benefit obligation to changes in the principal assumptions is (continued):

| | | <u>The Company</u> | |
|-----------------|------|---|--|
| | | <u>Increase assumption by one year \$'000</u> | <u>Decrease in assumption by one year \$'000</u> |
| Life expectancy | 2022 | <u>28,900</u> | <u>(29,200)</u> |
| Life expectancy | 2021 | <u>26,800</u> | <u>(27,400)</u> |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

Other retirement benefits:

In addition to pension benefits, the Group offers retiree medical and life insurance benefits that contribute to the health care and life insurance coverage of employees after retirement. The method of accounting and frequency of valuations are similar to those used for defined benefit pension schemes.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Other retirement benefits (continued):

The movement in the present value of unfunded obligations was as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|-------------------|--------------------|------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at start of year | 209,816 | 198,229 | 69,947 | 68,123 |
| Current service cost | 24,613 | 5,537 | 3,256 | 3,252 |
| Interest cost | <u>17,078</u> | <u>12,627</u> | <u>5,870</u> | <u>4,371</u> |
| | 251,507 | 216,393 | 79,073 | 75,746 |
| Remeasurements: | | | | |
| Experience losses/(gains) | 2,389 | (9,692) | 761 | (407) |
| Gains on settlement | - | (1,800) | - | - |
| Gains from change in demographic assumptions | (2,067) | (5,937) | (739) | (3,086) |
| (Gains)/losses from change in financial assumptions | (<u>47</u>) | <u>6,988</u> | <u>213</u> | (<u>573</u>) |
| | <u>275</u> | (<u>10,441</u>) | <u>235</u> | (<u>4,066</u>) |
| Benefits paid | (<u>1,558</u>) | <u>3,864</u> | (<u>1,805</u>) | (<u>1,733</u>) |
| Balance at end of year | <u>250,224</u> | <u>209,816</u> | <u>77,503</u> | <u>69,947</u> |

The amounts recognised in arriving at net profit or loss were as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|---------------|--------------------|--------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current service cost | 5,126 | 5,537 | 3,256 | 3,252 |
| Interest service cost | <u>8,880</u> | <u>12,627</u> | <u>5,869</u> | <u>4,371</u> |
| Total included in staff costs (Note 7) | <u>14,006</u> | <u>18,164</u> | <u>9,125</u> | <u>7,623</u> |

The amounts recognised in other comprehensive income were determined as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|-------------------|--------------------|------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Remeasurements of the defined benefit obligation | <u>275</u> | (<u>10,441</u>) | <u>235</u> | (<u>4,066</u>) |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Other retirement benefits (continued):

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

| | The Group | | |
|-----------------------|--|---|---|
| | 2022 | | |
| | <u>Impact on post-employment obligations</u> | | |
| | <u>Change in assumption</u> | <u>Increase in assumption</u> \$'000 | <u>Decrease in assumption</u> \$'000 |
| Discount rate | 0.5-1% | (95,345) | 108,544 |
| Health inflation rate | 0.5-1% | <u>(69,466)</u> | <u>63,867</u> |
| | | | |
| | The Group | | |
| | 2021 | | |
| | <u>Impact on post employment obligations</u> | | |
| | <u>Change in assumption</u> | <u>Increase in assumption</u> \$'000 | <u>Decrease in assumption</u> \$'000 |
| Discount rate | 0.5-1% | (100,731) | 114,304 |
| Health inflation rate | 0.5-1% | <u>114,478</u> | <u>(101,080)</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Other retirement benefits (continued):

The sensitivity of the defined benefit obligation to changes in the principal assumptions is
(continued):

| | <u>The Company</u> | | |
|-----------------------|--|--------------------|--------------------|
| | <u>2022</u> | | |
| | <u>Impact on post-employment obligations</u> | | |
| | <u>Change in</u> | <u>Increase in</u> | <u>Decrease in</u> |
| | <u>assumption</u> | <u>assumption</u> | <u>assumption</u> |
| | | \$'000 | \$'000 |
| Discount rate | 1% | (10,016) | 12,492 |
| Health inflation rate | <u>1%</u> | <u>12,616</u> | <u>(10,268)</u> |

| | <u>The Company</u> | | |
|-----------------------|--|--------------------|--------------------|
| | <u>2021</u> | | |
| | <u>Impact on post-employment obligations</u> | | |
| | <u>Change in</u> | <u>Increase in</u> | <u>Decrease in</u> |
| | <u>assumption</u> | <u>assumption</u> | <u>assumption</u> |
| | | \$'000 | \$'000 |
| Discount rate | 1% | (8,947) | 11,136 |
| Health inflation rate | <u>1%</u> | <u>11,251</u> | <u>(9,173)</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Other retirement benefits (continued):

The sensitivity of the defined benefit obligation to changes in the principal assumptions is
(continued):

| | | <u>The Group</u> | |
|-----------------|------|--|---|
| | | Increase assumption <u>by one year</u> \$'000 | Decrease in assumption <u>by one year</u> \$'000 |
| Life expectancy | 2022 | <u>91,511</u> | <u>(84,383)</u> |
| Life expectancy | 2021 | <u>99,111</u> | <u>(84,178)</u> |

| | | <u>The Company</u> | |
|-----------------|------|--|---|
| | | Increase assumption <u>by one year</u> \$'000 | Decrease in assumption <u>by one year</u> \$'000 |
| Life expectancy | 2022 | <u>2,335</u> | <u>(2,312)</u> |
| Life expectancy | 2021 | <u>2,260</u> | <u>(2,260)</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Risks associated with pension plans and post-employment plans

Through its defined benefit pension plan and post-employment medical plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The Government bonds represent investments in Government of Jamaica securities.

The Group believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to manage the plan efficiently. See below for more details on the Group's asset-liability matching strategy.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities. The majority of the plan's assets are either unaffected by fixed interest bonds meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

Asset-liability matching framework

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension scheme. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Group has not changed the processes used to manage its risks from previous periods. The Group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2022 consists of bonds and equities.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

16. Retirement benefits (continued)

Risks associated with pension plans and post-employment plans (continued)

Funding levels are monitored on an annual basis and the current agreed contribution rate is 10% of pensionable salaries. The next triennial valuation is due to be completed as at December 31, 2022. The Group considers the contribution rates set at the last valuation date to be sufficient to prevent a deficit and that regular contributions, which are based on service costs, will not increase significantly.

17. Deferred taxation

The movement in the deferred tax liabilities and assets (prior to appropriate offsetting of balances) during the year is as follows:

| | Group | | | | | |
|------------------------------------|----------|-------------------------|---|----------|-------------------------|---|
| | 2020 | Recognised in income | Recognised in other comprehensive income | 2021 | Recognised in income | Recognised in other comprehensive income |
| | \$'000 | \$'000 (note 9) | \$'000 (note 9) | \$'000 | \$'000 (note 9) | \$'000 (note 9) |
| Deferred tax assets: | | | | | | |
| Accelerated tax depreciation | 11,398 | 6,969 | - | 18,367 | 9,922 | - |
| Retirement benefits | 54,128 | 261 | (1,598) | 52,791 | 11,906 | (2,850) |
| Accrued vacation | 39,206 | 2,395 | - | 41,601 | 3,318 | - |
| Unrealised foreign exchange losses | - | - | - | - | 306 | - |
| Tax losses | 36,603 | 48,006 | - | 84,609 | (29,148) | - |
| Others | 57,264 | (22,134) | - | 35,130 | (83,062) | - |
| Total deferred tax assets | 198,599 | 35,497 | (1,598) | 232,498 | (86,758) | (2,850) |
| Deferred tax liabilities: | | | | | | |
| Accelerated tax depreciation | 52,014 | 8,460 | - | 60,474 | - | - |
| Retirement benefits | 42,348 | (14,946) | 15,898 | 43,300 | (900) | (11,849) |
| Unrealised foreign exchange gains | 5,223 | (4,617) | - | 606 | - | - |
| Intangible assets | 94,977 | - | - | 94,977 | - | - |
| Interest receivable | (2,186) | (26) | - | (2,212) | 330 | - |
| Others | - | 8,767 | - | 8,767 | (98,974) | - |
| Total deferred tax liabilities | 192,376 | (2,362) | 15,898 | 205,912 | (99,544) | (11,849) |
| Net deferred tax assets | 6,223 | 37,859 | (17,496) | 26,586 | 12,786 | 8,999 |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

17. Deferred taxation (continued)

| | Company | | | | | |
|------------------------------------|----------------|--|---|----------------|--|---|
| | 2020 \$'000 | Recognised in income \$'000 (note 9) | Recognised in other comprehensive income \$'000 (note 9) | 2021 \$'000 | Recognised in income \$'000 (note 9) | Recognised in other comprehensive income \$'000 (note 9) |
| Deferred tax assets: | | | | | | |
| Accelerated tax depreciation | - | 1,698 | - | 1,698 | 421 | - |
| Retirement benefit obligation | 17,031 | 456 | - | 17,487 | 1,889 | - |
| Accrued vacation | 4,917 | 1,480 | - | 6,397 | 1,701 | - |
| Unrealised foreign exchange losses | - | 185 | - | 185 | (403) | - |
| Tax losses | 39,623 | (8,727) | - | 30,896 | (6,486) | - |
| Other | 8,422 | (8,232) | - | 190 | 5,227 | - |
| Total deferred tax assets | 69,993 | (13,140) | - | 56,853 | 2,349 | - |
| Deferred tax liabilities: | | | | | | |
| Accelerated tax depreciation | 145 | (145) | - | - | - | - |
| Retirement benefit assets | 38,872 | (9,261) | 7,581 | 37,192 | (6,547) | (7,668) |
| Unrealised foreign exchange gains | 4,456 | (4,456) | - | - | - | - |
| Interest receivable | 1,426 | (26) | - | 1,400 | 330 | - |
| Total deferred tax liabilities | 44,899 | (13,888) | 7,581 | 38,592 | (6,217) | (7,668) |
| Net deferred tax assets | 25,094 | 748 | (7,581) | 18,261 | 8,566 | 7,668 |

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. Subject to agreement with the Taxpayer Audit and Assessment Department, tax losses available for offset against future taxable profits amounted to \$393,891,000 (2021: \$415,883,000) for the Group and \$97,640,000 (2021: \$123,584,000) for the Company, and these losses may be carried forward indefinitely. Deferred income tax assets have not been recognised for tax losses carried forward in respect of certain subsidiaries. These tax losses amounted to \$131,325,00 (2021: \$165,628,000).

18. Investment in subsidiaries

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Multi-Media Jamaica Limited | 50 | 50 |
| Television Jamaica Limited | 20,002 | 20,002 |
| The Gleaner Company (Media) Limited | 1,392,930 | 1,392,930 |
| Media Plus Limited: | | |
| Reggae Entertainment Television Limited | 174,930 | 174,930 |
| Jamaica News Network Limited | 236,942 | 236,942 |
| | 1,824,854 | 1,824,854 |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

19. Investment securities

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|---------------|--------------------|---------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value through profit or loss (FVTPL): | | | | |
| One Caribbean Media Limited, quoted | 4,565 | 5,085 | 4,565 | 5,085 |
| Other | 19,696 | 9,646 | 19,495 | 9,445 |
| At fair value through other comprehensive Income (FVOCI): | | | | |
| Caribbean News Agency, unquoted | <u>7</u> | <u>7</u> | <u>7</u> | <u>7</u> |
| | <u>24,268</u> | <u>14,738</u> | <u>24,067</u> | <u>14,537</u> |

20. Inventories

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|----------------|--------------------|--------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Spares | 1,646 | 1,908 | 1,394 | 1,324 |
| Film | 16,333 | 26,358 | - | - |
| Newsprint | 49,966 | 27,929 | - | - |
| Goods in transit | 4,887 | 38,242 | - | 589 |
| Books, stationery and general supplies | 31,878 | 37,298 | 2,579 | 2,591 |
| Consumable stores | 11,272 | 6,519 | - | - |
| Other | <u>2,512</u> | <u>3,917</u> | <u>432</u> | <u>338</u> |
| | <u>118,494</u> | <u>142,171</u> | <u>4,405</u> | <u>4,842</u> |

Inventories expensed to direct production expenses during the year amounted to \$232,111,000 (2021: \$213,377,000) for the Group.

21. Due from/to subsidiaries

Due from subsidiaries:

| | <u>2022</u> | <u>2021</u> |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Multi-Media Jamaica Limited | 27,677 | 94,214 |
| Media Plus Limited | 134,390 | 70,849 |
| The Gleaner Company (USA) Limited | 35,138 | 23,539 |
| The Gleaner Company (Media) Limited | 244,179 | 182,819 |
| Reggae Entertainment Television Limited | - | 96,298 |
| Jamaica News Network Limited | <u>910</u> | <u>183,750</u> |
| | <u>442,294</u> | <u>651,469</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

21. Due from/to subsidiaries (continued)

The above balances are unsecured, interest-free and repayable on demand.

Due to subsidiaries:

| | <u>2022</u> \$'000 | <u>2021</u> \$'000 |
|---|-----------------------|-----------------------|
| Reggae entertainment Television Limited | 356 | - |
| Television Jamaica Limited | 209,149 | 557,108 |
| Independent Radio Company Limited | <u>90,414</u> | <u>41,305</u> |
| | <u>299,919</u> | <u>598,413</u> |

The above balances are unsecured, interest-free and repayable on demand.

22. Related party transactions

(a) Sale of services

The Company did not have any sale of services to its subsidiaries.

(b) Purchase of services

| | <u>2022</u> \$'000 | <u>2021</u> \$'000 |
|----------------|-----------------------|-----------------------|
| Purchases | 46,136 | 45,052 |
| Rental expense | <u>175</u> | <u>2,100</u> |
| | <u>46,311</u> | <u>47,152</u> |

(c) Income from subsidiaries

| | <u>2022</u> \$'000 | <u>2021</u> \$'000 |
|--------------|-----------------------|-----------------------|
| Rental | 16,083 | 16,280 |
| Lease income | <u>1,620</u> | <u>1,669</u> |
| | <u>17,703</u> | <u>17,949</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

22. Related party transactions (continued)

(d) Key management compensation for the Group was as follows:

| | <u>The Group & Company</u> | |
|--------------------------|--------------------------------|---------------|
| | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 |
| Wages and salaries | 75,670 | 74,898 |
| Statutory contributions | 4,450 | 4,446 |
| Post-employment benefits | <u>8,816</u> | <u>7,427</u> |
| | <u>88,936</u> | <u>86,771</u> |

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|---------------|--------------------|---------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Directors' emoluments: | | | | |
| Fees | 10,712 | 8,862 | 9,505 | 7,906 |
| Management remuneration (included in staff costs) | <u>47,301</u> | <u>50,783</u> | <u>47,301</u> | <u>50,783</u> |

23. Receivables

| | <u>The Group</u> | | <u>The Company</u> | |
|--|--------------------|--------------------|--------------------|-------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade receivables | 1,365,396 | 1,431,375 | 225,151 | 176,074 |
| Prepayments | 72,808 | 68,625 | 28,627 | 27,279 |
| Others | <u>147,368</u> | <u>104,723</u> | <u>45,591</u> | <u>27,168</u> |
| | 1,585,572 | 1,604,723 | 299,369 | 230,521 |
| Less: Loss allowance for impairment [note 31(a)(i)] | (<u>403,232</u>) | (<u>395,231</u>) | (<u>78,484</u>) | (<u>54,891</u>) |
| | <u>1,182,340</u> | <u>1,209,492</u> | <u>220,885</u> | <u>175,630</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

24. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------|------------------|----------------|--------------------|----------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash and cash equivalents (a) | 546,282 | 607,637 | 231,946 | 413,289 |
| Short-term investments (b) | <u>204,589</u> | <u>117,668</u> | <u>204,589</u> | <u>52,897</u> |
| | <u>750,871</u> | <u>725,305</u> | <u>436,535</u> | <u>466,186</u> |

(a) Cash comprises amounts held in current accounts, which currently attract interest at a rate of 0.25% - 0.40% per annum.

(b) Short term investments comprise securities purchased under resale agreements and are classified as financial assets at fair value through profit or loss.

The weighted average effective interest rate on these instruments was as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|----------------|------------------|-------------|--------------------|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | % | % | % | % |
| Jamaica dollar | <u>2.00</u> | <u>2.00</u> | <u>2.00</u> | <u>2.00</u> |

The fair value of the underlying securities approximates cost.

(c) The Group has unsecured bank overdraft facilities. The effective interest rate on account overdrafts is 17.75%.

25. Share Capital

Authorised:

50,000 (2021: 50,000) 5% Cumulative participating preference shares

3,633,731,481 (2021: 3,633,731,481) Ordinary shares

| | <u>2022</u> | <u>2021</u> |
|--|------------------|------------------|
| | \$'000 | \$'000 |
| Issued and fully paid: | | |
| 2,422,487,654 (2021: 2,422,487,654) Ordinary shares of no par value, issued as stock units | 2,046,117 | 2,046,117 |
| 24,804,577 Treasury shares (2021: 24,804,577) Ordinary shares of no par value | (5,039) | (5,039) |
| | <u>2,041,078</u> | <u>2,041,078</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

25. Share Capital (continued)

The treasury shares are held pursuant to the RJR Employee Share Scheme.

At the general meeting of the stockholders held on October 28, 2020, the following resolutions were passed:

- That the authorised number of ordinary shares be increased from 2,422,487,654 to 3,633,731,481; and
- That, subject to approval by the Minister of Education, Youth and Information (the Minister), the maximum percentage of ordinary shares which one person may hold in the Company be increased from 10% to 21% of issued shares.

On March 11, 2021, the Minister signified approval of the appropriate amendments in the company's primary operating licences to give effect to the above resolution.

26. Long-term loans & leases

Long-term loans

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|------------------|--------------------|------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Sagicor Bank Jamaica Limited Loan 1 | - | 313,333 | - | 313,333 |
| (b) Sagicor Bank Jamaica Limited Loan 2 | - | 20,860 | - | 20,860 |
| (c) Jamaica Money Market Brokers | - | 47,103 | - | - |
| (d) First Global Bank Limited Loan 1 | 428,372 | 146,590 | 428,372 | 27,506 |
| (e) First Global Bank Limited Loan 2 | <u>150,000</u> | <u>-</u> | <u>150,000</u> | <u>-</u> |
| | 578,372 | 527,886 | 578,372 | 361,699 |
| Less: Current portion (Note 27) | <u>(169,655)</u> | <u>(28,126)</u> | <u>(169,655)</u> | <u>(29,342)</u> |
| | <u>408,717</u> | <u>499,760</u> | <u>408,717</u> | <u>332,357</u> |

- (a) This loan was repayable on a monthly basis, maturing September 2032, and attracted interest at 7%. It was secured by a first mortgage over commercial properties owned by the Company. This loan was fully settled during the year.
- (b) This loan was repayable on a monthly basis, maturing February 2023, and attracted interest at 7%. It was secured by a first mortgage over a commercial property owned by the Company. This loan was fully settled during the year.
- (c) The loan was repayable over 7 years, commencing February 2019, and attracted interest at 8.75%. This loan was fully settled during the year.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

26. Long-term loans & leases (continued)

Long-term loans (continued)

- (d) This loan is repayable on a monthly basis, maturing on July 19, 2036, and attracts interest at 6%. It is secured by a first mortgage over commercial properties owned by the Company.
- (e) This loan is repayable on a monthly basis, maturing in June 2022 and attracts interest at 5%. It is secured by a first mortgage over a commercial property owned by the Company.

Leases

- (a) Undiscounted cash flows of lease liabilities

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------------|------------------|-----------------|--------------------|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Less than one year | 9,166 | 12,094 | - | - |
| One to five years | <u>3,146</u> | <u>12,407</u> | <u>-</u> | <u>-</u> |
| | 12,312 | 24,501 | - | - |
| Future finance interest expense | <u>(803)</u> | <u>(1,800)</u> | <u>-</u> | <u>-</u> |
| Carrying value of lease obligations | <u>11,509</u> | <u>22,701</u> | <u>-</u> | <u>-</u> |

The minimum lease payments are as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------|------------------|---------------|--------------------|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current (Note 27) | 8,453 | 11,494 | - | - |
| Non-current | <u>3,056</u> | <u>11,207</u> | <u>-</u> | <u>-</u> |
| | <u>11,509</u> | <u>22,701</u> | <u>-</u> | <u>-</u> |

- (b) Amounts recognised in profit or loss

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------------|------------------|--------------|--------------------|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest on lease liabilities | 1,704 | 1,891 | - | - |
| Depreciation on right-of-use assets | <u>6,687</u> | <u>8,487</u> | <u>-</u> | <u>-</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

26. Long-term loans & leases (continued)

Leases (continued)

(c) Amounts recognised in the statement of cash flows

| | <u>The Group</u> | | <u>The Company</u> | |
|--------------------------------|------------------|---------------|--------------------|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Total cash outflows for leases | <u>11,192</u> | <u>12,154</u> | <u>-</u> | <u>-</u> |

27. Payables

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|----------------|--------------------|----------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade | 605,535 | 368,010 | 109,317 | 71,241 |
| Accrued vacation leave | 32,898 | 26,209 | 32,393 | 25,586 |
| Other accruals | 411,632 | 346,950 | 48,146 | 35,105 |
| Current portion of leases (Note 26) | 8,453 | 11,494 | - | - |
| Current portion of long-term loans (Note 26) | 169,655 | 28,126 | 169,655 | 29,342 |
| Statutory deductions | 9,550 | 11,456 | - | - |
| Deferred revenue | 4,264 | 66,763 | - | 23,493 |
| General Consumption Tax payable | 42,702 | 48,936 | - | - |
| Others | <u>112,679</u> | <u>20,132</u> | <u>70,037</u> | <u>52,302</u> |
| | <u>1,397,368</u> | <u>928,076</u> | <u>429,548</u> | <u>237,069</u> |

28. Segment reporting

Management has determined the Group's operating segments based on the reports reviewed by the Company's Board of Directors that are used to make strategic decisions. The Group is organised and managed in three main business segments based on its business activities. Operating results for each segment are used to measure performance, as management deems that information to be the most relevant in evaluating segments relative to other entities that operate within these industries.

The designated segments are:

- (a) Audio visual, comprising the operations of the Group's free-to-air television station and its cable stations;
- (b) Audio, comprising the operations of the Group's radio stations; and
- (c) Print and other, comprising the operations of the Group's print and multi-media entities.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

28. Segment reporting (continued)

| | 2022 | | | | | |
|----------------------------------|---------------------------|-----------------|-----------------------------|---------------------|------------------------|-----------------|
| | Audio visual \$'000 | Audio \$'000 | Print & others \$'000 | Sub-total \$'000 | Eliminations \$'000 | Total \$'000 |
| Revenues | 2,695,492 | 832,563 | 2,306,276 | 5,834,331 | (123,173) | 5,711,158 |
| Operating profit | 392,856 | 44,583 | 55,699 | 493,138 | (24,192) | 468,946 |
| Assets | 2,860,189 | 3,907,542 | 1,504,456 | 8,272,187 | (3,278,500) | 4,993,687 |
| Liabilities | 1,432,554 | 1,471,304 | 841,771 | 3,745,629 | (1,541,876) | 2,203,753 |
| Capital expenditure | 680,530 | 176,811 | 135,285 | 992,626 | - | 992,626 |
| Depreciation and amortisation | 151,802 | 43,732 | 73,396 | 268,930 | 24,192 | 293,122 |
| Finance costs | (29,176) | (10,336) | (8,387) | (47,899) | - | (47,899) |

| | 2021 | | | | | |
|----------------------------------|---------------------------|-----------------|-----------------------------|---------------------|------------------------|-----------------|
| | Audio visual \$'000 | Audio \$'000 | Print & others \$'000 | Sub-total \$'000 | Eliminations \$'000 | Total \$'000 |
| Revenues | 2,358,227 | 723,033 | 2,255,763 | 5,337,023 | (144,631) | 5,192,392 |
| Operating profit | 478,807 | 95,414 | (266,506) | 307,715 | (24,193) | 283,522 |
| Assets | 2,720,721 | 3,831,307 | 1,536,543 | 8,088,571 | (3,610,249) | 4,478,322 |
| Liabilities | 1,547,276 | 1,340,567 | 959,381 | 3,847,224 | (1,899,317) | 1,947,907 |
| Capital expenditure | 39,546 | 45,714 | 90,671 | 175,931 | - | 175,931 |
| Depreciation and amortisation | 178,688 | 38,719 | 73,696 | 291,103 | - | 291,103 |
| Finance costs | (31,159) | (3,788) | (16,107) | (51,054) | - | (51,054) |

The Group's operations are primarily located in Jamaica. Its customers are also mainly resident in, and operate from, Jamaica. No customer individually represents 10% or more of the Group's revenues. Revenues from markets outside Jamaica are not significant.

29. Contingencies

The Company and its subsidiaries are subject to various claims, disputes and legal proceedings, in the normal course of business. Loss allowance is made for such matters when, in the opinion of management and its legal counsel, it is probable that a payment will be made by the Group, and the amount can be reasonably estimated. In respect of claims asserted against the Group which have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended or will result in exposure to the Group which is immaterial to both its financial position and results of operations.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

30. Investments in associates

| | <u>The Group</u> | |
|------------------------------|------------------|----------------|
| | <u>2022</u> | <u>2021</u> |
| | <u>\$'000</u> | <u>\$'000</u> |
| Associated companies: | | |
| Jamaica Holdings, LLC | | |
| Investment at cost | 75,334 | 53,658 |
| Advances | 8,061 | 22,362 |
| Share of net loss | (7,748) | (686) |
| | <u>75,647</u> | <u>75,334</u> |
| SiFi Studios Jamaica Limited | | |
| Investment at cost | 50,497 | 16,775 |
| Advances | 350 | 33,815 |
| Share of net loss | (4,537) | (93) |
| | <u>46,310</u> | <u>50,497</u> |
| | <u>121,957</u> | <u>125,831</u> |

The summarised information for associates that were accounted for using the equity method for the year ended March 31, 2022, is as presented in the tables below.

Summarised statement of financial position

| | <u>2022</u> | <u>2022</u> | | <u>2021</u> | 2021 | |
|---|----------------|-----------------|---------------|----------------|----------------|---------------|
| | <u>Jamaica</u> | <u>SiFi</u> | <u>2022</u> | <u>Jamaica</u> | <u>SiFi</u> | <u>2021</u> |
| | <u>Holding</u> | <u>Studios</u> | <u>Total</u> | <u>Holding</u> | <u>Studios</u> | <u>Total</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Current assets | 20,687 | 4,438 | 25,125 | 47,220 | 24,595 | 71,815 |
| Current liabilities | (18,073) | (8,310) | (26,383) | (30,058) | (2,907) | (32,965) |
| Net current assets/(liabilities) | 2,614 | (3,872) | (1,258) | 17,162 | 21,688 | 38,850 |
| Non-current assets | 120 | 1,021 | 1,141 | 114 | 1,100 | 1,214 |
| Net assets/(liabilities) (100%) | <u>2,734</u> | <u>(2,851)</u> | <u>(117)</u> | <u>17,276</u> | <u>22,788</u> | <u>40,064</u> |
| Percentage of ownership interest | 50% | 17.29% | | 50% | 17.29% | |
| Group's share of net assets/(liabilities) | <u>1,367</u> | <u>(493)</u> | <u>874</u> | <u>8,638</u> | <u>3,940</u> | <u>12,578</u> |

Summarised statement of comprehensive income

| | <u>2022</u> | <u>2022</u> | | <u>2021</u> | 2021 | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>Jamaica</u> | <u>SiFi</u> | <u>2022</u> | <u>Jamaica</u> | <u>SiFi</u> | <u>2021</u> |
| | <u>Holding</u> | <u>Studios</u> | <u>Total</u> | <u>Holding</u> | <u>Studios</u> | <u>Total</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Revenue | <u>266,889</u> | <u>15,780</u> | <u>282,669</u> | <u>106,156</u> | <u>152</u> | <u>106,308</u> |
| Loss from continuing operations (100%) | (15,496) | (26,241) | (41,737) | (1,372) | (538) | (1,910) |
| Percentage of ownership interest | 50% | 17.29% | | 50% | 17.29% | |
| Group's share of loss | (7,748) | (4,537) | (12,285) | (686) | (93) | (779) |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. There has been no change to the Group's exposure to financial risks or the manner in which it manages and measures the risks.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees/departments for managing and monitoring risks, as follows:

Department of Finance and Administration

The Department of Finance and Administration is responsible for managing the Group's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group. The department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The credit department is primarily responsible for managing the Group's credit risk. It evaluates monitors and manages credit risks through the close assessment of potential and present clients.

(a) Credit risk

Finance Compliance and Audit Committee

The Finance Compliance and Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

An important risk for the Group is credit risk. Other significant risks include liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is the most important financial risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Group's receivables from customers and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to industry segments.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management (continued)

(a) Credit risk (continued)

Credit review process

The Department of Finance and Administration has overall responsibility for the ongoing analysis of the ability of customers and other counterparties to meet repayment obligations.

(i) Trade and other receivables

Trade and other receivables relate mainly to the Group's direct customers and advertising agencies. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Department of Finance and Administration reviews monthly all material direct client accounts with balances over 90 days. The Department of Finance and Administration has established a credit policy under which each customer is analysed individually for creditworthiness prior to the Group offering them a credit facility. Credit limits are assigned to each customer and approval is required from the Credit Manager for all direct customer transactions. The Group has procedures in place to restrict customer orders if the order will exceed their credit limits. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

Customers' credit risks are monitored according to their credit characteristics, such as whether it is an individual or company, geographic location, industry, aging profile, and previous financial difficulties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The Group addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

The Group's average credit period for airing advertisements is 30 days for direct customers and 60 days for advertising agencies.

The Group has provided for most receivables over 90 days based on historical experience, which indicates that amounts past due beyond 90 days are generally not recoverable.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position without taking into account any collateral or any credit enhancements.

Trade receivables between 60 and 90 days are provided for based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management (continued)

(a) Credit risk (continued)

Credit review process (continued)

(i) Trade and other receivables (continued)

Trade receivables are primarily receivable from customers in Jamaica. The credit-exposure for trade receivables at their carrying amounts, as categorised by the customer sector, is as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------------|--------------------|--------------------|--------------------|-------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Advertising agencies | 1,064,749 | 1,399,745 | 168,474 | 162,927 |
| Direct customers | <u>300,647</u> | <u>31,630</u> | <u>56,677</u> | <u>13,147</u> |
| | 1,365,396 | 1,431,375 | 225,151 | 176,074 |
| Less: Loss allowance for impairment | (<u>403,232</u>) | (<u>375,295</u>) | (<u>78,484</u>) | (<u>34,660</u>) |
| | <u>962,164</u> | <u>1,056,080</u> | <u>146,667</u> | <u>141,414</u> |

Trade receivables loss allowance

The loss allowance as at March 31, 2022 and March 31, 2021 was determined as follows for trade receivables:

| | <u>2022</u> | | | |
|---|------------------|----------------|-----------------|------------------|
| | <u>The Group</u> | | | |
| | <u>Current</u> | <u>60-119</u> | <u>Over</u> | <u>Total</u> |
| | <u>\$'000</u> | <u>days</u> | <u>120 days</u> | <u>\$'000</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Expected loss rate | 8% | 29% | 78% | |
| Gross carrying amount trade receivables | <u>869,697</u> | <u>109,453</u> | <u>386,246</u> | <u>1,365,396</u> |
| Loss allowance | <u>70,958</u> | <u>31,231</u> | <u>301,043</u> | <u>403,232</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management (continued)

(a) Credit risk (continued)

Credit review process (continued)

(i) Trade and other receivables (continued)

Trade receivables loss allowance (continued)

| | 2021 | | |
|-----------------------|----------------|----------------|------------------|
| | The Group | | |
| | <u>Current</u> | <u>60-119</u> | <u>Over</u> |
| | <u>\$'000</u> | <u>days</u> | <u>120 days</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| | | | <u>Total</u> |
| | | | <u>\$'000</u> |
| Expected loss rate | 3% | 10% | 70% |
| Gross carrying amount | | | |
| trade receivables | <u>772,497</u> | <u>188,307</u> | <u>470,571</u> |
| | | | <u>1,431,375</u> |
| Loss allowance | <u>27,027</u> | <u>18,135</u> | <u>330,133</u> |
| | | | <u>375,295</u> |

| | 2022 | | |
|-----------------------|----------------|---------------|-----------------|
| | The Company | | |
| | <u>Current</u> | <u>60-119</u> | <u>Over</u> |
| | <u>\$'000</u> | <u>days</u> | <u>120 days</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| | | | <u>Total</u> |
| | | | <u>\$'000</u> |
| March 31, 2022: | | | |
| Expected loss rate | 3% | 67% | 87% |
| Gross carrying amount | | | |
| trade receivables | <u>131,755</u> | <u>30,628</u> | <u>62,768</u> |
| | | | <u>225,151</u> |
| Loss allowance | <u>3,312</u> | <u>20,396</u> | <u>54,776</u> |
| | | | <u>78,484</u> |

| | 2021 | | |
|-----------------------|----------------|---------------|-----------------|
| | The Company | | |
| | <u>Current</u> | <u>60-119</u> | <u>Over</u> |
| | <u>\$'000</u> | <u>days</u> | <u>120 days</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| | | | <u>Total</u> |
| | | | <u>\$'000</u> |
| March 31, 2021: | | | |
| Expected loss rate | 2% | 9% | 54% |
| Gross carrying amount | | | |
| trade receivables | <u>92,084</u> | <u>28,427</u> | <u>55,563</u> |
| | | | <u>176,074</u> |
| Loss allowance | <u>1,930</u> | <u>2,480</u> | <u>30,250</u> |
| | | | <u>34,660</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management (continued)

(a) Credit risk (continued)

(i) Trade and other receivables (continued)

The movement on the loss allowance for impairment was as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|----------------|--------------------|---------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| At beginning of year | 395,231 | 287,676 | 54,891 | 29,948 |
| Unused amounts reversed/ recovered | (38,500) | - | - | - |
| Loss allowance for receivables impairment | <u>46,501</u> | <u>107,555</u> | <u>23,593</u> | <u>24,943</u> |
| At end of year | <u>403,232</u> | <u>395,231</u> | <u>78,484</u> | <u>54,891</u> |

The loss allowance includes amounts relating to other receivables of \$Nil (2021: \$19,936,000) and \$Nil (2021: \$20,231,000) for the Group and the Company, respectively.

(ii) Cash, deposits and investments

The Group limits its exposure to credit risk by maintaining cash, deposits and monetary investments with counterparties that have high credit quality. Accordingly, management does not expect any counterparty to fail to meet its obligations. The Finance Compliance and Audit Committee performs quarterly reviews of the investments and securities held as part of their assessment of the Group's credit risk.

(iii) Receivables from group entities

The same principles as those for trade and other receivables were used to test the receivables from group entities for impairment. In addition, the ability of each subsidiary to repay was considered at the reporting date. No impairment was required.

(b) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management (continued)

(b) Liquidity risk (continued)

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Department of Finance and Administration, includes:

- (i) Monitoring future cash flows and liquidity on an ongoing basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required.
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining committed lines of credit; and
- (iv) Optimising cash returns on investment.

The maturity profile of long-term liabilities at year end based on contractually undiscounted payments was as follows:

| | 2022 | | | | |
|-------------------|----------------------------|---------------------------|---------------------------|------------------|------------------------------|
| | The Group | | | | |
| | Within 1 year \$'000 | 1 to 5 years \$'000 | Over 5 years \$'000 | Total \$'000 | Carrying amount \$'000 |
| Lease obligations | 9,166 | 3,146 | - | 12,312 | 11,509 |
| Long-term loans | 194,914 | 598,849 | - | 793,763 | 578,372 |
| Payables | <u>1,219,260</u> | <u>-</u> | <u>-</u> | <u>1,219,260</u> | <u>1,219,260</u> |
| | <u>1,423,340</u> | <u>601,995</u> | <u>-</u> | <u>2,025,335</u> | <u>1,809,141</u> |
| | 2021 | | | | |
| | The Group | | | | |
| | Within 1 year \$'000 | 1 to 5 years \$'000 | Over 5 years \$'000 | Total \$'000 | Carrying amount \$'000 |
| Lease obligations | 12,094 | 12,407 | - | 24,501 | 22,701 |
| Long-term loans | 94,055 | 555,422 | 17,027 | 666,504 | 527,886 |
| Payables | <u>888,456</u> | <u>-</u> | <u>-</u> | <u>888,456</u> | <u>888,456</u> |
| | <u>994,605</u> | <u>567,829</u> | <u>17,027</u> | <u>1,579,461</u> | <u>1,439,043</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management (continued)

(b) Liquidity risk (continued)

The maturity profile of long-term liabilities at year end based on contractual discounted payments was as follows (continued):

| | 2022 | | | | |
|---------------------|----------------------------|---------------------------|---------------------------|------------------------|------------------------------|
| | The Company | | | | |
| | Within 1 year \$'000 | 1 to 5 years \$'000 | Over 5 years \$'000 | <u>Total</u> \$'000 | Carrying amount \$'000 |
| Long-term loans | 194,914 | 598,849 | - | 793,763 | 578,372 |
| Payables | 259,893 | - | - | 259,893 | 259,893 |
| Due to subsidiaries | <u>299,919</u> | <u>-</u> | <u>-</u> | <u>299,919</u> | <u>299,919</u> |
| | <u>754,726</u> | <u>598,849</u> | <u>-</u> | <u>1,353,575</u> | <u>1,138,184</u> |
| | 2021 | | | | |
| | The Company | | | | |
| | Within 1 year \$'000 | 1 to 5 years \$'000 | Over 5 years \$'000 | <u>Total</u> \$'000 | Carrying amount \$'000 |
| Long-term loans | 53,431 | 404,976 | 17,027 | 475,434 | 361,699 |
| Payables | 207,727 | - | - | 207,727 | 207,727 |
| Due to subsidiaries | <u>598,413</u> | <u>-</u> | <u>-</u> | <u>598,413</u> | <u>598,413</u> |
| | <u>859,571</u> | <u>404,976</u> | <u>17,027</u> | <u>1,281,574</u> | <u>1,167,839</u> |

Assets available to meet all liabilities, including financial liabilities, include cash and short-term deposits.

(c) Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Department of Finance and Administration which seeks to minimise potential adverse effects on the performance of the Group by applying procedures to identify, evaluate and manage this risk, based on guidelines set by the Board of Directors.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management (continued)

(c) Market risk (continued)

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The movements in market prices are not expected to have a significant impact on the net results or stockholders' equity as the Group does not hold significant equity securities.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange risk, arising primarily with respect to the US dollar (USD), the British pound (GBP) and the Canadian dollar (CAD), from commercial transactions such as the purchase of investment securities and station equipment, and the recognised assets and liabilities arising there from as well as in respect of functional currencies of Group companies. The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.

| | Group | | | | | |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2022 | | | 2021 | | |
| | <u>USD</u> \$'000 | <u>GBP</u> \$'000 | <u>CAD</u> \$'000 | <u>USD</u> \$'000 | <u>GBP</u> \$'000 | <u>CAD</u> \$'000 |
| Cash and cash equivalents | 524 | 168 | 25 | 856 | 321 | 25 |
| Trade and other receivables | 319 | 27 | 5 | 1,874 | - | 4 |
| Accounts payable | (2,110) | - | 2 | (885) | - | - |
| Net foreign currency assets | (1,267) | 195 | 32 | 1,845 | 321 | 29 |
| Equivalent to JMD | (194,864) | 38,733 | 3,897 | 270,598 | 65,402 | 3,540 |

| | Company | | | | | |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2022 | | | 2021 | | |
| | <u>USD</u> \$'000 | <u>GBP</u> \$'000 | <u>CAD</u> \$'000 | <u>USD</u> \$'000 | <u>GBP</u> \$'000 | <u>CAD</u> \$'000 |
| Cash and cash equivalents | 524 | 30 | - | 543 | 237 | 25 |
| Trade and other receivables | 52 | - | - | 467 | - | 4 |
| Accounts payable | (177) | - | - | (67) | - | - |
| Net foreign currency assets | 399 | 30 | - | 943 | 237 | 29 |
| Equivalent to JMD | 61,208 | 5,938 | - | 138,352 | 48,217 | 3,540 |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management (continued)

(c) Market risk (continued)

Currency risk (continued)

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the following exchange rates of the Group's and Company's profit before taxation, with all other variables held constant.

| | Group | | | | | | | |
|-----|--------------------------|-----|-----------------------------|--------|--------------------------|-----|-----------------------------|--------|
| | 2022 | | | | 2021 | | | |
| | Changes in exchange rate | | Effect on profit before tax | | Changes in exchange rate | | Effect on profit before tax | |
| | | | \$'000 | \$'000 | | | \$'000 | \$'000 |
| USD | +2% | -8% | (1,529) | 7,076 | +2% | -6% | (2,923) | 8,060 |
| GBP | +2% | -8% | (856) | 1,277 | +2% | -6% | (6,638) | 5,274 |
| CAD | +2% | -8% | (67) | 235 | +2% | -6% | (949) | 597 |

| | Company | | | | | | | |
|-----|--------------------------|-----|-----------------------------|----------|--------------------------|-----|-----------------------------|--------|
| | 2022 | | | | 2021 | | | |
| | Changes in exchange rate | | Effect on profit before tax | | Changes in exchange rate | | Effect on profit before tax | |
| | | | \$'000 | \$'000 | | | \$'000 | \$'000 |
| USD | +2% | -8% | (1,217) | (3,650) | +2% | -6% | (2,883) | 7,715 |
| GBP | +2% | -8% | 119 | (356) | +2% | -6% | (344) | 1,907 |
| CAD | +2% | -8% | - | - | +2% | -6% | - | - |

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group earns interest on its long-term investments at a fixed rate with durations of between 2 and over 5 years for repricing.

The Group earns interest on its short-term investments disclosed in Note 24. As these deposits have a short term to maturity and are constantly reinvested at current market rates, they are not significantly exposed to interest rate risk.

The Group incurs interest on its borrowings disclosed in Note 26. These borrowings are at fixed rates and expose the Group to fair value interest rate risk. Interest rate fluctuations are not expected to have a material effect on the net results or stockholders' equity. The Group analyses its interest rate exposure arising from borrowings on an ongoing basis, taking into consideration the options of refinancing, renewal of existing positions and alternative financing.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued)

Year ended March 31, 2022

(Expressed in Jamaica dollars unless otherwise stated)

31. Financial risk management (continued)

(c) Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity

At the reporting date, the Group and the Company only have fixed rate financial assets and liabilities carried at amortised cost. Changes in market interest rates, therefore, will neither affect the cash flows nor the carrying amount of the instruments.

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the Group defines as net profit divided by total stockholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

No company within the Group is subject to externally imposed capital requirements.

(e) Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is based on observable inputs.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. Government of Jamaica securities and investments notes are valued using a pricing input and yields from acceptable broker yield curve. At March 31, 2021, these instruments are quoted investment securities, Government of Jamaica securities and investment notes (Note 19).

| | <u>The Group</u> | | | |
|-----------------------|------------------|----------------|----------------|---------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| As at March 31, 2022 | | | | |
| Financial assets: | | | | |
| Investment securities | <u>4,565</u> | <u>19,696</u> | <u>7</u> | <u>24,268</u> |
| As at March 31, 2021 | | | | |
| Financial assets: | | | | |
| Investment securities | <u>5,085</u> | <u>9,646</u> | <u>7</u> | <u>14,738</u> |

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued) Year Ended March 31, 2022

31. Financial risk management (continued)

(e) Fair value estimation (continued)

| | The Company | | | |
|-----------------------|----------------|----------------|----------------|---------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at March 31, 2022 | | | | |
| Financial assets: | | | | |
| Investment securities | <u>4,565</u> | <u>19,495</u> | <u>7</u> | <u>24,067</u> |
| As at March 31, 2021 | | | | |
| Financial assets: | | | | |
| Investment securities | <u>5,085</u> | <u>9,445</u> | <u>7</u> | <u>14,537</u> |

The following methods and assumptions have been used in determining fair values:

- (i) The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year, are estimated to approximate their fair values and are not disclosed separately in the fair value analysis. They are included in the Level 2 fair value hierarchy. These financial assets and liabilities include cash and bank balances, short term investments, and trade receivables and payables.
- (ii) The carrying values of long-term loans and lease obligations approximate their fair values, as these loans are carried at amortised cost reflecting their contractual obligations and the interest rates are reflective of current market rates for similar transactions. These are included in the Level 2 fair value hierarchy and are not separately disclosed.

32. Impact of COVID-19

During the financial year under review, management continued to navigate the effects of COVID-19 on the Group's operations and on the lives of its people. In this financial year, some categories of expenses that were delayed during the crisis period March 2020 to April 2021 had to be undertaken. These expenses were primarily driven by trade union agreements and areas of our operations where further delay would place the organization at a disadvantage.

Management indicated improvements in the payment patterns of debtors towards the end of the financial year. However, revenue streams that were directly related to the spend during the crisis period were ceased as the government and other companies reduced publicity related to the pandemic. There are residual effects on the organization that are due to supply chain issues affecting trade which, in turn, affects the confidence with which clients advertise. At the end of the financial year, management assessed that the country was beginning to adapt to this new way of coping and living with COVID-19 and the Government allowed all orders issued pursuant to the Disaster Risk Management Act, over the last 2 years, to expire.

RADIO JAMAICA LIMITED

Notes to the Financial Statements (Continued) Year Ended March 31, 2022

32. Impact of COVID-19 (continued)

Management continues to apply cost containment measures aimed at continuing to reduce operating costs. The Group has also made significant investment in digital technology as it continues to pivot towards a more digital infrastructure to conduct its operations.

33. Events after the reporting period

On April 22, 2022, the Company and 1834 Investments Limited (“1834”) entered into a Scheme Implementation Agreement which will lead to the amalgamation of both companies. The amalgamation will be effected by way of a Court-approved Scheme of Arrangement by which the Company would acquire all of the assets and liabilities of 1834 in exchange for stock units in the Company or cash consideration, as the case may be, and is subject to the approval of the stockholders of 1834 and the sanction of the Supreme Court of Jamaica. The first hearing in the process was held on July 5, 2022 and an Explanatory Circular to 1834 stockholders was issued in accordance with the Court’s direction on July 6, 2022.

SHAREHOLDINGS

TEN (10) LARGEST SHAREHOLDERS AS AT MARCH 31, 2022

| No. | Names | Shareholdings |
|-----|---|---------------|
| 1 | GRACEKENNEDY PENSION FUND CUSTODIAN LTD FOR GRACEKENNEDY PENSION SCHEME | 197,670,982 |
| 2 | PERSERVANCE LIMITED | 175,517,334 |
| 3 | FINANCIAL & ADVISORY SERVICES LTD. | 164,845,524 |
| 4 | KAYTAK INVESTMENTS ST. LUCIA LIMITED | 148,796,235 |
| 5 | IDEAL PORTFOLIO SERVICES COMPANY LIMITED | 98,455,351 |
| 6 | VICTORIA MUTUAL INVESTMENTS LIMITED | 88,141,393 |
| 7 | PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND | 85,556,622 |
| 8 | KAYTAK INVESTMENTS LIMITED | 68,669,862 |
| 9 | PAM - POOLED EQUITY FUND | 63,878,245 |
| 10 | CAONA INVESTMENTS LIMITED | 56,000,000 |

DECLARATION OF NUMBER OF STOCK UNITS OWNED BY DIRECTORS, OFFICERS & CONNECTED PERSONS AS AT MARCH 31, 2022

| NO. | NAMES | PERSONAL SHAREHOLDINGS | SHAREHOLDINGS OF CONNECTED PARTIES |
|------------------------|------------------------|------------------------|------------------------------------|
| DIRECTORS | | | |
| 1 | Joseph M. Matalon | 23,572,020 | 220,062,987 |
| 2 | Christopher Barnes | 4,676,511 | 79,192 |
| 3 | Lisa McGregor Johnston | 3,732 | 0 |
| 4 | Douglas Orane | 823,381 | 197,901,154 |
| 5 | Carol Archer | 58,320 | 0 |
| 6 | Elizabeth Jones | 0 | 0 |
| 7 | Gary Allen | 1,435,124 | 0 |
| 8 | Lawrence Nicholson | 282,916 | 0 |
| 9 | Carl Domville | 1,076,152 | 1,599 |
| 10 | Minna Israel | 0 | 0 |
| 11 | Sharon Roper | 33,102 | 0 |
| 12 | Cassida Jones Johnson | 0 | 0 |
| 13 | Mervyn Eyre | 0 | 0 |
| SENIOR MANAGERS | | | |
| 1 | Gary Allen | 1,435,124 | 0 |
| 2 | Christopher Barnes | 4,676,511 | 79,192 |
| 3 | Claire Clarke-Grant | 1,153,599 | 0 |
| 4 | Melvis Cummings | 40,660 | 0 |
| 5 | Andrea Messam | 86,836 | 0 |
| 6 | Michele Dunkley-White | 175,817 | 0 |
| 7 | Michael Henlin | 195,567 | 0 |
| 8 | Garfield Grandison | 79,432 | 0 |
| 9 | Rohan Scarlett | 0 | 0 |
| 10 | Shena P. Stubbs | 211,834 | 0 |
| 11 | Roland Booth | 303,835 | 0 |
| 12 | Robin Williams | 1,834 | 0 |
| 13 | Tanya Smith | 0 | 0 |
| 14 | Milton Walker | 190,082 | 0 |
| 15 | Yvonne Wilks-O'Grady | 1,576,386 | 0 |

RADIO JAMAICA LIMITED

FORM OF PROXY

Place
\$100.00
stamp here

I/We.....of.....
..... being a Member/Members of the above-named Company hereby appoint
.....of.....or failing him/her then,
..... of As my/our proxy to vote for me/us on
my/our behalf at the Seventy-Fourth Annual General Meeting of the Company to be held on September 28, 2022 atthe
Jamaica Pegasus Hotel and at any adjournment thereof.

I/We desire this form to be used for/against the resolutions as indicated below.

Signed this day of 2022

Signature:.....

Unless otherwise directed the proxy will vote, as he thinks fit. Please indicate by inserting an "X" in the spaces below how you wish your votes to be cast. If no indication is given, your Proxy will vote for or against each resolution or abstain, as he/she thinks fit.

| RESOLUTIONS | FOR | AGAINST |
|--------------|-----|---------|
| RESOLUTION 1 | | |
| RESOLUTION 2 | | |
| RESOLUTION 3 | | |
| RESOLUTION 4 | | |
| RESOLUTION 5 | | |
| RESOLUTION 6 | | |
| RESOLUTION 7 | | |
| RESOLUTION 8 | | |

(For text of Resolutions please refer to Notice of Meeting)

NOTES:

1. An instrument appointing a proxy, shall, unless the contrary is stated thereon be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.
2. If the appointer is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized in writing.
3. In the case of joint holders, the vote of the senior will be accepted to the exclusion of the votes of others, seniority being determined by the order in which the names appear on the register.
4. To be valid, this form must be received by the Registrar of the Company at the address given below not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
5. The proxy form should bear stamp duty of One Hundred dollars (\$100.00) which may be in the form of adhesive stamp duly cancelled by the person signing the proxy form.

REGISTRAR AND TRANSFER AGENTS
Jamaica Central Securities Depository Limited
40 Harbour Street, Kingston

Notice to Shareholders: Request to update Shareholder contact details

Dear Shareholder:

Radio Jamaica Limited is dedicated to keeping its shareholders informed in a timely manner and as such we are in the process of reviewing shareholder records to ensure your details are up to date.

In furtherance of this, it would be greatly appreciated if you could please provide us with your current email and up to date mailing addresses.

Kindly provide the information by writing to us at:

Company Secretariat

Radio Jamaica Limited

32 Lyndhurst Road, Kingston 5

or emailing us at: CompanySecretariatDept@rjrgleaner.com

RADIO JAMAICA LIMITED

Broadcasting House

32 Lyndhurst Road,

P.O. Box 23,

Kingston 5, Jamaica

Telephone: (876) 926-1100-9

Fax: (876) 929-7467(General)

Fax: (876) 906-3644 (Marketing)

