

RADIO JAMAICA LIMITED



LEADING **LOCALLY**  
GROWING **DIGITALLY**



**2019-2020**  
**72<sup>ND</sup> ANNUAL**  
**REPORT**



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# 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 (Effective May 1, 2019)

**Dr. Lawrence Nicholson** - Deputy Chairman

**Hon. Oliver F. Clarke**, O.J., J.P. (Deceased May 16, 2020)

**Carl Domville**

**Glenworth Francis**, O.D. (Resigned effective September 20, 2019)

**Andrew Leo-Rhynie** (Resigned effective September 20, 2019)

**Minna Israel**

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

**Lisa Johnston**

**Prof. Carol Archer**

**Elizabeth Jones, C.D.**

**Dr. Cassida Jones Johnson** (Effective September 21, 2019)

**Sharon Roper** (Effective September 21, 2019)

**Mervyn Eyre** (Effective September 21, 2019)

### DIRECTORS (EXECUTIVE)

**Gary Allen**, C.D., J.P. - Chief Executive Officer

**Christopher Barnes**, J.P. - Chief Operating Officer

### COMPANY SECRETARY

**Shena Stubbs Gibson**, J.P.

## RJRGLEANER COMMUNICATIONS GROUP

### SENIOR MANAGEMENT TEAM

**Gary Allen**, C.D., J.P. - Managing Director/Chief Executive Officer

**Christopher Barnes**, J.P. - Chief Operating Officer

**Andrea Messam** - Chief Financial Officer

**Michael Henlin** - Chief Technology Officer

**Shena Stubbs Gibson**, J.P. - Company Secretary/Group Senior Legal Officer

**Claire Grant** - General Manager, Television Jamaica Limited, Network Television and Radio Services

**Robin Williams** - Group Information Technology Manager

**Roland Booth** - General Manager, Multi-Media and Online Services

**Tanya Smith** - Group Human Resource Manager

**Garfield Grandison** - General Manager, The Gleaner Company (Media) Limited (Acting since May 2019, appointed February 1, 2020)

**Michele Dunkley-White** - Group Financial Controller

### EDITORIAL MANAGERS

**Milton Walker** - Group Head of News and Sports (Broadcast)

**Kaymar Jordan** - Editor-in-Chief (Print and Online) (Effective November 1, 2019)



# Directors' & **CORPORATE DATA**

## RJRGLEANER COMMUNICATIONS GROUP

### COMMERCIAL MANAGERS

**Yvonne Wilks-O'Grady** - Corporate Marketing Consultant

**Natonia Sylva** - Deputy General Manager Marketing and Sales – Radio and Television Jamaica Limited and Network Television Services

**Roxanne Walters** - Marketing and Sales Manager -Radio Services (Resigned effective February 11, 2020)

**Nordia Craig** - Business Development & Advertising Manager- Print

**Suwannee Caine** - Head of Marketing & Sponsorship – Print

**Karma-Gaye Williams** - Branding and Online Sales Manager, Gleaner Online

**Burchell Gibson** - Print, Plant & Circulation Manager – Print Services

**Rohan Scarlett** - Group Credit Manager

### TECHNOLOGY MANAGERS

**Michael Henlin** - Chief Technology Officer

**Melvis Cummings** - Group Chief Engineer, Operations

**Robin Williams** - Group Information Technology Manager

**Roland Booth** - General Manager, Multi-Media and Online Services

### TELEVISION OPERATIONS

**Claire Grant** - General Manager, Radio and Television Jamaica Limited

**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 (Effective January 22, 2020)

**Novar Patrick McDonald** - Director (Effective January 22, 2020)

**Lori-Ann Glasgow** - Director (Effective January 22, 2020)

**David Geddes** - Director (Resigned effective December 31, 2019)

**Angela Patterson** - Director (Resigned effective December 31, 2019)

**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 (Effective January 22, 2020)

**Novar Patrick McDonald** - Director (Effective January 22, 2020)

**Lori-Ann Glasgow** - Director (Effective January 22, 2020)

**Richard McCreath** - Director (Resigned effective December 31, 2019)

**Rupert Hartley** - Director (Resigned effective December 31, 2019)

**Carlette DeLeon** - Director (Resigned effective December 31, 2019)

**Jacquelyn Juceam** - Director (Resigned effective December 31, 2019)

**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 (Effective January 22, 2020)

**Novar Patrick McDonald** - Director (Effective January 22, 2020)

**Lori-Ann Glasgow** - Director (Effective January 22, 2020)

**David Geddes** - Director (Resigned effective December 31, 2019)

**Angela Patterson** - Director (Resigned effective December 31, 2019)

**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 (Effective January 22, 2020)

**Novar Patrick McDonald** - Director (Effective January 22, 2020)

**Lori-Ann Glasgow** - Director (Effective January 22, 2020)

**David Geddes** - Director (Resigned effective December 31, 2019)



# Directors' & CORPORATE DATA

## SUBSIDIARIES' DIRECTORS

**Angela Patterson** – Director (Resigned effective December 31, 2019)

**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 (Effective January 22, 2020)

**Novar Patrick McDonald** – Director

**Lori-Ann Glasgow** – Director (Effective January 22, 2020)

**Dr. Dennis Howard** – Director (Resigned effective May 26, 2019)

**Nadine Molloy, J.P.** – Director (Resigned effective December 31, 2019)

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

### **The Gleaner Company (Media) Limited (GCML)**

**Carl Domville** – Chairman (Effective June 10, 2019)

**Christopher Barnes, J.P.** – Director

**Hon. Oliver F. Clarke, O.J., J.P.** – Director (Deceased May 16, 2020)

**Gary Allen, C.D., J.P.** – Director

**Joseph M. Matalon, C.D.** – Director

**Lisa Johnston** – Director

**Elizabeth Jones, C.D.** – Director (Resigned effective December 31, 2019)

**Nadine Molloy, J.P.** – Director

**Ayanna Samuels** – Director (Effective January 27, 2020)

**Carlette DeLeon** – Director (Effective January 27, 2020)

**Jacquelyn Juceam** – Director (Effective January 27,

2020)

**Sharon Roper** – Director (Effective January 27, 2020)

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

### **AUDITORS (RADIO JAMAICA LIMITED)**

PwC

Scotiabank Centre

Duke Street

Kingston, Jamaica

### **AUDITORS (GCML)**

KPMG

6 Duke Street

Kingston

### **BANKERS (RADIO JAMAICA LIMITED)**

First Global Bank

National Commercial Bank Jamaica Limited

Sagicor Bank Jamaica Limited

### **BANKERS (GCML)**

The Bank of Nova Scotia Jamaica Limited

National Commercial Bank Jamaica Limited

### **REGISTRAR AND TRANSFER AGENTS**

Jamaica Central Securities Depository Limited

40 Harbour Street

Kingston,

Jamaica, W.I.

### **REGISTERED OFFICE**

32 Lyndhurst Road

Kingston 5,

Jamaica, W.I.



# Notice of MEETING

**NOTICE IS HEREBY GIVEN** that the Seventy-Second Annual General Meeting of Radio Jamaica Limited will be held at the Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5, on the **28th of October 2020** commencing at **10:00 a.m.** for the following purposes:

1. To receive the Accounts for the year ended March 31, 2020 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, 2020 together with the Reports of the Directors and Auditors thereon be and are hereby adopted”

## **2. Dividend Payment**

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

## **Resolution 2**

**“RESOLVED THAT** the interim dividend of two cents (2c) on each ordinary stock paid July 10, 2019 to shareholders on record at the close of business on June 21, 2019 be declared final and no further dividend be paid in respect of the year under review.”

## **3. 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 Christopher Barnes, Hon. Douglas Orane, Dr. Lawrence Nicholson, Minna Israel and Prof. Carol Archer 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 3**

**“RESOLVED THAT** retiring director Christopher Barnes be

and is hereby re-elected a director of the Company.”

## **Resolution 4**

**“RESOLVED THAT** retiring director Hon. Douglas Orane be and is hereby re-elected a director of the Company.”

## **Resolution 5**

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

## **Resolution 6**

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

## **Resolution 7**

**“RESOLVED THAT** retiring director Prof. Carol Archer be and is hereby re-elected a director of the Company.”

4. To fix the remuneration of the directors and to consider, and (if thought fit), pass the following resolution:

## **Resolution 8**

**“RESOLVED THAT** the directors’ fees agreed and payable for the financial year ending March 31, 2021 to all non-executive directors of the Company be and are hereby approved.”

5. 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 9**

**“RESOLVED THAT** the firm KPMG be appointed as the Company’s new auditors in keeping with Article 165 of the Company’s Articles of Incorporation with effect



# Notice of MEETING

from the conclusion of this Annual General Meeting, and where so appointed, the directors are hereby authorized to agree their remuneration in respect of the period, ending with the conclusion of the next Annual General Meeting.”

## 6. To elect additional directors

The following directors, namely, Sharon Roper, Dr. Cassida Jones Johnson and Mervyn Eyre, having been appointed pursuant to Article 104 of the Articles of Incorporation of the Company, to fill casual vacancies on the Board, or as additional directors, will now vacate office and being eligible for re-election to the Board, now offer themselves for re-election:

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

### Resolution 10

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

### Resolution 11

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

### Resolution 12

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

## SPECIAL BUSINESS

### Ordinary Resolution

## 7. Increase of Share capital

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

### Resolution 13

**RESOLVED THAT** the maximum number of shares which the Company is authorised to issue be and is hereby increased from 2,422,487,654 ordinary shares and 50,000 5% cumulative participating preference shares (unissued) to 3,633,731,481 ordinary shares and 50,000 5% cumulative participating preference shares (unissued)

## SPECIAL RESOLUTIONS

## 8. Amendment to Articles

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

### Resolution 14

**RESOLVED THAT** the Articles of Incorporation of the Company be and are hereby amended in the manner stated below PROVIDED THAT such amendments shall not take effect unless and until the Minister with responsibility for broadcasting affairs shall have exercised his or her power under the Broadcasting and Radio Re-diffusion Act to amend the Licences to Operate Commercial Sound Broadcasting Service issued to Radio Jamaica Limited in respect of its various radio frequencies, to increase from 10% to at least 21% the maximum percentage of ordinary shares which one person may hold in the Company:

- (a) by deleting the phrase “eight percent (8%)” in Article 2C and replacing same with the phrase “eighteen percent (18%),” so that the Article shall now read as follows:

*“Where a person either to his knowledge acquires (or ought reasonably to be aware that he has acquired) an interest (whether at one time or aggregately with shares previously held) in nineteen percent (18%) or more of the Relevant Share Capital (hereinafter called “Notifiable interest”) he shall within fourteen days (14) days next after acquiring such Notifiable Interest or within fourteen (14) days after he ought reasonably to become aware that he has acquired such interest notify the Company in writing of the number of shares in which he is interested.”*



# Notice of MEETING

- (b) by deleting the phrase “ten (10%)” percent in Article 3A(i) and replacing same with the phrase “twenty one (21%)” percent, so that the Article shall now read as follows:

*“Relevant Person” means any person who has, or who appears to the Registrar after consultation with the Company’s Attorneys-at-law to have an interest in shares (in any, all or some of the senses referred to in Article 2 of these Articles) which carry more than twenty one (21%) percent of the total votes attaching to Relevant Share Capital of all classes of shares taken as a whole.”*

- (c) by deleting the phrase “ten per cent (10%)” in Article 3(E) and replacing same with the phrase “twenty one per cent (21%),” so that the Article shall now read as follow:

*“A registered holder of Relevant Shares on whom a notice has been served under this Article 3 shall not in respect of such shares in excess of twenty one per cent (21%) of the Relevant Shares (or any of them) be entitled until such time as such notice has been withdrawn or a Required Disposal has been made to the satisfaction of the Directors to attend or vote (whether in person or by proxy) at any general meeting of the Company or meeting of the holders of Relevant Share Capital or of any class of shares.”*

- (d) by deleting the phrase “ten percent (10%)” in Article 4 and replacing with same with the phrase “twenty one percent (21%),” so that the Article shall now read as follows:

*“A transfer of shares to any person (excluding any Permitted Person) shall not be approved by the Directors or be registered if such transfer would result in such transferee holding in the aggregate shares in excess of twenty one percent (21%) of the Relevant Share Capital of the Company*

## Resolution 15

**RESOLVED THAT** the Articles of Incorporation of the Company be and are hereby amended by adding the following Article as Article 58A below Article 58:

58A(1) The Company may, if so permitted by the provisions of the Act, convene and hold a General Meeting of its members as a:

- (a) hybrid meeting; or

- (b) virtual meeting,

and a hybrid meeting or virtual meeting shall be identified as such in the notice convening such meeting.

For the purpose hereof:

- (a) a “hybrid meeting” means a meeting held at one or more physical venue or venues using any technology that gives members and Directors, as a whole (including members and Directors not physically in attendance at any of the venues) a reasonable opportunity to participate by electronic means; and

- (b) a “virtual meeting” means a meeting held at no physical venue and is conducted entirely by means of technology which gives members and Directors, as a whole, a reasonable opportunity to participate by electronic means;

*PROVIDED THAT* an “electronic meeting” (as referred to in this Article) means either a hybrid meeting or a virtual meeting, as applicable.

- (2) The notice of an electronic meeting shall not specify a venue and such a General Meeting shall be recorded as being held in Jamaica.

- (3) Where an electronic meeting is proposed to be held for the purpose of enabling members to participate in such General Meeting, the Company shall procure that arrangements be made (as may be recommended by the Directors) as are:

- (a) necessary to ensure the identification and participation of persons attending the General Meeting and the security of any electronic communication;

- (b) proportionate to the achievement of the objective of a General Meeting of members of the Company such that members have every opportunity as might reasonably be afforded by the Company, to participate in the electronic meeting; and

- (c) necessary to provide reasonable evidence (for the benefit of the Company) of the entitlement of any person who is not a member to participate in the electronic meeting.

# Notice of **MEETING**

(4) The right of a member to attend an electronic meeting may be exercised by the member's proxy and notwithstanding anything to the contrary contained in these Articles, a proxy form may be returned to the Company by facsimile transmission or other electronic means.

(5) Without prejudice to such other means of giving notice to members and Directors as may be permitted by these Articles, notice of a meeting given to a nominating member or a nominating Director may be effected by-

(a) sending such notice and any notice document to the facsimile transmission number or electronic mail address provided to the Company by the nominating member or nominating Director;

(b) sending to the nominating member or nominating Director by any other electronic means nominated by the nominating member or nominating Director; or

(c) posting/uploading the notice and any notice documents in/to a dropbox or other file sharing system or electronic document depository and providing the nominating member or nominating Director with a passcode or other means to electronically access the notice or such notice document).

For the purpose of Articles 58A(5) and (6):

(a) "nominating member" means a member who has elected to receive notice and notice documents by electronic means or in electronic form and has provided the Company with a facsimile transmission number, electronic mail address or other electronic means of receiving notice and notice documents, and the term "nominating Director" shall be construed in the same way; and

(b) "notice document" includes any document which the Company is obliged or wishes to provide with any notice including any document required to be laid before the Company in a meeting, proxy form, explanatory statement, circular and draft motions.

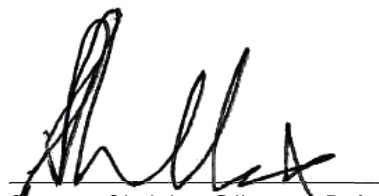
(6) Notice or notice document given to a nominating member or nominating Director by electronic means shall be taken to be given twenty-four (24) hours after the

notice or notice document was electronically transmitted to the nominating member or nominating Director or after the nominating member or nominating Director is provided with the relevant password or electronic access to the dropbox or other file sharing system or electronic document depository.

(7) A defect in any electronic notice or failure in case of the electronic delivery system shall not invalidate the notices unless the failure is such as to cause non-delivery or mis-delivery of more than 5% of the notices dispatched.

Dated this 10th of August 2020

BY ORDER OF THE BOARD



Shena Stubbs Gibson, B.A., LL.B.  
Secretary

## **PHYSICAL DISTANCING REQUIREMENT**

**Shareholders attending the Annual General Meeting will be required to wear masks as mandated by the authorities to enter the venue or remain therein. The meeting will observe the protocols of physical distancing in layout and seating. 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 \$125.00 JMD.**



# 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 and West Indies Home Contractors. He is also Chairman 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 eighteen years of experience in teaching and research. He has expertise in Decision Sciences and teaches courses such as Business Statistics, Quantitative Methods, Decision Models for Managers and Operations Management, at both the undergraduate and graduate levels. He has served in different capacities at MSBM, including 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 Board, Dr Nicholson serves as Chairman of the Broadcast Boards and is a member of the Board's Corporate Governance Committee. Other areas of service include, being Chairman of the Steering Committee for the Poverty Reduction Programme and is an elder at Bethany Fellowship.



## **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

## Directors' **PROFILES**

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 and the Jamaica Debates Commission. In addition to being CEO of the RJRGLEANER Communications Group, Mr. Allen also serves as President of the CBU, Vice President 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. Mr. Barnes also serves on external boards including 1834 Investments Limited (formerly, The Gleaner Company Limited), 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 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.



**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. He was the Chief Operating Officer and Group Treasurer of the Seprod Group of Companies (retired October 2013). He serves on the Board of Directors of Barita Investments Limited, Ardenne High School Board and is a Trustee of the Superannuation Fund for Employees of Seprod Limited and Approved Organizations. Mr. Domville also served as President of Jamaica Cooperative Credit Union League Ltd.



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

*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.



## Directors' **PROFILES**

Orane served as President of the Private Sector Organization of Jamaica 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 a member of the Compensation Committee.



**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 serves as a director of 1834 Investments Limited (formerly, The Gleaner

Company Limited), The Gleaner Company (Media) Limited, the Jamaica Manufacturers and Exporters' Association and the Consular Corps of Jamaica. She is also a member of the Jamaica Trade Policy Advisory Group (formerly JTAT) in the Ministry of Foreign Affairs and Foreign Trade. Mrs. Johnston was a former Galo Plaza Fellow at the Inter-American Dialogue in Washington D.C. She is a member of the Corporate Governance and the Finance, Compliance & Audit committees of the Board.



**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. She also holds a Masters of Arts in Geography, in Urban and Regional Planning and in Latin American and

Caribbean Studies. Before joining the University of Technology, Dr. 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 also a LaGuardia Fellow in the New York City Municipal Government. Professor Archer has more than 25 years of experience and has been employed to the University of Technology, Jamaica since 2000. She has also served as Dean of the Faculty of the Built Environment, University of Technology, from 2006 to 2016. Her passion for community development and service contributed to her receiving the University's President's Distinguished Award for Community Service in 2017.

Her current membership on Boards includes: RJRGLEANER Communications Group, 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 Royal Botanical Gardens and the Caribbean Planners Association.

# Directors' **PROFILES**



**MINNA ISRAEL, B.Sc., M.B.A.**

*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 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 Committee and the

Human Resources Committee of the Board.



**ELIZABETH JONES, C.D., FCA (Ja.), 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, including Television Jamaica Limited, Jamaica News Network Limited, Reggae Entertainment Television Limited, Independent Radio Company Limited and Multimedia Jamaica Limited.

Ms. Jones was appointed chairperson

of the JN Financial Group in April 2019. She joined the board of the Jamaica National Building Society in October 2014 and was appointed Chairman of JN Fund Managers 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 and the JN Financial Group.

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 and Fiscal Services Limited and on the Committee to Review and Eliminate Waste in the Public Sector.

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.



# Directors' **PROFILES**



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

*Appointed Director, September 2019*

Dr. Jones Johnson is an Executive Consultant to corporate entities, learning institutions and professional associations, with over 20 years of experience in Strategic HR, 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. She served the GraceKennedy Group of

Companies, as the Group Chief HR Officer.

Dr. Jones Johnson has served as both Chair and member on several boards including the Human Resource Management Association of Jamaica. She currently serves as a board member of the Tax Administration of Jamaica (TAJ) and Chair of the HR Committee of the TAJ Board.

She has participated in Executive Education courses at Stanford and Harvard Business Schools in Strategic HR and Organizational Renewal respectively. In May, 2018, she was the recipient of the award for exceptional service to Human Resources and People Development from the Chartered Institute of People Development in the United Kingdom.

Dr. Jones Johnson is also Chair of the Board's HR Committee and member of the Compensation Committee



**SHARON ROPER, HNDip., FCIM**

*Appointed Director, September 2019*

Mrs. Roper is the Managing Director at SIAN Associates, an International Brand Development firm. A fellow of the Chartered Institute of Marketing with over 25 years of experience, Mrs Roper was formerly the Head of Marketing at Columbus Communications (Flow Jamaica) and Regional Brand Director, Digicel Group. Prior, as the Senior Marketing Executive of Accenture Plc's Communications and High-Tec EMEA practice, she led the company's marketing teams to deliver transformational programmes for its European clients. Previously, she was a board director at Sagicor Life of Jamaica and now focuses her efforts in developing young entrepreneurs, sitting on boards of start-ups in the mobile apps, Fintech, Services and Manufacturing sectors. Mrs Roper

## Directors' **PROFILES**

is also a director of the Gleaner Company (Media) Limited.



### **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. In that capacity, he is responsible for managing the strategic direction as well as general management of Fujitsu's regional operations, assets and capabilities, including facilities located in Jamaica, Barbados, Bahamas, Trinidad, Mexico, Columbia, Argentina, Chile & Brazil.

Leveraging over 25 years of experience in the global IT industry, Mr. Eyre recently lead the introduction of managed and cloud-based IT services in the region, opening up new, agile, pay-as-you use consumption models to Caribbean governments and

enterprise.

Having successfully served multiple customers across multiple industries in the Caribbean, Mr. Eyre is now intent on combining access to global IT capabilities with local technology innovation to contribute meaningfully to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people across the region. Mr. Eyre is also the Chairman of the Technology Committee of the Board.



[www.rjr94fm.com](http://www.rjr94fm.com)



/RJR94FM



/RJR94FM

A MEMBER OF THE  
**RG RJRGLEANER**  
COMMUNICATIONS GROUP





# Chairman's STATEMENT

**T**he financial year 2019/2020 for the RJRGLEANER Communications Group had started the important realignment of the Group's use of technology when it became even more important for all businesses globally to do so. Clear steps at integrating more technology-enabled capabilities in the Group were well underway when the Coronavirus Disease 2019 (COVID-19) impacted the world and proved this direction invaluable for both the present and the future.

The Group engaged in several major and positive technology changes for most of the year, including in the financial division which coupled with strong financial leadership at the operations level turned around the financial performance of the Group. In spite of the negative impact of COVID-19, a \$60M financial turnaround was recorded to end the financial year with a net profit of \$38M being achieved, contrasting with the \$22M loss recorded



# Chairman's Statement

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in the previous year. The turnaround would have been much stronger had COVID-19 not led to about \$50M in cancellation of advertising bookings in the latter part of March, the last month of the financial year.

The financial turnaround came even as strong realignment of the Group's business objectives were done with the major systems and technology changes being implemented within the Group as a part of our digital transformation.

A stronger digital expansion strategy was accompanied by much deeper expertise levels within the Board and management adding important investment decisions to the diversification focus that was previously identified for the Group. Our investment in SiFi Studios was one of several opportunities examined and actioned in the Group during the year.

Our Board met eight (8) times during the period under review, with our Finance Compliance and Audit Committee meeting nine (9) times, while our Human Resources Committee and our Technology Committee met quarterly. In fact, to advance a number of initiatives, our Technology Committee was constituted during the year and provided full support and prioritisation of technology transformation for the Group.

Our Corporate Governance Committee met five (5) times during the year and completed the realignment of skill sets on our Boards, as well as, arranged and delivered Corporate Governance refresher training for all directors.

Our board and our Group lost a dynamic leader, a thinker and patriotic Jamaican in Hon. Oliver F. Clarke in May, shortly after the financial year ended. We individually and collectively have good memories of the astute leadership of OFC, as he was affectionately called, and will miss his skills and contribution dearly. However, his influence will live on as it was clear that the current initiatives of the Group are necessary if we are to remain a strong and credible Jamaican based media technology Group, serving Jamaicans wherever they are globally.

To fulfil our mission, during the year under review, our Group continued its role as a good corporate citizen, especially when COVID-19 struck. We are proud of how we partnered with several government and non-governmental entities for the greater good of Jamaica.

Even as we commit to continue this level of service to our nation, for which we have become known, we could do even more with a more enabling environment. We are concerned that

the Data Protection Act was passed into law without any of the concerns for media rights and freedoms being taken into account after submissions were made. We are worried that another year has passed without final decisions being taken on Digital Switch Over for television. Had DSO been in effect, we could have played an even greater role in helping our children with their education support in the wake of COVID-19. We would have been poised to deliver more public service information and messages and possibly in a more targeted way.

Television Jamaica Limited which remains the leader in television services to the country, is poised and anxious to make further positive contribution through a digital network. During the period under review, it expanded services through TVJ International which is now available in the Cayman Islands.

It is our view that DSO, done well, will help TVJ further transform the media technology sector and significantly advance a digital economy.

We look forward to recovering strongly from the impact of COVID-19 and making major advances in the post-COVID-19 period.



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



# Managing Director's Statement



A major setback by the Coronavirus Disease 2019 (COVID-19) pandemic did not prevent a turnaround in the financial fortunes of our Group in the financial year ended March 31, 2020. For the financial year, the Group recorded pre-tax and after-tax profit of \$40M and \$38M, respectively, reversing the losses of \$24M and \$22M, a year earlier. The over \$60M turnaround in the current environment was the result of a strong collaborative effort of our staff, managers and directors.

The end of March results included a major impact of about \$50M in revenue cancellations suffered in the final month (March) of the financial year due to COVID-19.

The turnaround performance was led by the audio-visual (television) segment which had a very strong showing during the year. The segment was bouncing back from the previous year, which had been negatively impacted by the cost of the FIFA World Cup project, and its rebound was strong.

The segment was accompanied by Audio and Other showing improvements in revenues as well. All segments of the business rose to the challenges of providing outstanding service to our nation at a time of near-crisis as the health pandemic hit the business sector, curtailing advertising and other

# Managing Director's Statement

activities, cancelling sporting events, stopping entertainment happenings and generally, bringing most national endeavours to a halt.

The creativity and leadership shown during the early stages of the crisis were seen through the earlier months of our financial year performing strongly which helped to keep our programmes in leadership positions and our events in national focus.

That same leadership came to the fore in the challenging period as the Group partnered with the Ministries of Health and Wellness and of Education, Youth and Information to deliver strong public service content, educational material and wellness information to keep people safer and more prepared during the early stages of the public health pandemic.

Our ability to do this was founded earlier in the year through stronger marketing and sales efforts, better production and distribution services which combined with more efficient execution in our operations to drive recovery in our business and expansion into new areas.

We continued to focus on five strategic areas – Diversification, Content Creation, Digital Transformation, Operational Efficiencies and People

Development. From that we rallied behind the mantra of - ONE TEAM. ONE MISSION. ONE GROUP as we built on the strong legacy of our organisation's history.

In 2019, the Group changed its approach to the strategic planning process by adopting and implementing the Objectives and Key Results (OKR) methodology. This methodology which is still in implementation, focuses the management team and Board on measurable results which inform the priorities of our operations.

The Group feels that organic growth, while important, must be complemented by inorganic growth achieved through investment in complementary business opportunities which bring with them new revenue streams. This focus started with the acquisition of Jamaica Holdings LLC (Gustazos Jamaica) in 2018, and more recently, SiFi Studios Jamaica Limited ("KEEZ") as two ecommerce-based business.

The digitalisation push continues and involves an intensified focus on administrative process workflows to complement the ongoing digital transformation necessary in operations including the conversion of broadcast workflows to High Definition (HD) in preparation for Digital Switchover.

This year, the Group implemented A-Profit, the second component of an integrated system, covering the print workflow from advertising input and processing through to the editorial planning system (NEO) implemented the year prior.

The management remains upbeat that with strong and clear decision-making the Group will regain ground lost to the health pandemic.

A modern media technology ecosystem will not only transform our media technology industry but several other social endeavours enabled by media and technology. It will enable us through activities like the Gleaner Children's Own, Spelling Bee, TVJ's Senior and Junior Schools' Challenge Quiz programmes, the RJRGLEANER Honour Awards and the RJRGLEANER National Sportsman and Sportswoman of the Year Awards to continue making a significant contribution to the quality of life in our nation – which would be the most fitting tribute to our recently departed nation builder himself, former Chairman, Hon. Oliver Clarke.



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



# Directors' REPORT

The directors are pleased to present their report for the financial year ended March 31, 2020.

**FINANCIAL RESULTS:**

	\$'000'
<b>Profit before Taxation</b>	<b>39,472</b>
<b>Taxation</b>	<b>(1,913)</b>
<b>Net Profit</b>	<b>37,559</b>
<b>Retained Earnings at the beginning of the year</b>	<b>316,882</b>
<b>Retained Earnings at the end of the year</b>	<b>278,271</b>

The directors as at March 31, 2020 were as follows:

Joseph M. Matalon – Chairman  
Dr. Lawrence Nicholson – Deputy Chairman  
Hon. Oliver F. Clarke – Director (Deceased May 16, 2020)  
Gary Allen- Managing Director/Chief Executive Officer  
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

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:

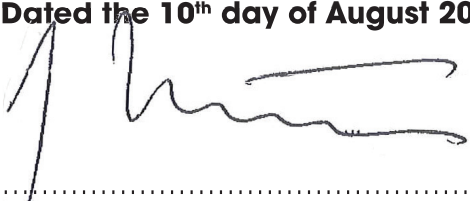
Christopher Barnes  
Hon. Douglas Orane  
Dr. Lawrence Nicholson  
Minna Israel  
Prof. Carol Archer

In accordance with Article 104 of the Company’s Articles of Incorporation, directors Sharon Roper, Dr. Cassida Jones Johnson and Mervyn Eyre, having been appointed to fill casual vacancies on the Board, or as additional directors, will vacate office and being eligible for re-election to the Board, offer themselves for re-election.

The Company’s auditors, PwC, will demit office as of the conclusion of the 72nd AGM, and it is proposed that KPMG be appointed as the Company’s new auditors in keeping with Article 165 of the Company’s Articles of Incorporation with effect from the conclusion of the said 72nd Annual General Meeting.

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 10<sup>th</sup> day of August 2020**



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

# *Tribute*

**Hon Oliver F. Clarke Clarke O.J., J.P.**

October 19, 1944-May 16, 2020

*A* n insatiable appetite for knowledge, a wit like none other,  
For many years, his colossal frame strode the corridors of the Grand Old Dame, at North Street

*A piercing intellect, of the right to free speech, he was a relentless crusader,*

*To power, he plainly spoke truth, then at his dining table, gave power a seat.*

*Walk good Oliver. In the strength of our democracy you will live on.*

*From the Board of Directors,  
Management, Staff  
and stakeholders of the  
RJRGLEANER Communications Group*



# 2019 - 2020 Management Team



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

**Christopher Barnes**  
Chief Operating Officer

**Burchell Gibson**  
Print, Plant & Circulation  
Manager – Print Services

**Shena Stubbs Gibson**  
Group Company Secretary/  
Senior Legal Officer

**Melvis Cummings**  
Group Chief Engineer, Operations

**Trevor Johnson**  
Deputy General Manager  
Television Jamaica Limited



**Karma-Gaye Williams**  
Branding and Online Sales  
Manager, Gleaner Online

**Michele Dunkley-White**  
Group Financial Controller

**Michael Henlin**  
Chief Technology Officer

**Robin Williams**  
Group Information  
Technology Manager

**Rohan Scarlett**  
Group Credit Manager





**Suwannee Caine**  
Head of Marketing  
& Sponsorship – Print Services



**Gary Allen**  
Chief Executive Officer/  
Managing Director



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



**Claire Grant**  
General Manager  
Television and Radio Services



**Andrea Messam**  
Chief Financial Officer



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



**Yvonne Wilks-O'Grady**  
Corporate Marketing Consultant



**Nordia Craig**  
Business Development  
& Advertising Manager – Print Services



**Kaymar Jordan**  
Editor-in-Chief, Print Services



**Tanya Smith**  
Group Human Resource Manager



**Roland Booth**  
General Manager Online &  
Multi-Media Services



# Group Strategic **REPORT**

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The RJRGLEANER Group Strategy focuses on five pillars in:

1. **Diversification** - Accelerate revenue growth and/or digital transition organically, or through diversification into complementary businesses and projects.
2. **Efficiency** - Invest in people/ processes/infrastructure changes necessary to drive operational savings.
3. **Content** - Make it easy & irresistible for ALL our customers to buy and serve them well so it's hard for them to go.
4. **Digital Transitioning** - Upgrade our broadcast, print, online and administrative operations with digital technologies to unlock the greatest value from data, new business streams and production efficiencies.
5. **People** - ONE TEAM. ONE MISSION. ONE GROUP.

The many strategic initiatives underway rollup towards the Group's vision of: **"We are a trusted, innovative and iconic Jamaican media and communications brand essential to people globally."**

In 2019, the Group changed its approach to the strategic planning process by adopting and

implementing the Objectives and Key Results (OKR) methodology. This methodology, still in implementation, focuses the management team and board on measurable results which inform what will become the priorities of its operations. An emphasis of this methodology on articulation of what success looks like facilitates greater alignment at all levels throughout the Group.

The Group, in the face of greater competition, continues to respond to the challenge of a global shift from traditional media to new media by developing new products and services in that space. The Group feels, however, that organic growth, while important, must be complemented by inorganic growth achieved through investment in other complementary business opportunities which brings with it new revenue streams. This focus started with the acquisition of Jamaica Holdings LLC (Gustazos Jamaica) in 2018, and more recently SiFi Studios Jamaica Limited ("KEEZ") as two ecommerce-based businesses. The pipeline is active and building; as management seeks out the best opportunities to position the Group at the leading edge of the new digital world. The diversification pipeline comprises external start-ups as well as its own home-grown projects.

A very important theme this year is the digitalization of the Group to unlock process time, lower cost and improve customer experience. This involves

an intensified focus on administrative process workflows to complement the ongoing digital transformation necessary in operations, for example, conversion of broadcast workflow to High Definition (HD) in preparation for Digital Switchover. This year, the Group implemented A-Profit, the second component of an integrated system, covering the print workflow from advertising input and processing through to the editorial planning system (NEO) implemented the year prior. The Group is also in the final stages of implementation of the MultiView accounting system at The Gleaner Company (Media) Limited; which will harmonise the Group accounting process. Greater operational efficiency is expected from these projects.

A focus on developing and extracting maximum value from content and programming continues with two significant landmark developments this year in the signing of a re-transmission agreement with major cable service provider Flow and the launch of TVJ International (TVJi) with our first subscriber coming from Cayman. Consistent with the saying "Content is King", these developments position the Group advantageously with the first setting precedent locally for treatment consistent with that for other overseas channels acquired by cable companies, while the second realizes a strategy of going Global with local and owned content.

The RJRGLEANER Group is made

# Group Strategic REPORT

up of diverse people with diverse skills, coming from well-established corporate cultures. This environment created by the amalgamation requires focused attention as there remain synergies to extract from melding the best of both cultures together

into the “RG Way”. A big part of the Group’s focus is building the team of the future, constantly reinforcing the Group’s values, promoting seamless integration, recruiting well and upskilling where possible, to ensure no team member is left behind. Its people

are at the heart of what it strives to do and must constantly be investing in providing the right environment and skills training necessary to adapt to this dynamic and fast-paced environment of media.



## NEED EQUIPMENT TO RENT?



## AUDIO VISUAL SOLUTIONS

- |                     |               |                    |                 |
|---------------------|---------------|--------------------|-----------------|
| ▶ TV Screens        | ▶ Speakers    | ▶ Meetings         | ▶ School Events |
| ▶ LED Screens       | ▶ Microphones | ▶ Seminars         | ▶ and more      |
| ▶ Projectors        | ▶ Tents       | ▶ Office Parties   |                 |
| ▶ Projector Screens | ▶ Chairs      | ▶ Outdoor Events   |                 |
| ▶ Laptops           | ▶ Generators  | ▶ Weddings         |                 |
| ▶ DJ Consoles       | ▶ and more    | ▶ Church Functions |                 |

**EVERY NEED EXCEEDED**



# MANAGEMENT

## DISCUSSION & ANALYSIS

### COMPANY OVERVIEW AND PRINCIPAL ACTIVITIES

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 and financial position of operations of the Company and its subsidiaries, which together 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, five radio stations and the publication of two newspapers in print and in digital formats.

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 company, Jamaica Holding, LLC, is incorporated and domiciled in Puerto Rico while SiFi Studios Jamaica Limited is incorporated and domiciled

in Jamaica.

### 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 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 in making strategic and operational business decisions. The designated segments are:-

1. Audio Visual: comprising the operations of the Group’s free-to-air television station, cable stations and Over the Top (OTT) technology streaming platform, 1spotmedia;
2. Audio: comprising the operations of the Group’s radio stations and associated radio infrastructure; and
3. Print & Others: comprising the print, digital and multimedia operations.

### OUR ECONOMIC ENVIRONMENT

The Planning Institute of Jamaica (PIOJ) estimated that the Jamaican economy showed no growth during the quarter ended December 31, 2019. This follows growth of 0.6%, 1.3% and 1.7% during the previous quarters ended, September 30, 2019, June 30, 2019 and March 31, 2019,

#### The Group's Subsidiaries & Associates are as follows:-

	2020
Subsidiaries	% Holdings
Television Jamaica Limited	100%
Multi-media Jamaica Limited	100%
Media Plus Limited and its subsidiaries	100%
- Reggae Entertainment Television Limited	100%
- Jamaica News Network Limited	100%
The Gleaner Company (Media) Limited and its subsidiaries	100%
-The Gleaner Company (USA) Limited	100%
-The Gleaner Company (UK) Limited	100%
-Gleaner Media (Canada) Inc	100%
-Independent Radio Company Limited	100%
-A-Plus Learning Limited	50%
-The Gleaner Online Limited	100%
Associates	
Jamaica Holding, LLC	25%
SIFI Studios Jamaica Limited	6.89%

# MANAGEMENT

## DISCUSSION & ANALYSIS

respectively. Total value-added for the Jamaican economy was \$197,013 million for the fourth quarter of 2019. This remained relatively unchanged when compared to \$197,086 million for the similar quarter of 2018. The Services Industries grew by 1.2 per cent, while the Goods Producing Industries declined by 3.7 per cent. All industries within the Services Industries grew: Electricity & Water Supply (2.8 %), Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment (0.7 %), Hotels & Restaurants (3.7 %), Transport, Storage & Communication (0.5 %), Finance & Insurance Services (3.3 %), Real Estate, Renting & Business Activities (0.7 %), Producers of Government Services (0.2%) and Other Services (1.4 %).

The Jamaican economy had its most severe contraction in under a decade in the first quarter of 2020, shrinking by 2.3 percent. This was due to the impact of COVID-19 resulting in domestic restriction measures to contain the spread of the epidemic.

The unemployment rate at March 2020 was 7.3 percent, a reduction of 0.5 percentage points relative to the 7.8 percent in March 2019. The March 2020 rate was 0.1 percent higher than the record low 7.2 percent in the fourth quarter of 2019.

### FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market (including currency, fair value interest rate, and 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 manner in which 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 conducted through the following bodies:

- 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

## Economic Indicators

Macro-economic Indicators	March 2020	March 2019
<b>Inflation</b>		
Calendar	-0.7%	- 0.08%
Fiscal	4.8%	5.9%
<b>Foreign Exchange Rate(Average J\$: US\$1)</b>	\$136.05	\$126.02
Treasury Bill Yield		
90 Day	1.08%	1.85%
180 Day	1.05%	1.80%
270 Day	1.73%	1.67%
<b>NIR (US\$M)</b>	US\$3,237.67	US\$3,084.84
Weeks of goods and services imports	23.22	19.09
Weeks of goods imports	34.27	28.17



# MANAGEMENT

## DISCUSSION & ANALYSIS

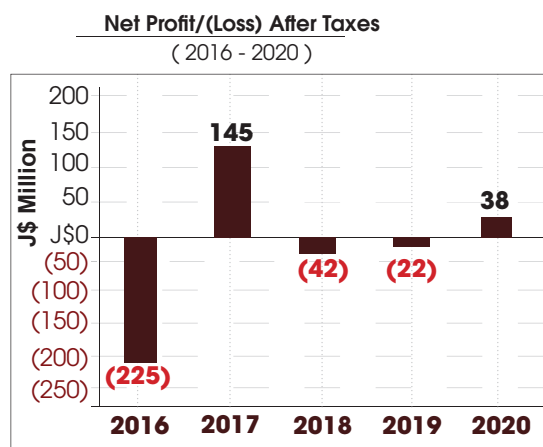
hedges against financial risks in close co-operation with the Group's operating units. The Credit Department is primarily responsible for managing the Group's credit risk. It monitors and evaluates credit risks through the close assessment of potential and present clients.

- 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.

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

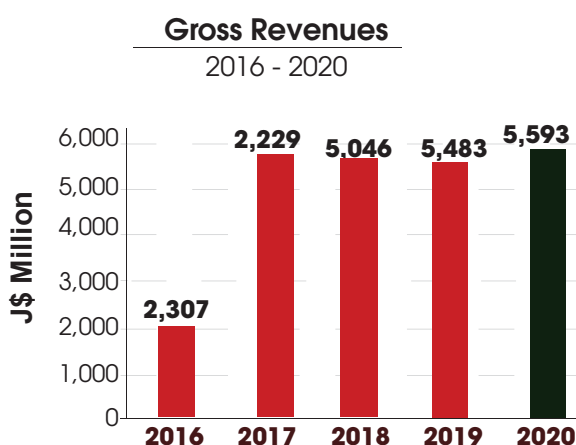
### FINANCIAL PERFORMANCE

The Group recorded an after-tax profit of \$37.5 million representing a \$60 million or greater than 200 percent improvement on prior year's loss. The improved profitability was driven by revenue growth of \$110 million and the lowering of direct expenses by \$157 million which was however offset by increased operating expenses of \$151 million and reduced Other Operating Income of \$28 million.



### REVENUES

The Group recorded a 2 percent or \$110 million increase in revenues on prior year. This increase, on the back of a "high cost" sporting property in the previous year, represents a commendable performance particularly by the audio visual segment of the Group.



The Group's revenues across all reporting segments increased on prior year, with Audio revenues increasing by five per cent, Audio Visual by one percent and Print and Other revenues increasing by one per cent on prior year.

### OTHER OPERATING INCOME

Other Operating Income, comprising Interest Income on Investments, Foreign Exchange loss/gain, Rental Income and Income from Sale of Scrap, reduced by 22 percent or \$28 million due mainly to the reduction in earnings on Investments due to declining interest rates and the non-recurrence of one-off Other Income earned during the previous year.

### OPERATING EXPENSES

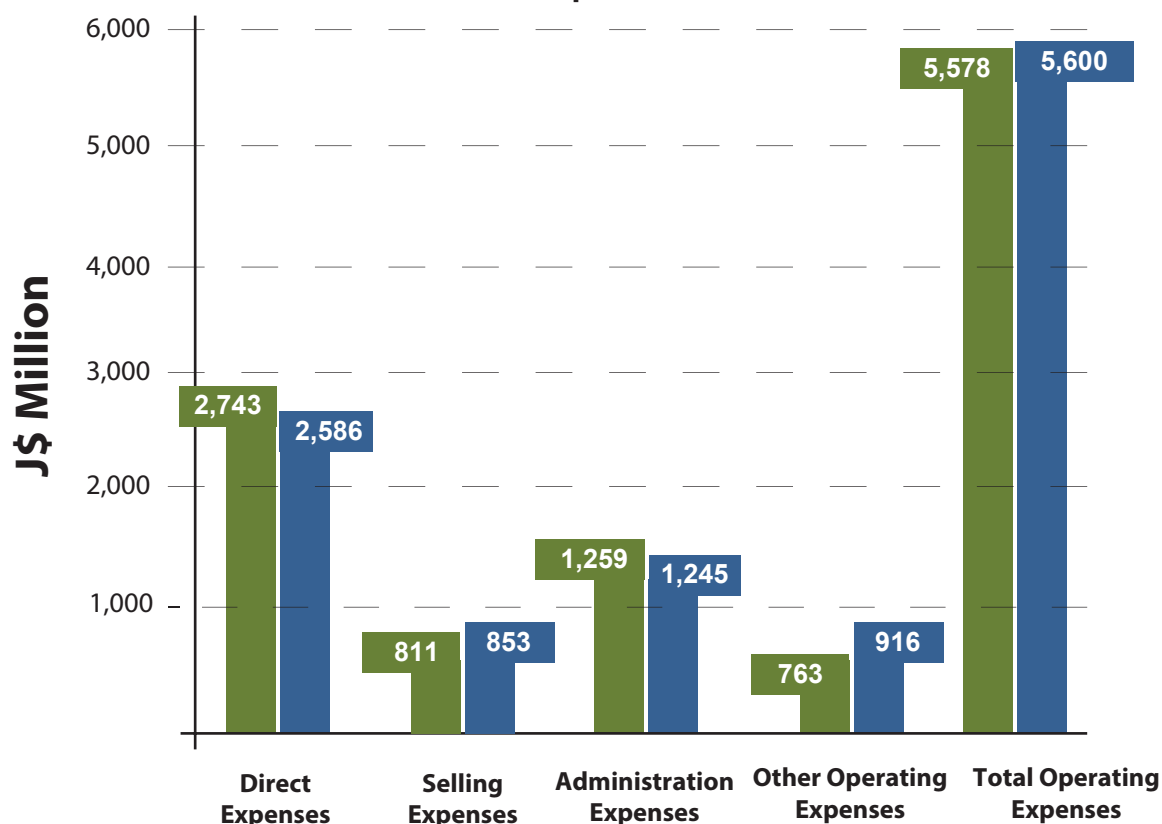
Total Operating Expenses of \$5.6 billion, including Direct, Selling, Administrative and Other Operating Expenses, were reduced by \$22 million or 0.4 percent during the period.

	Audio Visual	Audio	Print & Other	Year
	\$'000	\$'000	\$'000	
Revenues	2,168,089	714,236	2,751,143	2018-2019
Revenues	2,196,602	755,306	2,784,588	2019-2020
INCREASE	28,513	41,070	33,445	
	1%	5%	1%	

# MANAGEMENT

## DISCUSSION & ANALYSIS

### Operating Expenses 2019 - 2020 \$M



Direct Expenses were \$157 million below prior year due mainly to the non-recurrence of the broadcast rights fees for the FIFA World Cup.

Selling Expenses increased by 5% or \$42 million, commensurate with the increased revenue performance.

Administrative Expenses fell by \$14 million mainly as a result of the reduction in amortization costs for intangible assets.

Other Operating Expenses comprising, security, electricity, maintenance and depreciation costs, were higher by \$151 million or 20% as the Group conducted feasibility studies on new

business ventures and incurred fees associated with the acquisition of new accounting and sub-ledger software systems.

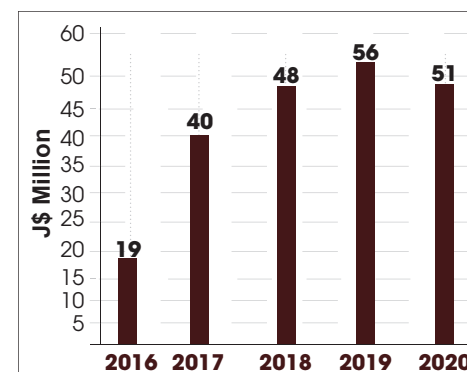
#### FINANCE COSTS

Finance Costs fell by \$5 million to \$51 million due to reduced borrowing cost from a facility used to purchase a High Definition (HD) Outside Broadcast (OB) Truck in 2018.

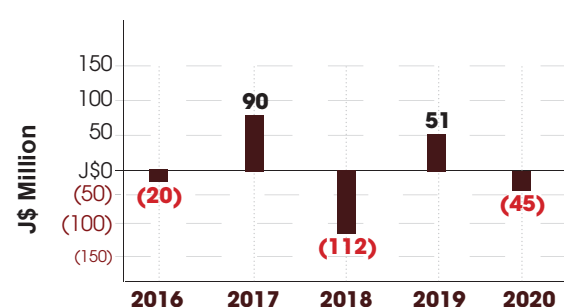
#### TAXATION

The Group incurred a taxation charge of \$1.9 million largely due to increased revenues compared to a tax rebate of \$1.8 million in the previous year.

#### Finance Costs 2016 - 2020



#### Other Comprehensive Income 2016 - 2020



The Group recorded a net change in Other Comprehensive Income after taxes of \$45 million which included foreign currency translation loss on foreign entities of \$16 million and increased provision of post-employment benefits of \$28 million.

#### EARNINGS PER SHARE

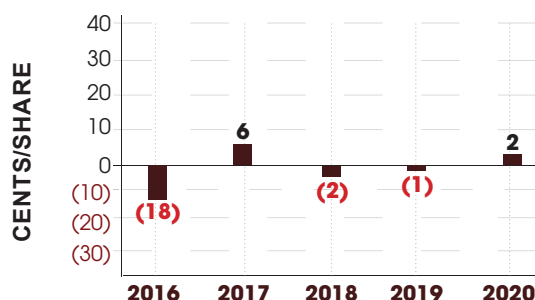
The Group registered Earnings per Ordinary Share of \$0.02 compared to a (\$0.01) per share loss of the prior year.



# MANAGEMENT

## DISCUSSION & ANALYSIS

Earnings per Share  
2016 - 2020



### NON-CURRENT ASSETS

Non-Current Assets of \$2.3 billion increased by \$104 million or 5 percent on the prior year's amount of \$2.2 billion. This improvement was largely due to increased Investments of \$56 million, primarily in associate companies Jamaica Holdings LLC and SiFi Studios Jamaica Limited. Plant

& Equipment increased by \$45 million and Intangible Assets by \$38 million.

### CURRENT ASSETS

Current Assets of \$1.5 billion decreased by \$48 million or 3 percent on prior year due mainly to a reduction in Cash and short-term investments of \$165 million and an increase in Receivables of \$110 million.

### CURRENT LIABILITIES

Current Liabilities increased by \$116 million, driven by an increase in vacation leave liabilities (\$13 million), trade payables (\$8 million), principal loan payments (\$11million), and other payables (\$69 million).

### SHAREHOLDERS' EQUITY

Shareholders' Equity of \$2.3 billion fell by \$55 million or 2 percent largely due to a dividend payment of \$48 million.

### TOTAL NON- CURRENT LIABILITIES

Total Non- Current Liabilities of \$695 million reduced by \$5 million on the \$700 million reflected in the prior year. This was driven by the reduction in long-term loans.

### STOCK PRICE AND MARKET CAPITALIZATION

As at March 31, 2020, the Company's 2,422,487,654 shares traded at \$1.24 each, an increase of \$0.17 on prior year's \$1.07, increasing the market capitalization to \$3,003,884,691 compared to \$2,592,061,790 in the prior year.

The Group's Net book value per share stood at \$1.24 compared to \$1.26 at March 31, 2019.

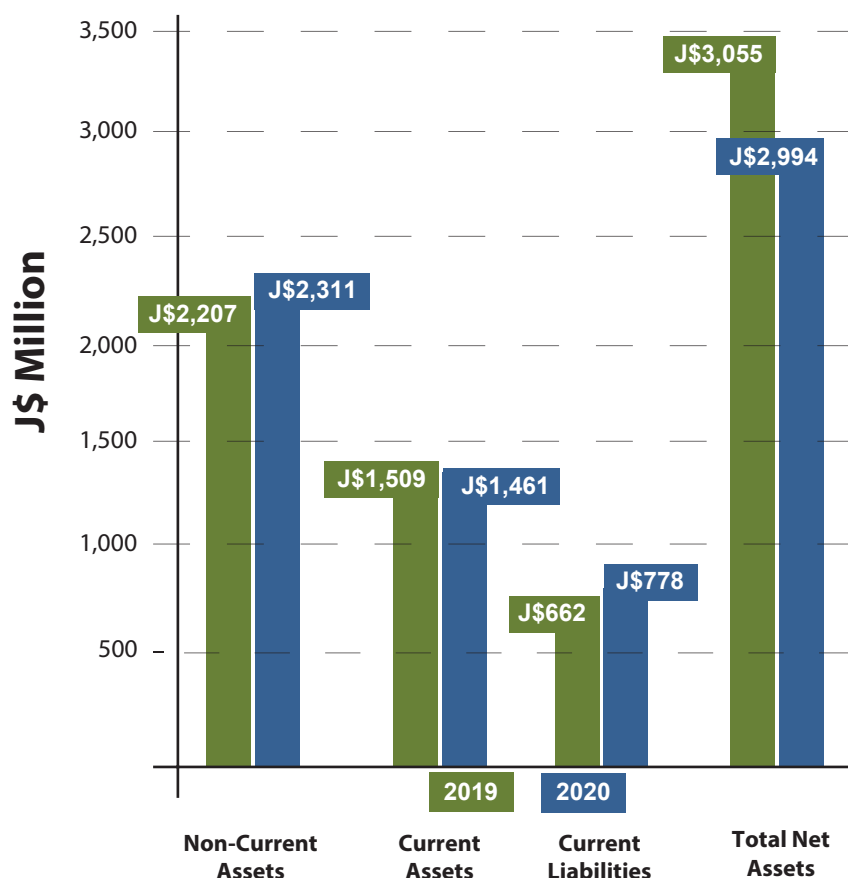
### INVESTMENTS

Available for Sale Investments of \$18 million is made up of Global bonds (\$9 million) and Corporate bonds (\$9 million).

### One Caribbean Media Limited (OCM)

The Company currently holds 48,254 shares in OCM with fair value of \$7.6 million, down \$1.6 million on the \$9.2 million in the prior year. OCM is a multi-media company which operates in Trinidad & Tobago, Barbados, Grenada, Guyana, Antigua and St. Lucia.

Total Net Assets (\$000)  
2019 - 2020



# MANAGEMENT

## DISCUSSION & ANALYSIS

RJRGLEANER Communications Group	2016	2017	2018	2019	2020
5 Year Analysis ( 2016-2020)	\$M	\$M	\$M	\$M	\$M
Turnover	2,307	5,229	5,046	5,483	5,593
Profit/(Loss) before tax	(252)	220	(28)	(24)	40
Taxation	27	(75)	(13)	2	(2)
Profit/(Loss) for the Financial Year	(225)	145	(42)	(22)	38
Dividends/Capital Distribution	35	48	48	0	48
<i>Shareholders Funds</i>					
<i>Capital:</i>					
Ordinary	2,041	2,041	2,041	2,041	2,041
Reserves	382	560	362	312	257
	2,424	2,601	2,403	2,353	2,298
Minority Interest	0	0	0	2	2
LongTerm Liability	511	389	744	700	695
Total Funds Employed	2,935	2,990	3,146	3,055	2,995
<i>Represented by:</i>					
Fixed Assets & Investments	2,420	2,518	2,469	2,207	2,312
Net Current Assets	515	472	677	847	683
Net Worth	2,935	2,990	3,146	3,055	2,995
Ordinary Shares in Issue At Year End	2,422	2,422	2,422	2,422	2,422
Dividend Per Ordinary Share (cents)	1.45	2.00	2.00	0.00	1.98
Shareholders Funds Per Ordinary Stock Unit	1.21	1.23	1.30	1.26	1.24
Return on Sales (Profit before tax as a % of Turnover)	(10.91)	4.20	(0.56)	(0.44)	0.71
Gearing (Net Borrowing as a % of Capital & Reserves)	21.08	14.98	30.95	29.76	30.25
Return on Net Assets (Profit after Tax as a % of Net Assets)	(7.66)	4.86	(1.33)	(0.73)	1.25



# CORPORATE

## GOVERNANCE

### The Board of Directors and its Responsibilities

The Board is collectively responsible for promoting the success of the Company by directing and overseeing the Company’s affairs.

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

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

### BOARD COMPOSITION

As at March 31, 2020, the Board comprised fourteen (14) directors and was chaired by Joseph M. Matalon. Former Chairman of the Board, the Honourable Oliver Clarke, died on May 16, 2020. Twelve (12) of the fourteen (14) 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 (Articles).

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

# CORPORATE

## GOVERNANCE

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.

### BOARD MEETINGS

Eight (8) Board meetings were held between April 1, 2019 and March 31, 2020. The meeting attendance per director is reflected in the table which follows below.

### BOARD OF DIRECTORS DATA APRIL 1, 2019 - MARCH 31, 2020

NAME OF DIRECTORS	INDEPENDENCE YES (Y)/NO (N)	EXECUTIVE YES (Y)/NO (N)	NUMBER OF MEETINGS ATTENDED OUT OF A TOTAL OF 8	DIRECTORS' FEES PAYABLE DURING YEAR
Joseph Matalon	N	N	8	\$900,000.00
Hon. Oliver Clarke O.J.	N	N	4	\$720,000.00
Dr. Lawrence Nicholson	Y	N	8	\$870,000.00
Prof. Carol Archer	Y	N	8	\$720,000.00
Gary Allen	N	Y	8	nil
Christopher Barnes	N	Y	8	nil
Carl Domville	Y	N	8	\$720,000.00
Glenworth Francis*	Y	N	4	\$360,000.00
Minna Israel	Y	N	7	\$720,000.00
Lisa Johnston	Y	N	6	\$720,000.00
Elizabeth Jones	Y	N	6	\$720,000.00
Andrew Leo-Rhynie*	Y	N	4	\$360,000.00
Hon. Douglas Orane	N	N	7	\$720,000.00
Cassida Jones Johnson**	Y	N	4	\$420,000.00
Sharon Roper**	Y	N	4	\$420,000.00
Mervyn Eyre**	Y	N	4	\$420,000.00

\* Director resigned from Board of Directors in September 2019.

\*\* Director joined Board of Directors in September 2019.



# CORPORATE

## GOVERNANCE

### BOARD EVALUATION

A board evaluation exercise was completed in May 2019. As a consequence of the evaluation exercise, a skills-matrix review of the Board was undertaken. Having completed the skills-matrix analysis, it was revealed that while the Board was very strong in the areas of business and finance, there were deficiencies in the areas of, marketing, human resources and technology. Two directors with strengths in areas which were already well represented on the Board volunteered to resign to facilitate the addition of three new directors with the required skills.

### 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 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 shall

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)*

**LISA JOHNSTON**

*(Non-Executive/Independent)*

**MINNA ISRAEL**

*(Non-Executive/Independent)*

**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 existing directors.

The Committee met five (5) times during the year under review. Below is the attendance of the Committee members at the meetings held:

# CORPORATE

## GOVERNANCE

### ATTENDANCE RECORD FOR CORPORATE GOVERNANCE COMMITTEE MEETINGS

April 1, 2019 to March 31, 2020, nine (9) meetings were held

NAME OF MEMBERS	NUMBER OF MEETINGS ATTENDED
Hon. Douglas Orane	5
Lisa Johnston	4
Lawrence Nicholson	4
Minna Israel	4

The Company’s Corporate Governance Code can be found on the Company’s website:

<http://www.rjrgleanergroup.com/sites/default/files/RJL%20Corporate%20Governance%20Code.pdf>

- Finance, Compliance and Audit Committee (FCAC)**

The FCAC met 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.

The members of the Committee as at March 31, 2020 were:

**Carl Domville**

*(Chairman, Non-Executive/ Independent)*

**Glenworth Francis**

*(Non-Executive/Independent/Non-Director)*

**Andrew Leo-Rhynie**

*(Non-Executive/Independent/Non-Director)*

**Elizabeth Jones**

*(Non-Executive/Independent)*

**Lisa Johnston**

*(Non-Executive/Independent)*

The roles and responsibilities of the FCAC include:

- Monitoring the financial objectives of the Company and the Company’s financial performance.
- Reviewing strategic plans and proposed investments.
- Ensuring that the Company is compliant with the relevant reporting standards.
- Approving formal financial announcements relating to the Company’s financial performance.
- Reviewing and monitoring the external auditor’s independence and objectivity, as well as the effectiveness of the audit process, taking into account relevant Jamaican professional and regulatory requirements.
- Monitoring and reviewing the effectiveness of the Company’s

internal audit functions.

- Considering, approving and recommending to the Board, the Group’s annual operating and capital budgets.

Nine (9) meetings were held during the year. The attendance was as follows:

### ATTENDANCE RECORD FOR FINANCE COMPLIANCE AND AUDIT COMMITTEE MEETINGS

April 1, 2019 to March 31, 2020, nine (9) meetings were held

NAME OF MEMBERS	NUMBER OF MEETINGS ATTENDED
Carl Domville	9
Glenworth Francis	9
Andrew Leo-Rhynie	8
Elizabeth Jones	6
Lisa Johnston*	4

\* Director joined the Committee in November 2019. A total of four committee meetings were held to the close of the financial year, after the Director joined the Committee

- Compensation Committee**

This is a committee of the Board which 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

Corporate Governance Committee and the Chair of the Human Resource Committee..

**ATTENDANCE: COMPENSATON COMMITTEE MEETINGS**

April 1, 2019 to March 31, 2020, 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*	N/A

\* Director joined the Committee in April 2020.

• **Human Resource Committee**

This Committee, which was established during the year under review, 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 shall comprise a minimum of three (3) members of the Board, one of whom shall be appointed by the Board as Chairperson of the Committee, all of whom shall be non-executive directors and the majority of whom shall be independent.

**ATTENDANCE: HUMAN RESOURCE COMMITTEE MEETINGS**

January 21, 2020 to March 31, 2020, two (2) meetings held

NAME OF MEMBERS	NUMBER OF MEETINGS ATTENDED
Dr. Cassida Jones Johnson (Chair)	2
Minna Israel	2
Dr. Carol Archer	2

• **Technology Committee**

This Committee, which was also established during the year under review, has a mandate from the Board to provide advice, guidance and oversight to the RJRGLEANER 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 Technology Committee, the Committee shall comprise a minimum of three members, two of which will be from the Group Board, one of whom shall be appointed by the Board as Chairperson of the Committee. The remaining membership will be independent subject matter experts recommended by the Chairman of the Committee in consultation with existing Committee members and approved by the Group Board.

**ATTENDANCE: TECHNOLOGY COMMITTEE MEETINGS**

January 23, 2020 to March 31, 2020, TWO (2) meetings held

NAME OF MEMBERS	NUMBER OF MEETINGS ATTENDED
Mervyn Eyre (Chair)	2
Joseph Matalon	2
Kavi Maharajh	2
Gregory Pullen	2



# OPERATIONAL HIGHLIGHTS

## BROADCAST SERVICES

### REVENUES

Our broadcast brands performed well in the 2019/2020 financial year. Television Jamaica surpassed its revenue target and for the second time achieved revenues in excess of \$2 billion. The cable division consisting of RETV, JNN & TVJ Sports Network also ended the year in profit and in the face of increased competition while our radio brands were able to improve performance over the previous year.

### REBRANDING OF RADIO JAMAICA

In January 2020, we rebranded the Group's flagship radio station from **RJR 94FM** to **RADIO JAMAICA 94FM**. This was a part of a strategic plan to better align the brands to their core audiences. The rebranding was impactful because of an execution that leveraged the full power of the Group, and at the end of launch day the new name and the rebranded tagline "Active for the good of our nation" were known.



### PHYSICAL RELOCATION OF POWER 106 & MUSIC 99

In a move to rationalise the operational expenses of radio, we moved the sales, production and studio operations of Music 99 and Power 106 from

North Street to the Lyndhurst Road Broadcasting House. This move will allow for the integration of their sales and production teams with those of RADIO JAMAICA 94FM, HITZ 92FM and FAME 95FM so they can learn from each other and truly operate as one radio family.

The movement was phased across the year, starting in June 2019 and ending in February 2020. The rationalisation of expenses will also assist in getting Radio Services into profitability in the coming year.

### CROSS COUNTRY 2020

The Group executed our most integrated Cross Country promotion since its amalgamation 4 years ago. All divisions of the company participated in creating memorable experiences for our patrons, meaningful exposure for our sponsors and a profitable undertaking for the Group.

On launch day, for the first time we had three (3) launches, Kingston in the morning, Ocho Rios in the afternoon and Portmore in the night. All launch events were well attended. We also used Cross Country as a vehicle to drive home the rebranding of RJR94FM to Radio Jamaica 94FM to the nation. This was another first, as we incorporated the use of augmented reality technology to allow persons to experience iconic broadcast moments in our nation's history that the brand had covered.

As always, the Radio Brands' calendars were in high demand, none more so than the Radio Jamaica 94FM's calendar. At the end of Cross Country 2020, we successfully executed over 60 radio outside broadcasts, three (3) TV outside broadcasts, several features in the Gleaner and the Star and physically interacted with tens of thousands of patrons from all walks of life, across the fourteen (14) parishes.

### FAREWELL

In November 2019, Fame 95FM said farewell to a talented disc jockey and lover of music, who has always been a crowd pleaser whenever he played on outside broadcasts, DJ Venom. He died in a motor cycle accident on the Spanish Town Bypass.

### PROGRAMMES

#### Home Grown and Content Monetisation Division

2019 – 2020 was a good year for our HomeGrown Division. In partnership with Dahlia Harris, we produced one of our most acclaimed series to date, "Ring Games", (Season 2). The public reaction and engagement with this programme exceeded our expectations and made it the number 1 local TV Drama in Jamaica during its period on air. We also had a successful second season of "Tailored for Taste".

We had two productions that were scheduled to start in March that had to be postponed due to the arrival of the COVID-19.



# OPERATIONAL

## HIGHLIGHTS

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### WOMEN'S WORLD CUP 2019

It was with pride that we broadcast the historic qualifying and participation of Jamaica's Women's Football team to the FIFA Women's World Cup. The nation was able to watch matches live and delayed on TVJ & TVJ Sports Network and to listen live on Hitz 92FM. Even though the team was knocked out in the first round, most Jamaicans were proud of our girls just for qualifying.

### IAAF WORLD CHAMPS

TVJ & TVJ Sports Network had exclusive television broadcast rights for the 2019 IAAF World Athletic Championships. We were proud to be able to deliver high definition coverage of this event live and delayed as Jamaica's athletes did their best to make their country proud. Jamaica placed 3rd in the championships with 12 medals: 3 gold, 5 silver and 4 bronze.

### CABLE IN PROFIT

Both RETV and JNN ended the year in profit. JNN continues to expand its local content line and has added "Insight", a current affairs programme, hosted by Michael Sharpe to its list of programmes. In a strategic move, "Frontline News" was moved to 8pm. In March 2020, JNN started hosting COVID-19 related Virtual Town Hall meetings in partnership with TVJ.

RETV continues to grow and had increased broadcast revenue from album launches both locally and overseas, during the year under review.

### EFFECTS OF COVID-19

The Novel Corona Virus that had been affecting the world from as early as January 2020, had its first case confirmed in Jamaica on March 10. The subsequent gathering restrictions and other safety precautions implemented by the government, forced us to suspend TVJ's Schools' Challenge Quiz programme at the quarter finals stage. It also affected revenue adversely with the cancellation of the Boys' & Girls' Champs that had advertising commitments for more than 20 other events and programmes with revenue earning opportunity.

However, it was the effects of COVID-19 on the market and the nation, in general, which stimulated the birth of "Fame Frequency – The Virtual Party Series" and the excellent private-public sector partnership with the Ministry of Education that is the "School's Not Out" programme.

### PRINT SERVICES

During the period under review, The Gleaner Company (Media) Limited, the print and online services arm of the Group, performed to expectations. The revenue centres delivered well and overall service to stakeholders was on par with the best in the industry globally.

On the advertising side, projections were realized through increased engagements with major clients in addition to several projects that

created temporary opportunities for revenue generation.

Following adjustments to our printing press, we introduced half wraps and spades as options for advertisements to the market. This helped to grow revenue from wraps by 59 per cent when compared to the previous year. Additionally, the advertising team grew revenue from speciality print products by 16 per cent over the same period last year, a signal of the aggressiveness of the advertising team in a highly competitive environment.

In spite of challenges to newspaper circulation locally and internationally, the print arm achieved reasonable revenue intake aided by a comprehensive review of its distribution network and the introduction of innovative sales strategies. During the last quarter, the ability to print a unique number on each newspaper was introduced, which allowed Print to execute national and regional competitions to drive sales.

The newsroom continued the tradition of standing above the rest, and in the process, won several awards for excellence in journalism from the local body representing journalists, the Press Association of Jamaica. The year, under a new Editor-in-Chief, Miss Kaymar Jordan, also saw the revamp of some products, including The Flair magazine that focuses on the interests of the nation's women.

# OPERATIONAL

## HIGHLIGHTS

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The newsroom led the discussion on sports around the country and broke most of the major stories in this sector, for example, those relating to the Reggae Girlz and athletics. The Star, the nation's best read tabloid newspaper, was a leader nationally on human interest stories which fuelled a surge in its online following.

In the digital space, the Gleaner continued to be the market leader with heightened engagement initiatives to connect with audiences; and the introduction of new projects, including a website to anchor the Flair magazine and Viewpoints, a website dedicated to high quality commentaries and opinions.

The marketing team was relentless in promoting the work of the company to include contributions to community development and education through the Spelling Bee competition and the Children's Own and YouthLink publications.

The Gleaner library maintained its role in the preservation of all publications in print, microfilm and electronic formats and providing research services in support of team members and the public. The online archive, accessed via [www.gleanerarchives.com](http://www.gleanerarchives.com), continued to be a major research tool for many. Last year, this service had 428,609 searches and 322,143 page downloads. Other services offered by the library include:

research, sale of photographs, sale of back issue newspapers, scrapbooks, birthday books, archival exhibitions and copyright licensing of content for reproduction.

The teams in the print division, across all departments, have developed roadmaps to guarantee excellence in all areas of operation during the next financial year. Together the various teams will work to connect with and serve our stakeholders.

### **RJR/TVJ NEWS AND SPORTS**

#### **THE EFFECTS OF COVID-19**

The newsroom was at the forefront of the Group's coverage of the COVID-19 crisis. In response to the COVID-19 pandemic, the newsroom crafted policy guidelines to govern how it would operate, in so far as interfacing with the public was concerned.

The crisis, which extended into the new financial year, proved taxing at times and tested the news and sports team, but was overcome with the team's content winning widespread praise from all sections of the society.

From the date of the announcement of the first case of COVID-19, the news team provided extended coverage in their radio and television bulletins. In some instances, the length of the newscasts were doubled which facilitated the provision of necessary information and updates to audiences.

The team also produced a series of virtual town halls to answer questions from a nervous public. This was held in late March and had the Health Minister and the Chief Medical Officer, among other professionals, answering questions from members of the public.

Before the COVID-19 pandemic, the RJRGLEANER News centre staged a number of highly acclaimed Town Hall meetings; all of which were very successfully executed, attended and broadcast with increased viewership for TVJ and JNN. The first of these sessions looked at the development at Heroes Park and its impact on the existing communities followed by Academia versus Sports. The Group staged a third session that looked at the increase development in High Rise buildings in Kingston and the implication on increased demand on local resources; utilities and parking, and finished the period with the discussion on the impact of the legalization of marijuana.

1. Proposed New Parliament (National Heroes Park) – July 24, 2019
2. Academia versus Sports- September 20, 2019
3. The Ganja Industry – November 1, 2019
4. High Rise Kingston – January 30, 2020



# OPERATIONAL

## HIGHLIGHTS

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'High Rise Kingston' – Town Hall Meeting

### DOCUMENTARIES

The newsroom produced a number of documentaries throughout the year on several critical topics. The COVID-19 crisis prevented the completion of several more. Nevertheless, the newsroom produced a documentary looking at the flow of illegal arms and ammunition into the country. The critically acclaimed "Illegal Entry: Gangs, Guns and Grief", examined the flow of illegal arms and ammunition into the island, mainly through the United States. It was made possible in part through a partnership with the US State Department TV Co-op Programme which allowed the team to gain access to the Port of Miami through which the vast majority of weapons pass on their way to Jamaica.

The newsroom also produced another

documentary on children and the dark web with the European Union and UNICEF funding that project. "Growing Up Digital" looked at children and the dangers of the dark web. A two part documentary on the descendants of the Jamaican community in Costa Rica was also produced. It was one of the first documentaries on that topic produced by a Jamaican television station.

### ELECTION PREPARATION

The newsroom commenced its preparation for a possible general election during the financial year and started testing systems and putting things in place. It also commissioned the first major public opinion polls for the season in February. The release of the findings coincided with the fourth anniversary of the election of the Andrew Holness administration.

### DEATH OF FORMER PRIME MINISTER, THE MOST HON. EDWARD SEAGA

When former Prime Minister the Most Hon. Edward Seaga died on May 28, 2019, the newsroom had prepared the obituary and drafted a coverage plan as he had been ill having been flown to Miami Florida for treatment.

The newsroom did itself proud in its coverage of the passing of Mr Seaga from the day of his death to the many events which were held to memorialize him, culminating in his state funeral. The newsroom managed the Group's electronic coverage of the funeral, giving Jamaicans locally and over the

world, a panoramic view of all stages of the event from the church service to his internment at National Heroes Park. The newsroom pioneered its live coverage on social media by broadcasting on its YouTube channel.

### PNP PRESIDENTIAL ELECTION

The challenge for the presidency of the opposition People's National Party dominated news coverage over the summer of 2019 and culminated with the election on September 7, 2019. The newsroom provided live coverage of the day's activities at Independence Park, including the results. There were reactions during the continuous coverage from the camps of both the victor, Dr Peter Phillips and his challenger, Peter Bunting.

### SPORTS

For the first time, Jamaica qualified for the FIFA Women's World Cup in France and for the first time, a Jamaican station sent a crew to cover the team's performance at the tournament. Our reporting team did well, covering all the back stories involving the Reggae Girlz in Grenoble and Riems.

The Group also sent a team to cover the World Championships in Doha, Qatar. Working in the Middle Eastern country with temperatures 40 degrees and above, proved to be quite a challenge, but the team was able to provide world class coverage for our viewers and listeners. The team did live interviews and vignettes of the Jamaican athletes' performances.

# OPERATIONAL

## HIGHLIGHTS

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The Sports department also provided live coverage on all major national events in track and field and football. The documentary on former national footballer, Luton Shelton, who is battling Lou Gehig's disease, was well received. It led to an outpouring of support for him to help with his long term care.

### AWARDS

The department was successful in the annual Press Association of Jamaica National Journalism Awards. The team won six awards, the second largest behind its colleagues at North Street, who won seven awards. Four awards were in news and two in sports. Young business reporter, Andrew Laidley, won two awards and Kelesha Williams and Janella Precius also won awards. Brian Lewis won the Best Documentary award for his Centre Circle Programme on Luton Shelton, the first time in decades that a sports programme won best documentary. The team was also heartened by the fact that Karen Madden won the sports journalism award, the first in quite some time that a woman had taken that prize. She was also shortlisted in the Journalist of the Year Award.

The team was also successful at Caribbean Broadcasting Union Awards in San Andres, Columbia winning three awards. The newsroom won Best Documentary for Giovanni Dennis' work, "Pothole Paradise", Andrea Chisholm won Best Investigative News story for the "Controversial FLA

License" and Giovanni topped Best News Item category for his stories on the tragic fire at the Walker's Place of Safety.

## ONLINE AND MULTI-MEDIA SERVICES

Online and Multi-Media services continued to provide a diversified blend of audio-visual solutions, creative services, digital advertising, web services and other technology solutions.

Revenues in Multi-Media Jamaica (MMJ) were driven by increased audio-visual rental services including those from the LED Screens.

MMJ continued to support live online streaming activities within the Group and supported external clients needing these services for funerals, seminars, and close circuit screens. MMJ continued to seek to expand and evolve in the virtual streaming space.

The mobile applications (apps) for the five radio brands in the Group continued to receive warm reception with positive feedback. Developed through a partnership with ZenoMedia, the advertising-supported apps continued to allow the Group to provide the ability for users to listen and enjoy live and recorded Jamaican content from anywhere in the world.

We continued to see interest in background music with new products

being developed to serve the market even better.

There was growing acceptance of the cost per impression (CPM) online advertising model implemented by Gleaner Online. This model was also to be used with services to be rolled out on 1spotmedia.com through Dynamic Ad Insertion.

This change brought us in-line with the rest of the digital industry and was geared to allowing the digital platforms to fully re-engage with advertisers in the online space.

While revenues continued to be driven by digital advertising, Gleaner Online also provided email and web hosting services to a number of small and medium sized entities. There was interest in enhanced digital services, particularly, email hosting, as the market looks for more collaboration and security products. In addition, Gleaner Online continued to offer web development services and now social media marketing and management services.

Mobile users of the Jamaica-gleaner.com and Jamaica-star.com continued to enjoy enhanced interface provided through a partnership with Marfeel that provided an app-like interface. This had resulted in significantly more engagement among smartphone users. Work on new mobile apps would be available next financial year.



# OPERATIONAL HIGHLIGHTS

During the period, page views for the Jamaica Gleaner and Jamaica Star grew by 33% and 60%, respectively.

The highest number of page views per month for the Gleaner and the Star was achieved in March 2020 and October 2019.

Understanding the social media audience and monetizing it had been key areas of focus on growth on the social media platforms for the Gleaner Online team. On Facebook, the Jamaica Gleaner and the Jamaica Star grew by 13% and 14%, respectively for the period. On Twitter, the Jamaica Gleaner and the Jamaica Star both grew by 9%, while on Instagram, the Jamaica Gleaner and the Jamaica Star grew by 30% and 43%, respectively.

## THE EPAPER

The Gleaner and Star ePapers continued to provide subscription access to the digital replica of the print versions of the respective newspapers, the Gleaner, the Star, weekly Gleaner North America and United Kingdom editions along with Track and Pools.

During the period, we added the Children's Own and Youthlink ePapers thereby expanding the offerings to now include all except the North America and UK Weekly Star editions. These are now available at <http://epaper.jamaica-gleaner.com>.

## TECHNOLOGY

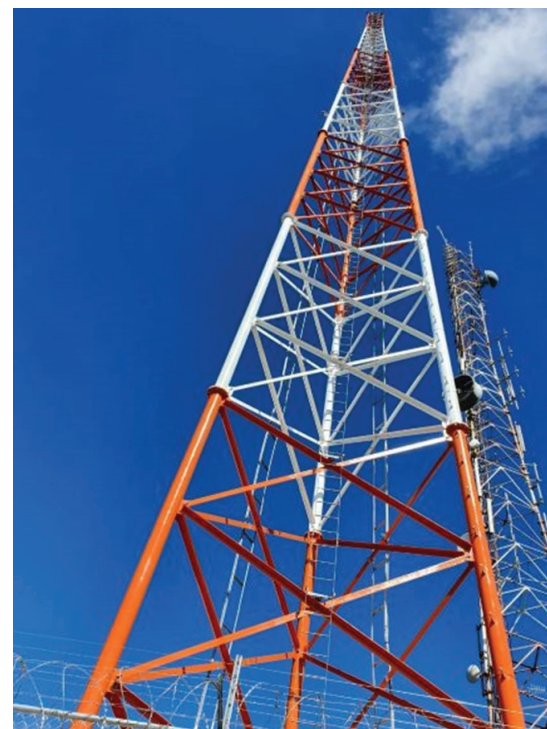
The technology team, which consists of the Information Technology and Engineering departments, supported several critical initiatives within the Group during the 2019/2020 year.

## STUDIO

As the Group continued its transition to a full HD facility, a new state of the art HD Studio was commissioned during the year, now enabling complete HD operations in TVJ's Studio A. All content produced from Studio A will now be HD.

## TRANSMISSION

In December, a new transmitter site was installed at Vinery Portland operating on Channel 11. This provided improved service to Western Portland and its environs as some previously underserved areas are now able to view TVJ.



A new 60m transmission tower at Solomon's Peak in Oracabessa, St Mary was erected to replace the over 30 year old tower which had passed its useful life and was showing signs of severe deterioration. This tower provides connectivity for all services to the parishes of St. Ann, St Mary and Portland.



# OPERATIONAL HIGHLIGHTS

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The team supported the successful execution of a Proof-of-Concept (PoC) for a Triple Play system using wireless broadband technology. Over a period of 3 months, over 25 users tested various features of this system. Services offered in the PoC were Broadband Internet, Telephone (Voice) and Cable.

## INFORMATION TECHNOLOGY

The Information Technology department focused on integration as a main thrust during the year. The integration of the IT teams at the two (2) campuses continued with the implementation of a single helpdesk system as well as staff rotation. IT continued to support the Accounting Integration Project, which when completed will see the Group using a single financial platform. Support was also provided to the conversion of the Payout and Traffic systems at Power106 and Music 99 to RCS Zetta and Broadview, respectively, which are the systems used for the other radio brands within the Group. All five (5) stations now use the same systems.

Work also continued in supporting the Business Development and Advertising department migrating to a new system (AProfit) for booking, billing and tracking ads for publications. This system integrates seamlessly with the recently installed NEO platform used by the Editorial department.

## GROUP CORPORATE AFFAIRS AND CORPORATE SOCIAL RESPONSIBILITY

The RJRGLEANER Communications Group's Corporate Sustainability commitments are much broader in scope and focus than its Corporate Social Responsibility (CSR) footprint. Corporate Sustainability speaks to the Group's long term commitment in delivering shareholder value by incorporating best practice principles in eight (8) key areas of, ethics, governance, transparency, business relationships, financial return, community involvement, product value and employment practices. The Group's CSR activities, on the other hand, are anchored by five (5) strategic pillars that were charted some years ago. The pillars are education, social/entertainment, community, sports and nation building.

These five (5) pillars are the drivers of the Group's CSR agenda and speak to the process by which the Group integrates these into its overall business operation and in its interaction with stakeholders on a benevolent and voluntary basis.

The RJRGLEANER Communications Group understands that the relationship between achieving corporate financial performance and CSR are closely linked. It is one of the corner stones of the Group's strategic

commitments as the Group believes that it showcases its core values (Adaptability, Excellence, Integrity and Innovation) and passion for doing the right thing.

The benefits of the Group investing its time and resources in community engagement, education and nation building can be quantified by its tangible financial achievements while the intangible continues to be visible in its strong corporate image, community relationships, customer loyalty, employee goodwill and outstanding individual brand names in the local marketplace and beyond.

In fact, industry research suggests that on average more than 25 percent of a company's market value is directly attributable to its reputation. The Group's reputation as a good corporate citizen is underpinned by its Corporate Sustainability Commitment that feeds into its CSR footprint and overall strategic mix. This is a crucial aspect of its larger corporate strategy. One of the core functions of Corporate Affairs is managing brand relationship from a benevolent point of view, as well as, expressions that are seen in the Group's commitment and implementation of projects that feed back into the communities it serves. This process of building ties with defined communities and implementing ongoing strategies that will benefit the community and the Group, remain at the forefront of its activities. The

# OPERATIONAL

## HIGHLIGHTS

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tools the Group use in fulfilling this CSR mandate are corporate contribution of promotional airtime, sponsorship, cash donations and production support. During 2019/2020, the Group supported a number of events and activities that were many and varied.

### CHARITABLE RUNS

The Group placed teams within the four (4) main charitable runs that were staged during the period, including the Sagicor Sigma Corporate Run in February 2019. Sagicor surpassed its fundraising target accumulating over \$50 million for the three beneficiaries of that charity event. In March, the Group participated in the 7th annual Kingston City Run; the Guardian Keep It Alive 5K Night Runs in May and the Digicel 5K Run for Special Needs in October. Continuing on the health and wellness trail, the Group participated in the Jamaica Diabetes Association – Health Alertness Campaign, ICWI Pink Run, Breast Cancer Awareness, Guardsman Games and Cardiovneds Skip-a-Thon.

### NATION BUILDING

The three (3) largest projects the Group adopted during the review period, where it was at the forefront, were the National Crime Prevention campaign; the Public Safety and Traffic Enforcement Campaign and PSOJ Crime Stop. The Group committed nearly forty million dollars (\$38,677,702) in promoting these national causes on Television, Cable Networks in Radio

and Print.

### COMMUNITY ENGAGEMENTS

The Group contributed nearly twelve million dollars (\$11,540,360) to community projects. These activities were diverse, from supporting larger organizations such as Missionary of the Poor and Jamaica Cancer Society, to smaller community fundraising events such as the Meadowbrook United Church fete, United Church of Jamaica and Cayman health fair, Jamaica Union Conference of Seventh Day Adventist and Webster Memorial Bus Drive fundraising.

The Group supported the St Ann Chamber of Commerce Awards; Kiwanis Club New Kingston; Best Care Foundation Gala; National Customer Service week and KWTRONICS digital electronic.

The Group was the exclusive media partner for the Hope Gardens Funland event which attracted over 5,000 people. During National Child Month, the Group showcased special features and programmes that placed children at the centre of the dialogue and discussions. Under the auspices of the British High Commission, the Group partnered in the staging of the second annual British Jamaica Expo which attracted over 10,000 people. This occasion was used to promote the technology and creative company Multi Media Jamaica Limited, a subsidiary of the Group. There were a

number of smaller fundraising events that the Group aligned itself to by donating \$6,989,316 in airtime across its services during the financial year.

The RJRGLEANER Communications Group places a high premium on our civic obligation to participate and volunteer. The Group was involved in the Royal Air Force benefit concert for the Jamaican veterans, Diplomatic Week, Montego Bay Trade Show, St Andrew and Kingston, Justices of the Peace Awards, Powerful Men and Women in Concert, Creative Kingston, Jazz on the Duke and JWN Rum Fest, Kiwanis Club, Red Cross, United Way, and Stella Maris. The RJRGLEANER Group also supported a number of smaller events such as KC Fish Fry and Friendly Lodge 239.

### EDUCATIONAL OUTREACH

Engagements continued in the support of the RJRGLEANER/CAB Basic School. The school was established over four decades ago and has benefited from the Group's support from inception. The school provides educational services for students ranging between the ages 3 - 6 years from the immediate community and as far away as the Portmore Community. The school is situated in Zone 6. Based on the Early Childhood Commission, the school is now excelling.

The Group has staff members that play an active role in the school's management. The newly appointed Chairman of the Board, Derrick Wilks is



# OPERATIONAL HIGHLIGHTS

a senior radio producer in the Group, while Board Director, Norma Brown Bell is the Group's Community Outreach Officer.

The school participates in all age appropriate activities staged by the Jamaica Cultural Development Commission, service clubs, in sports, churches and other associated school activities. Team members from the Group, principal and teachers were delighted to reclaim the INSPORTS Basic Schools Athletics Championship title at the National Stadium in July 2019. The school strives for excellence in everything. The voluntary service extended to the school by the Group's volunteers is an essential tool as the Group continues to support the school's efforts.

There were benefactors of over \$3,545,206 in airtime contribution made to a selection of educational institutions to include Wolmer's Trust, Dinthill Technical, Excelsior High, UWI, Vaz Prep, Stella Maris, St. Georges and Kingston College Choir.

## SOCIAL/ENTERTAINMENT

### CROSS COUNTRY BENEVOLENT FUND

All platforms within the Group were used to showcase and touch base with listeners, viewers and readers across the 14 parishes in Jamaica. Thousands of people attended the more than 60 outside broadcasts island wide.

Once again, in partnership with the Digicel Foundation, the Cross Country

Invasion was used as a platform to offer assistance to a number of organisations. Those who benefited were: -

- Westmoreland - Llandilo School of Special Education (HP Computer)
- Clarendon - Clarendon Drop in Centre (Washing Machine and Dryer)
- Portland - Muirton's Boys Home (Computer, Printer & Projector)
- St. James - SOS Children Village (15 Cubic ft Refrigerator)
- Hanover - Hanover Infirmary (3 Wheelchairs)

The Cross Country Invasion also provided merchandising space for the small to medium sized enterprise businesses that benefited from the Red Nose Day Charity Fund which was led by the Digicel Foundation. These upcoming companies were allowed to sell and display their goods and service at each Cross Country location.

### NATIONAL GOLDEN AGE HOME CLUSTER 'C'

Group association with the Cluster "C" continues in earnest. There are now seventy (70) senior citizens in residence in Cluster C at the National Golden Age Home. The RJRGLEANER Group's support is greatly appreciated by the residents, and in fact, the energy and kindness displayed by the volunteers, make it a pleasure for them to serve. The senior citizens participation in activities organised by the Group is

beneficial to the residents, as they are transported by the Golden Age Home to parks, churches, and other events organised during Senior Citizens' Week, which was from the end of September to the first week in October.



Highlights Golden Age Home Cluster C Retreat



Highlights Golden Age Home Cluster C Retreat

During the review period and partnering with a service club on Labour Day 2019, all eight dormitories were re-painted and the necessary repairs to cupboards and doors were made. The clothing storage area which was completely rebuilt at the end of 2018 has certainly enhanced the surroundings, and the dining area has been equipped with new chairs

# OPERATIONAL HIGHLIGHTS

and curtains, making the area more comfortable for the seniors. Special thanks to the volunteers and entities that assisted the Group in its efforts for over four decades.

## SPORTS AFFILIATIONS

In terms of sports, the Group supported the Jamaica Athletics Administrative Association and Racers' Track Club where nearly six (6) million dollars was invested.

One of the Group's signature events during the review period was the staging of the 59th National Sportsman and Sportswoman of the Year Awards.

The RJRGLEANER Sports Foundation was delighted once again to be staging the National Sportsman and Sportswoman of the Year Awards which was successfully broadcast live on Television Jamaica and within 22 Caribbean countries. This two-hour programme is now one of the acclaimed and prestigious awards in the region. The National Sportsman of the Year for 2019 was Tajay Gayle and Sportswoman was Shelly Ann Fraser-Pryce. The runners up for National Sportsman and Sportswoman were Fedrick Dacres and Shericka Jackson. The Group was honoured to have as guest speaker, the Hon. Douglas Orane, who received the specially blended Appleton Estate Pioneering Award.

The well anticipated VMBS Y.O.U.T.H Award was presented to Alex Powell while the Hon. Courtney Walsh received the Gleaner Newspaper's

Iconic Award. The sporting public voted in their thousands for the People's Choice Performance of the Year Award, which saw Shelly-Ann Fraser-Pryce copping the trophy.

The RJRGLEANER Sports Foundation decided that as the Awards neared its 60th year, it would be appropriate to introduce another element to its activity. Within this vein, the National Sports Awards Benevolent Fund was launched to raise funds for those who were recipients of the award and in need of assistance. The Fund raised just over \$100,000 in its first year.

## SPORTS WORLD MAGAZINE

Now in its seventh (7th) year, the Sports World Magazine continues to grow in quality and status and is still well received. The 2019 issue had 96 pages and was well supported by advertisers and sponsors. Copies were available for sale in the RJRGLEANER Gift Shop and subscribers of the Sunday Gleaner's January 20, 2019 issue, received copies free of charge.



Molly Rhone, director, RJRGLEANER Sports Foundation



Para-athletes (L-R) Santana Campbell and Sylvia Grant at RJRGLEANER Sportsman and Sportswoman Awards



# OPERATIONAL HIGHLIGHTS



Staff members at The RJRGLEANER Sportsman and Sportswoman Awards  
(L-R) Thelecia Patrickson, Adrian St. Louis, Gresela Brown, Tavoy Daley, Tamara Hylton, Shanae Brown, Yvonne Wilks-O’Grady, Annmarie Morrison, Edwin Williams, Shanice Brown, Samantha Jones, Lorna Lewis, Terry Wilson, Tashina Brissett and Herrick Williams.

## THE RJRGLEANER POP UP CAFE



Pop up Café 2019 – Dervan Malcolm of Power 106 FM and Jordan Wong, Coldfield Manufacturing

RJRGLEANER Pop Up Cafe continue to delight the Group’s viewers, listeners, readers, sponsors and advertisers. It is ‘Gourmet Experience’ at affordable prices with the opportunity to meet your favourite personalities on either of the two (2) days. During the review period, the Group celebrated 5 years of partnership with Restaurant Week

in the staging of the RJRGLEANER Pop Up Café at the Broadcasting House. Chef Jacqui Tyson catered to our audiences’ delight.

The Group showcased its radio and TV personalities while providing content for “Smile Jamaica” and “Daytime Live!” combined with the LIVE radio broadcast and exclusive editorials published in the Daily Gleaner and the Star, the event was comprehensively covered.

## HUMAN RESOURCES STAFF REWARD AND RECOGNITIONS

The vision of RJRGLEANER Communications Group sets the foundation for what the Group strives to achieve on a daily basis in the Human Resource department. This

department is driven to transform lives through every interaction with management and staff. The Human Resource department was able to effect this transformation because of its emphasis on service.

The past year saw the department executing its services by improving the communication across the Group, providing leadership training, improving employee satisfaction, and helping its business partners.

The members of the Human Resources department continued its focus on excellence and delivery of quality service in support of the Group’s vision of being a trusted, innovative and iconic Jamaican media and communications brand essential to people globally.



# OPERATIONAL

## HIGHLIGHTS

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### STAFF ORIENTATION

The Human Resource department modernised its orientation process by requiring all new hires to first take part in a one week induction and sensitization session, before being placed in their respective departments. This modernization was designed to ensure that all new hires were given sufficient information about the Group to increase their confidence once placed in their department. Additionally, before being confirmed, all new hires were also interviewed to provide feedback on their journey with the Group since their engagement. The benefits of which were, improved communication channels and receiving invaluable information on issues.

### JOB ROTATION PROGRAMME

The Human Resource department developed and executed the Job Rotation programme, an initiative designed to create a talent pool of cross-functional employees. The positives included growth opportunities, the breaking of monotonous roles and functions for staff, talent discovery, job extensions and department diversification.

### HEALTH AND WELLBEING MATTERS

The department continued its Health and Wellness fair across the Group. Partnering with over 20 suppliers of goods and services, retirees and staff took advantage of the offerings with the week's activity culminating with a boot camp facilitated by the Jamaica

Defence Force.

To encourage staff to take their vacation leave, the Group developed a Staycation Policy. The execution of this entailed the Group advancing a determined amount to any resort/villa/hotel of the employee's choice for a stay of up to five (5) days with very flexible repayment terms.

The period also saw twenty (20) staff receiving certification in First Aid/CPR from the Red Cross. The staff was exposed to two (2) days of hands on practical and theoretical training in life saving and emergency work scenarios.

### STAFF FUNCTIONS

While the Group worked hard, it paused at several intervals to celebrate its staff. The Group started the year off by celebrating its Administrative Assistants, who were pampered for the day at the lovely Hilton Rose Hall Hotel. In September 2019, the Group celebrated its pensioners and staff at its Annual Long Service and Pensioners Awards Function. The Group is especially proud of the following staff whose combined years of service is over a century:

- **Judith Silvera**  
30 years of service
- **Melvis Cummings**  
35 years of service
- **Jeffrey Brown**  
46 years of service

The staff went to Puerto Seco Beach for the annual staff trip, and dazzled at their Denim and Diamond themed Christmas Party which was held at the Jamaica Pegasus Hotel.

### STAFF TRAINING

In September 2019, the Group launched its Mathematics and English Language classes for staff. Partnering with Maths Unlimited, over fifteen (15) staff enrolled to attempt these subjects at the CSEC level. The Human Resource department is particularly proud of this transformational initiative capable of engaging staff and advancing their development.

### FUN AT WORK

Happy employees are healthier and more productive and through-out the year, the department hosted several themed competitions and fun activities. Some activities included parent-child look alike, providing local cuisine during the Independence weekend, and Valentine's Day poem competition.

### MENTORSHIP AND INTERNSHIP DEVELOPMENT PROGRAMME

In December 2019, the department launched its mentorship and internship programme for 30 students from the Ardenne High School. This, the brain child of our Chief Executive Officer, Gary Allen, saw us giving back in a positive way to youngsters, by providing them with exposure to the over 30 departments across the Group.



# OPERATIONAL HIGHLIGHTS

Many of our CSR activities relate to the Group’s employees’ welfare and safety. Employee welfare encompasses initiatives ranging from the provision of educational benefits to health support such as on-site health clinics, fitness centres and wellness classes.

Scholarships were used to offer some assistance to parents with children at the Primary school level by donating \$20,000 to 20 students. In order to qualify, parents had to be employed by the company for one year or more.

CSR efforts are part and parcel of being good corporate citizen as they help to recruit, motivate and retain employees which are significantly beneficial for an innovative media house that needs to attract and retain valuable creative talent. Increased employee motivation is a key driver as well, as people are seeking greater purpose at work and staff motivation is a powerful bottom-line benefit.

The quarterly sales award initiative continues to be well appreciated by the sales teams across the Group. The Human Resources Department has added different and new layers of staff incentives which are appreciated



Staff Engagement- Valentine’s Day



Champs Jersey Day



Staff Birthday Breakfast



RJRGLEANER Uniform day



RJRGLEANER Staff Party 2019



# RADIO JAMAICA LIMITED'S FINANCIAL STATEMENTS

31 MARCH 2020

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Form of Proxy



## *Independent auditor's report*

To the Members of Radio Jamaica Limited

### *Report on the audit of the consolidated and stand-alone financial statements*

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#### *Our opinion*

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Radio Jamaica Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 March 2020, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

#### **What we have audited**

Radio Jamaica Limited's consolidated and stand-alone financial statements comprise:

- the consolidated balance sheet as at 31 March 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company balance sheet as at 31 March 2020;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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#### *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 *Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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## *Our audit approach*

### **Audit scope**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### **How we tailored our group audit scope**

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our 2020 audit was planned and executed having regard to the fact that the operations of the Group remain largely unchanged from the prior year.

The Group's businesses are organised into three primary segments being Audio visual, Radio and other and Print and other. Geographically, the segments are Jamaica, St. Lucia, Canada, United Kingdom and the United States of America. These entities maintain their own accounting records and report to the Group through the completion of consolidation packages. All companies located outside of Jamaica except for Media Plus Limited which is domiciled in St. Lucia are audited by non-PwC firms. All of these locations were determined to be separate components and full scope audits or specified procedures were performed.

In establishing the overall group audit strategy and plan, we determined the type of work that was needed to be performed at the components by the group engagement team and component auditors. The group engagement team held regular meetings with the component teams and reviewed the working papers of the auditors of select components. Components were selected for review based on a determined level of total assets or risk. Completion of our reviews included on-site visits to the offices of the component auditors or in person meetings.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters, as it pertains to the stand-alone financial statements, in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Goodwill impairment assessment</b></p> <p><i>Refer to notes 2(h), 4(b) and 14 of the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements and estimates.</i></p> <p>As at 31 March 2020, the Group had recorded goodwill of \$75 million, representing approximately 2.0% of the Group's total assets.</p> <p>We focused on this area as the annual impairment assessment requires management judgement and estimation, particularly in relation to the estimation of future cash flows from the businesses, taking into consideration the key assumption being the revenue growth and discount rate in the Group's impairment model.</p>	<p>With the assistance of internal experts, we performed the following procedures, amongst others, over management's goodwill impairment assessment as follows:</p> <p>Evaluated management's future cash flow forecasts, and the process by which they were drawn up, including testing the underlying calculations and comparing them to the latest Board approved budgets. Compared previous forecasts to actual results to assess the performance of the business and the accuracy of forecasting.</p> <p>Challenged management's key assumptions for revenue growth and discount rate. In order to do this, we:</p> <ul style="list-style-type: none"> <li>evaluated these assumptions with reference to valuations of similar companies.</li> <li>compared the key assumptions to externally derived data where possible, including market expectations of investment return and projected economic growth.</li> <li>Sensitized the revenue growth and discount rate used in management's cash flow projections.</li> </ul> <p>The results of our procedures indicated that the assumptions used by management for assessing goodwill impairment were not unreasonable.</p>



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### *Other information*

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and stand-alone 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 consolidated and stand-alone 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 consolidated and stand-alone 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.

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### *Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements*

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

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

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

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### *Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated and stand-alone financial statements.

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 consolidated and stand-alone 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 and Company'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 Group or 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 auditor's report to the related disclosures in the consolidated and stand-alone 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 auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

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*Report on other legal and regulatory requirements*

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 kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

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The engagement partner on the audit resulting in this independent auditor's report is Kevin Powell.

A handwritten signature in dark ink, appearing to read "PricewaterhouseCoopers".

Chartered Accountants  
15 July 2020  
Kingston, Jamaica

# Radio Jamaica Limited

## Consolidated Statement of Comprehensive Income

**Year ended 31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
<b>Revenue</b>		5,592,697	5,482,889
Direct expenses		<u>(2,586,390)</u>	<u>(2,742,796)</u>
<b>Gross Profit</b>		3,006,307	2,740,093
Other operating income	5	98,310	126,751
Selling expenses		(853,084)	(811,075)
Administration expenses		(1,245,142)	(1,258,616)
Other operating expenses		<u>(915,937)</u>	<u>(765,326)</u>
<b>Operating Profit</b>		90,454	31,827
Finance costs	8	(50,834)	(56,079)
Share of net loss of associates		<u>(148)</u>	<u>-</u>
<b>Profit/(Loss) before Taxation</b>		39,472	(24,252)
Taxation	9	<u>(1,913)</u>	<u>1,808</u>
<b>Net Profit/(Loss)</b>		<u>37,559</u>	<u>(22,444)</u>
<b>Other Comprehensive Income, net of taxes -</b>			
<b>Item that will not be reclassified to profit or loss -</b>			
Re-measurements of post-employment benefits	9	<u>(28,141)</u>	<u>50,710</u>
<b>Item that will be reclassified to profit or loss -</b>			
Currency translation differences		<u>(16,587)</u>	<u>564</u>
		<u>(16,587)</u>	<u>564</u>
		<u>(44,728)</u>	<u>51,274</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>(7,169)</u></u>	<u><u>28,830</u></u>
<b>Earnings per Ordinary Stock Unit Attributable to Stockholders of the Company</b>	12	<u><u>\$0.02</u></u>	<u><u>(\$0.01)</u></u>

# Radio Jamaica Limited

## Consolidated Balance Sheet

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
<b>Non-Current Assets</b>			
Property, plant and equipment	13	1,547,933	1,502,555
Intangible assets	14	435,416	397,290
Retirement benefit assets	15	132,486	214,852
Deferred tax assets	16	98,989	52,445
Long term receivables		349	349
Investment securities	18	25,723	39,870
Investments accounted for using the equity method	29	70,433	-
		<u>2,311,329</u>	<u>2,207,361</u>
<b>Current Assets</b>			
Inventories	19	136,392	112,424
Receivables	22	1,024,452	914,311
Taxation recoverable		18,022	35,767
Cash and short term investments	23	281,816	446,428
		<u>1,460,682</u>	<u>1,508,930</u>
<b>Current Liabilities</b>			
Payables	24	756,384	654,137
Taxation payable		21,171	7,511
		<u>777,555</u>	<u>661,648</u>
<b>Net Current Assets</b>			
		<u>683,127</u>	<u>847,282</u>
		<u>2,994,456</u>	<u>3,054,643</u>



# Radio Jamaica Limited

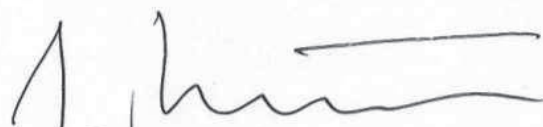
Consolidated Balance Sheet (Continued)

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
<b>Stockholders' Equity</b>			
Share capital	25	2,041,078	2,041,078
Foreign currency translation		(14,826)	1,761
Fair value reserve		(7,135)	(7,135)
Retained earnings		278,271	316,882
		2,297,388	2,352,586
<b>Non-controlling Interests</b>		1,948	1,948
<b>Total Equity</b>		2,299,336	2,354,534
<b>Non-Current Liabilities</b>			
Lease obligations	26	23,361	4,008
Long term loans	26	376,348	383,122
Deferred tax liabilities	16	92,766	111,612
Retirement benefit obligations	15	202,645	201,367
<b>Total Non-Current Liabilities</b>		695,120	700,109
		2,994,456	3,054,643

Approved for issue by the Board of Directors on 13 July 2020 and signed on its behalf by:

  
 \_\_\_\_\_  
 Joseph Matalon Chairman

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

## Radio Jamaica Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

		Number of Shares	Share Capital	Retained Earnings	Foreign Currency Translation	Fair Reserve	Equity Owners' Total	Non- Controlling Interests Total	Grand Total
	Note	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at April 1 2018</b>		2,397,683	2,041,078	288,616	1,197	(7,135)	2,323,756	1,948	2,325,704
Total comprehensive income		-	-	28,266	564	-	28,830	-	28,830
<b>Balance at 31 March 2019</b>		2,397,683	2,041,078	316,882	1,761	(7,135)	2,352,586	1,948	2,354,534
Total comprehensive income		-	-	9,418	(16,587)	-	(7,169)	-	(7,169)
Transactions with owners -									
Ordinary dividends	11	-	-	(48,029)	-	-	(48,029)	-	(48,029)
<b>Balance at 31 March 2020</b>		2,397,683	2,041,078	278,271	(14,826)	(7,135)	2,297,388	1,948	2,299,336

# Radio Jamaica Limited

## Consolidated Statement of Cash Flows

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	2020 \$'000	2019 \$'000
<b>Cash Flows from Operating Activities</b>		
Net profit/(loss)	37,559	(22,444)
Items not affecting cash:		
Depreciation and amortization	282,608	499,557
Gain on disposal of property, plant and equipment	(2,910)	-
Spares utilised	59	1,164
Interest income	(6,092)	(5,069)
Interest expense	50,834	56,079
Income tax charge	1,913	(1,808)
Exchange (losses)/gains on foreign currency balances	(16,949)	3,072
Retirement benefits	55,407	8,393
Revaluation of investment securities	378	218
Share of net loss of associates	148	-
	402,955	539,162
Changes in operating assets and liabilities:		
Inventories	(23,968)	13,900
Receivables	(108,448)	85,393
Payables	102,247	(68,250)
	372,786	570,205
Income tax paid	(37,496)	(24,096)
Net cash provided by operating activities	335,290	546,109
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	4,470	819
Purchase of fixed assets and intangibles <sup>(1)</sup>	(367,731)	(375,745)
Proceeds from long term investments	(82,348)	168,065
Purchase of long term investments	25,537	(70,834)
Interest received	6,092	5,069
Net cash used in investing activities	(413,980)	(272,626)
<b>Cash Flows from Financing Activities</b>		
Loans repaid	(38,095)	(52,712)
Loan acquired	31,321	13,391
Principal lease repayments		(12,137)
Interest paid	(31,481)	(39,491)
Dividends paid	(48,029)	-
Net cash used in financing activities	(86,284)	(90,949)
(Decrease)/increase in cash and cash equivalents	(164,974)	182,534
Exchange gains/(losses) on cash and cash equivalents	362	(3,072)
Cash and cash equivalents at beginning of year	446,428	266,966
<b>Cash and Cash Equivalents at End of Year (Note 23)</b>	<b>281,816</b>	<b>446,428</b>

(1) The principal non-cash transaction was the acquisition of fixed assets under lease arrangements of \$28,540,000 (2019- \$13,079,000).



# Radio Jamaica Limited

Company Statement of Comprehensive Income

**Year ended 31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
Revenue		618,084	564,822
Direct expenses		<u>(289,648)</u>	<u>(273,516)</u>
<b>Gross Profit</b>		328,436	291,306
Other operating income	5	76,155	84,494
Selling expenses		(122,940)	(98,153)
Administration expenses		(143,738)	(144,958)
Other operating expenses		<u>(117,948)</u>	<u>(107,563)</u>
<b>Operating Profit</b>		19,965	25,126
Finance costs	8	<u>(3,585)</u>	<u>(3,923)</u>
<b>Profit before Taxation</b>		16,380	21,203
Taxation	9	<u>(2,828)</u>	<u>(5,648)</u>
<b>Net Profit</b>		13,552	15,555
Other Comprehensive Income, net of taxes -			
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefits	9	<u>(27,035)</u>	<u>34,011</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>(13,483)</u></u>	<u><u>49,566</u></u>

# Radio Jamaica Limited

## Company Balance Sheet

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	Restated 2019 \$'000	Restated 2018 \$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	13	300,446	271,635	245,807
Intangible assets	14	5,400	-	-
Retirement benefit asset	15	155,490	212,923	182,803
Deferred tax asset	16	25,094	5,239	23,979
Investment in subsidiaries	17	1,824,854	1,824,854	1,824,854
Investment securities	18	25,522	39,669	158,968
		<u>2,336,806</u>	<u>2,354,320</u>	<u>2,436,411</u>
<b>Current Assets</b>				
Inventories	19	4,435	4,424	5,656
Due from subsidiaries	20	487,889	509,219	622,476
Receivables	22	163,818	133,057	116,160
Taxation recoverable		13,318	16,303	13,700
Cash and short term investments	23	133,693	221,070	151,087
		<u>803,153</u>	<u>884,073</u>	<u>909,079</u>
<b>Current Liabilities</b>				
Payables	24	215,808	193,697	221,627
Due to subsidiaries	20	179,578	204,010	308,396
		<u>395,386</u>	<u>397,707</u>	<u>530,023</u>
<b>Net Current Assets</b>				
		<u>407,767</u>	<u>486,366</u>	<u>379,056</u>
		<u>2,744,573</u>	<u>2,840,686</u>	<u>2,815,467</u>
<b>Equity</b>				
Share capital	25	2,041,078	2,041,078	2,041,078
Fair value reserves		(7,135)	(7,135)	(7,135)
Retained earnings		314,959	376,471	326,905
		<u>2,348,902</u>	<u>2,410,414</u>	<u>2,360,848</u>
<b>Non-Current Liabilities</b>				
Long term loans	26	327,549	363,348	398,364
Retirement benefit obligations	15	68,122	66,924	56,255
		<u>395,671</u>	<u>430,272</u>	<u>454,619</u>
		<u>2,744,573</u>	<u>2,840,686</u>	<u>2,815,467</u>

Approved for issue by the Board of Directors on 13 July 2020 and signed on its behalf by:

Joseph Matalon

Chairman

Gary Allen

Chief Executive Officer

## Radio Jamaica Limited

Company Statement of Changes in Equity

**Year ended 31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 1 April 2018</b>		2,397,683	2,041,078	(7,135)	375,392	2,409,335
Effect of restatement	30	-	-	-	(48,487)	(48,487)
As restated, balance as at April 1, 2018		2,397,683	2,041,078	(7,135)	326,905	2,360,848
Total comprehensive income		-	-	-	49,566	49,566
<b>Balance at 31 March 2019</b>		2,397,683	2,041,078	(7,135)	376,471	2,410,414
Total comprehensive income		-	-	-	(13,483)	(13,483)
Transactions with owners -						
Ordinary dividends		-	-	-	(48,029)	(48,029)
<b>Balance at 31 March 2020</b>		2,397,683	2,041,078	(7,135)	314,959	2,348,902



# Radio Jamaica Limited

## Company Statement of Cash Flows

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	2020 \$'000	2019 \$'000
<b>Cash Flows from Operating Activities</b>		
Net profit	13,552	15,555
Items not affecting cash:		
Depreciation and amortisation	27,214	20,181
Gain on disposal of property, plant and equipment	(2,910)	-
Lease income	-	(9,637)
Dividend income	(1,445)	57
Interest income	(3,464)	(3,842)
Interest expense	3,585	3,923
Income tax charge	2,828	5,648
Exchange loss on foreign currency balances	(3,457)	11
Retirement benefits	25,401	1,079
Revaluation of investment securities	378	218
	61,682	33,193
Changes in operating assets and liabilities:		
Inventories	(11)	1,232
Due from subsidiaries	(3,102)	8,871
Receivables	(44,264)	1,417
Payables	22,147	(27,930)
	36,452	16,783
Income tax paid	-	(2,278)
Net cash provided by operating activities	36,452	14,505
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	3,002	568
Purchase of property, plant and equipment	(61,552)	(46,577)
Proceeds from investments	13,769	168,065
Interest received	4,908	3,899
Net cash (used in)/provided by investing activities	(39,873)	125,955
<b>Cash Flows from Financing Activities</b>		
Loans repaid	(35,799)	(34,770)
Interest paid	(3,585)	(35,696)
Dividends paid	(48,029)	-
Net cash used in financing activities	(87,413)	(70,466)
(Decrease)/increase in cash and cash equivalents	(90,834)	69,994
Exchange loss on cash and cash equivalents	3,457	(11)
Cash and cash equivalents at beginning of year	221,070	151,087
<b>Cash and Cash Equivalents at End of Year (Note 23)</b>	133,693	221,070

# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

### 1. Identification and Principal Activities

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:

	<b>2020</b>	<b>2019</b>
Television Jamaica Limited	100%	100%
Multi-Media Jamaica Limited	100%	100%
Media Plus Limited, and its subsidiaries –	100%	100%
Reggae Entertainment Television Limited	100%	100%
Jamaica News Network Limited	100%	100%
The Gleaner Company (Media) Limited	100%	100%
The Gleaner Company (USA) Limited	100%	100%
Independent Radio Company Limited	100%	100%
A-Plus Learning Limited	50%	50%
The Gleaner Online Limited	100%	100%
The Gleaner Company (UK) Limited	100%	100%
Gleaner Media (Canada) Inc.	100%	100%

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 Group’s associates are as follows:

	<b>2020</b>	<b>2019</b>
Jamaica Holding, LLC	25.00%	-
SiFi Studios Jamaica Limited	6.89%	-

Jamaica Holding, LLC is incorporated and domiciled in Puerto Rico while SiFi Studios Jamaica Limited is incorporated and domiciled in Jamaica.

# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as 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.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

#### ***Standards, interpretations and amendments to published standards effective in the current year***

Certain new standards, interpretations and amendments to existing standards that have been published, became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following IFRS, which are immediately relevant to its operations.

- **IFRS 16, 'Leases' (effective for annual periods beginning on or after 1 January 2019).** This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. It replaces the guidance in IAS 17, which made a distinction in classification between leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset (finance leases) and those that do not (operating leases). For a lessee, finance leases were recognised as an asset that was depreciated over the lease term and the amount due to the lessor recognised as borrowings; while operating leases were recognised as a periodic rental payment that was treated as a current expense in the statement of comprehensive income.

IFRS 16 introduces a single lease accounting model for lessees. It requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The standard includes an optional exemption for certain short-term leases and leases of low-value assets. For lessors, the accounting stays almost the same.

The adoption of IFRS 16 from 1 April 2019 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 16 [C7], comparative figures have not been restated. Details of the new accounting policy in relation to IFRS 16 are outlined in Note 2 (p). There was no other significant impact on adoption of the new standard.



# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 2. Summary of Significant Accounting Policies (Continued)

### (a) Basis of preparation (continued)

*Standards, interpretations and amendments to published standards effective in the current year (continued)*

- **Amendment to IFRS 9, 'Financial instruments on prepayment features with negative compensation'** (effective for annual periods beginning on or after 1 January 2019). This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. There was no impact from the adoption of this amendment.
- **Amendment to IAS 28, 'Investments in associates and joint ventures' (effective for annual periods beginning on or after 1 January 2019)**. This amendment clarifies that companies account for long term interests in an associate or joint venture to which the equity method is not applied using IFRS 9. There was no impact from the adoption of this amendment.
- **IFRIC 23, 'Uncertainty over income tax treatments' (effective for annual periods beginning on or after 1 January 2019)**. This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes' are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether the treatment will be accepted by the tax authority. There was no impact from the adoption of this amendment.
- Annual improvements to IFRSs 2015 – 2017 cycles. These amendments include minor changes to the following standards:
  - IFRS 3, 'Business combinations', (effective for annual periods beginning on or after 1 January 2019). This amendment clarifies that an entity should re-measure its previously held interest in a joint operation at fair value when it obtains control of the business.
  - IFRS 11, 'Joint arrangements', (effective for annual periods beginning on or after 1 January 2019). This amendment clarifies that an entity should not re-measure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12, 'Income taxes', (effective for annual periods beginning on or after 1 January 2019). This amendment clarifies that the income tax consequences of dividend payments should be recognised according to where the past transactions or events that generated distributable profits were recognised.
  - IAS 23, 'Borrowing costs' (effective for annual periods beginning on or after 1 January 2019). This amendment clarifies that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes a part of general borrowings.

There was no impact from the adoption of these amendments.

# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Summary of Significant Accounting Policies (Continued)

#### (a) Basis of preparation (continued)

##### ***Standards, interpretations and amendments to published standards that are not yet effective***

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not effective at the date of the statement of financial position, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

- **IFRS 17, 'Insurance contracts'**, (effective for annual periods beginning on or after 1 January 2023). IFRS 17 replaces IFRS 4 which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The standard requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of discount probability – weighted cash flows, an explicit risk adjustment, and a contract service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. This IFRS provides a common global insurance accounting standard leading to consistency in recognition, measurement, presentation and disclosure. The adoption of the standard is not expected to have any impact on the Group.
- **Amendments to IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and errors' (effective for annual periods beginning on or after 1 January 2020)**. These amendments clarify the definition of materiality and the meaning of primary users of general purpose financial statements by defining them as existing and potential investors, lenders and other creditors. The Group is currently assessing the impact of this standard.
- **Amendment to IFRS 3 'Business combinations' (effective for annual periods beginning on or after 1 January 2020)**. This amendment revises the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term outputs is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The Group is still assessing the impact of the amendment.
- **Amendments to IFRS 10, 'Consolidated financial statements' and 'IAS 28 Investments in associates and joint ventures'**. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's investment in the associate or joint venture. The amendments apply prospectively
- **Revised Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after 1 January 2020)**. The revised Conceptual Framework will be used in standard-setting decisions with immediate effect, however no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies will need to consider whether their accounting policies are still appropriate under the revised Framework. The Group is currently assessing the impact of this revision.

# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Summary of Significant Accounting Policies (Continued)

#### (b) Basis of consolidation

##### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

##### (ii) Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Radio Jamaica Limited.

##### (iii) 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. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.



# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Summary of Significant Accounting Policies (Continued)

#### (c) Foreign currency translation

##### *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 Jamaican dollars, which is the Company's functional and presentation currency.

##### *Transactions and balances*

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.

#### (d) Revenue and income recognition

Revenue comprises the sale of airtime, programme material, and the rental of studios and equipment, net of General Consumption Tax. Revenue in respect of airtime and programming is recognised on performance of the underlying service. Rental income is recognised as it accrues.

Subscription revenue is recognised over the life of the subscription. Revenue received in advance is deferred to match the revenue with the future costs associated with honouring the subscription.

Interest income is recognised as it accrues unless collectability is in doubt.

Dividend income is recognised when the right to receive payment is established.

# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Summary of Significant Accounting Policies (Continued)

#### (e) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

##### **Financial assets**

###### **Classification**

Equity instruments are measured at fair value through profit or loss (FVTPL), unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at fair value through other comprehensive income (FVOCI) with no subsequent reclassification to profit or loss. Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVOCI or at FVTPL. Financial assets and liabilities are recognised when the Group becomes a party to the contractual loss allowance of the instrument. Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

###### Classification of debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories.

###### Measured at amortised cost

Debt instruments that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs.

###### Measured at fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the assets, where cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI. Movement in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instruments amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating income. Interest income from these financial assets is included in "other operating income" using the effective interest rate method.

###### Measured at fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the profit or loss and presented in the profit or loss statement in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Held for trading securities are acquired principally for the purpose of selling in the short-term or if they form part of a portfolio of financial assets in which there is evidence of short-term profit taking.

# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Summary of Significant Accounting Policies (Continued)

#### (e) Financial instruments (continued)

##### Application of the Simplified Approach

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires that the impairment loss allowance is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a loss allowance matrix is utilised in determining the lifetime ECLs for trade receivables.

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.

The accounting policy for trade receivables is dealt with in Note 2 (m). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

##### **Financial liabilities**

The Group's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the balance sheet date, the following items were classified as financial liabilities: bank overdraft, finance lease obligations, long term loans and trade payables.

#### (f) Income taxes

Taxation expense in the statement of 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.



# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 2. Summary of Significant Accounting Policies (Continued)

### (g) 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.

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%

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

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

# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Summary of Significant Accounting Policies (Continued)

#### (h) Intangible assets

##### ***Goodwill***

Goodwill is recorded at costs 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.

##### ***Broadcast rights***

Broadcast rights acquired are recognised at fair value at the acquisition date and are subsequently 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.

#### (i) Investment securities

Investment securities classified as financial assets at fair value through profit or loss and available-for-sale are carried at fair value. 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 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

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 2. Summary of Significant Accounting Policies (Continued)

### (j) Retirement benefits

#### *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.

GCML operates a defined-contribution pension scheme; the assets of which were held separately from those of the Group.

#### *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.

### (k) 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.



# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Summary of Significant Accounting Policies (Continued)

#### (l) Inventories

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

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

#### (m) Trade receivables

Trade receivables are carried at original invoice amount less loss allowance for impairment of these receivables. A loss allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the loss allowance is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers.

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement. Impairment testing of trade receivables is described in Note 2(e).

#### (n) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and comprise balances which mature within 90 days of the date of acquisition, including cash and bank balances, net of bank overdrafts.

#### (o) Trade payables

Trade payables are stated at historical cost.

#### (p) Leases

As of 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leases asset is available for use by the Group.

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

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

- i) Fixed payments (including in-substance fixed payments), less any lease incentives receivables
- 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.

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 2. Summary of Significant Accounting Policies (Continued)

### (p) Leases (continued)

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 from our existing banks, as no entity within the Group have existing borrowings.

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.

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. 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.

#### *Accounting policy prior to 1 April 2019*

Leases of fixed assets where the Group as lease has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term liabilities. The interest element of the finance cost is charged in arriving at profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The fixed asset acquired under a finance lease is depreciated over the shorter of the useful life of the asset or the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Summary of Significant Accounting Policies (Continued)

#### (q) Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield 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.

#### (r) 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.

#### (s) Dividends

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

#### (t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Company's Board of Directors.



# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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## 3. 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 Committee*

The Finance 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

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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## 3. Financial Risk Management (Continued)

### *Department of Finance and Administration (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 Finance Department 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.

Customer's 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.

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### Department of Finance and Administration (continued)

#### (a) Credit risk (continued)

##### (i) Trade and other receivables (continued)

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.

##### (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 Committee performs quarterly reviews of the investments and securities held as part of their assessment of the Group's credit risk.

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:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Advertising agencies	808,583	641,336	119,900	110,998
Direct customers	280,332	328,862	-	-
	1,088,915	970,198	119,900	110,998
Less: Loss allowance for impairment	(274,727)	(249,165)	(17,000)	(25,664)
	814,168	721,033	102,900	85,334

#### Trade receivables loss allowance

The loss allowance as at 31 March 2020 and 1 April 2019 (on adoption of IFRS 9) was determined as follows for trade receivables:

	Group			
	Current \$'000	60 - 119 \$'000	Over 120 days \$'000	Total \$'000
<b>31 March 2020</b>				
Expected loss rate	4%	18%	67%	
Gross carrying amount trade receivables	601,645	151,468	335,802	1,088,915
<b>Loss Allowance</b>	23,008	26,864	224,855	274,727



# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (a) Credit risk (continued)

	Group			
	Current \$'000	60 - 119 \$'000	Over 120 days \$'000	Total \$'000
<b>31 March 2019</b>				
Expected loss rate	6%	52%	68%	
Gross carrying amount trade receivables	619,977	146,409	203,812	970,198
<b>Loss Allowance</b>	<b>34,857</b>	<b>76,200</b>	<b>138,108</b>	<b>249,165</b>

	Company			
	Current \$'000	60 - 119 \$'000	Over 120 days \$'000	Total \$'000
<b>31 March 2020</b>				
Expected loss rate	2%	17%	58%	
Gross carrying amount trade receivables	82,201	16,249	21,450	119,900
<b>Loss Allowance</b>	<b>1,663</b>	<b>2,814</b>	<b>12,523</b>	<b>17,000</b>

	Company			
	Current \$'000	60 - 119 \$'000	Over 120 days \$'000	Total \$'000
<b>31 March 2019</b>				
Expected loss rate	8%	74%	95%	-
Gross carrying amount trade receivables	89,014	9,594	12,390	110,998
<b>Loss Allowance</b>	<b>6,791</b>	<b>7,101</b>	<b>11,772</b>	<b>25,664</b>

# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

#### (a) Credit risk (continued)

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

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
At 1 April	285,164	192,210	55,247	37,855
IFRS 9 adjustment to opening balance	-	79,677	-	18,314
Loss allowance for receivables impairment	7,657	55,040	(18,913)	10,592
Receivables written off during the year as uncollectible	(5,145)	(17,346)	(6,386)	(6,165)
Unused amounts reversed/recovered	-	(24,417)	-	(5,349)
At 31 March	287,676	285,164	29,948	55,247

The loss allowance includes amounts relating to other receivables of \$29,375,000 (2019 – \$35,999,000) and \$20,375,000/12,948,000 (2019-\$29,583,000) for the Group and the Company respectively.

#### (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.

#### **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:

- 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.
- Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Maintaining committed lines of credit; and
- Optimising cash returns on investment.

# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

#### (b) Liquidity risk (continued)

##### **Cash flows of financial liabilities**

Trade payables and balances due to subsidiaries are due within one month.

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

		The Group			
		Within 1 Year	1 to 5 Years	Over 5 Years	Total
		\$'000	\$'000	\$'000	\$'000
		2020			
Lease obligations		19,192	33,613	31,213	84,018
Long term loans		70,151	488,896	39,957	599,004
		89,343	522,509	71,170	683,022
		2019			
Lease obligations		14,913	30,087	-	45,000
Long term loans		66,323	516,306	92,402	675,031
		81,236	546,393	92,402	720,031
		The Company			
		Within 1 Year	1 to 5 Years	Over 5 Years	Total
		\$'000	\$'000	\$'000	\$'000
		2020			
Long term loans		59,774	423,511	39,957	523,242
		2019			
Long term loans		61,521	492,171	92,402	646,094

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



# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

#### (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.

##### **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, British pound and Canadian dollar, from commercial transactions such as the purchase of investment securities and station equipment, and the recognised assets and liabilities arising there from. 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.

At 31 March 2020, the Group and Company had net USD dominated monetary assets carried at a Jamaican Dollar equivalent of \$31,074,000 (2019 – \$75,887,000) and \$11,189,000 (2019 – \$76,973,000) respectively. The Group also had net GBP and CAD dominated monetary assets carried at a Jamaican Dollar equivalent of \$16,239,000 (2019 – \$6,855,000) and \$2,570,000 (2019 – \$4,767,000), respectively. The Company also had net GBP dominated monetary assets carried at a Jamaican Dollar equivalent of \$8,914,000 (2019 – \$Nil).

##### **Foreign currency sensitivity**

The sensitivity analysis represents the impact on the profit or loss due to the movement in the US dollar, GBP and CAD exchange rate if the rate adjusts for a 2% revaluation and 6% devaluation (2019 – 2% revaluation and 4% devaluation).

US dollar - The pre-tax impact on the profit or loss would amount to (\$621,000) – revaluation, \$1,864,000 – devaluation (2019 – (\$1,517,000)/ (\$3,035,000) and (\$224,000) revaluation, \$671,000 – devaluation (2019– (\$1,539,000)/\$3,079,000) for the Group and the Company, respectively.

GBP -The pre-tax impact on the profit or loss would amount to (\$325,000) – revaluation, \$974,000 – devaluation (2019 – (\$137,000)/ \$274,000) for the Group and (\$178,000) – revaluation, \$535,000 – devaluation (2019 – \$Nil/ \$Nil) for the company.

CAD - The pre-tax impact on the profit or loss would amount to (\$51,000) – revaluation, \$154,000 – devaluation (2019 – (\$95,000) – revaluation, \$190,000 – devaluation for the Group.

# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 3. Financial Risk Management (Continued)

#### (c) Market risk (continued)

##### *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 deposits disclosed in Note 23. 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.

#### (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 operating income 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 observable.

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 balance sheet 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 31 March 2020, these instruments are quoted investment securities, Government of Jamaica securities and investment notes (Note 18). The Group and Company have no financial assets grouped in Level 3.

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (e) Fair value estimation (continued)

	The Group			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 31 March 2020</b>				
<b>Financial assets</b>				
Investment securities	7,555	18,168	-	25,723

<b>As at 31 March 2019</b>				
<b>Financial assets</b>				
Investment securities	9,234	30,636	-	39,870

	The Company			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 31 March 2020</b>				
<b>Financial assets</b>				
Investment securities	7,555	17,967	-	25,522

<b>As at 31 March 2019</b>				
<b>Financial assets</b>				
Investment securities	9,234	30,435	-	39,669

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

- 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. These financial assets and liabilities include cash and bank balances, short term investments, and trade receivables and payables.
- The carrying values of long term loans, 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.



# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

### 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 Company'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.

#### (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.

##### ***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 interest rate 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 15.

##### ***Purchase price allocation***

In a business combination, the acquirer must allocate the cost of the business combination at the acquisition date by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at fair value at that date. The allocation is based upon certain valuations and other studies performed with the assistance of external valuation specialists. Due to the underlying assumptions made in the valuation process, the determination of those fair values requires estimations of the effects of uncertain future events at the acquisition date and the carrying amounts of some assets, such as intangible assets, acquired through a business combination could therefore differ significantly in the future.

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

### (b) Key sources of estimation uncertainty (continued)

#### *Assessment of goodwill*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(k). 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. A 1% increase in the discount rates and a 2% reduction in the revenue growth would result in a reduction in the value in use by \$311,438,000 which would not result in an impairment of goodwill of \$75,002,000 (Note 14).

#### *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.

#### *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 16). At 31 March 2020, unrecognised deferred tax assets in respect of tax losses carried forward amounted to \$50,705,000 (2019 – \$55,879,000).

## 5. Other Operating Income

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest income	6,092	5,069	4,908	3,842
Net foreign exchange gains/(loss)	362	(3,072)	3,457	(11)
Unrealised gain/(loss) on revaluation of investment securities classified as financial assets at fair value through profit or loss	378	(218)	378	(218)
Gain on disposal of property, plant and equipment	2,910	-	2,910	-
Rental income	48,582	46,236	59,265	63,665
Compensation for damages	16,959	3,163	3,326	391
Other income	23,027	75,573	1,911	16,825
	<u>98,310</u>	<u>126,751</u>	<u>76,155</u>	<u>84,494</u>

# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

### 6. Expenses by Nature

Total direct, selling, administration and other operating expenses:

	<b>The Group</b>		<b>The Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Auditors' remuneration	25,779	25,249	4,653	4,665
Bad debt expense/(recovered)	7,977	48,085	(25,375)	5,967
Commissions	499,560	515,635	38,304	34,471
Depreciation and amortisation	282,608	525,480	27,214	20,181
Distribution costs	166,537	130,478	158	-
Insurance	115,228	92,890	11,042	6,711
Production expenses	568,051	638,774	21,307	23,075
Programming expenses	164,336	180,798	24,586	29,707
Publicity	143,897	81,090	22,031	7,328
Repairs and maintenance	226,660	232,618	46,448	41,833
Security expense	59,189	59,714	8,536	10,081
Special events	93,757	75,003	3,475	17,508
Staff costs (Note 7)	2,280,985	2,156,871	343,746	317,520
Travelling expenses	107,861	84,953	24,732	16,577
Utilities	378,088	330,958	42,318	41,090
Website development	136,012	84,781	25,466	25,481
Other <sup>1</sup>	344,028	313,806	55,633	21,995
	<u>5,600,553</u>	<u>5,577,183</u>	<u>674,274</u>	<u>624,190</u>

<sup>1</sup> Other includes legal fees, directors' fees, professional fees, janitorial costs, canteen expenses, market research and rental expense.



# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

### 7. Staff Costs

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Wages and salaries	1,862,621	1,778,505	242,221	236,479
Statutory contributions	172,320	158,607	40,415	32,742
Pension benefits (Note 15)	34,992	39,733	17,001	21,025
Other retirement benefits (Note 15)	20,415	20,032	8,400	7,457
Redundancy costs	4,665	-	2,150	-
Other	185,972	137,838	50,943	19,817
	<u>2,280,985</u>	<u>2,156,871</u>	<u>343,746</u>	<u>317,520</u>

Other includes uniform, vacation leave, health, training, life insurance.

### 8. Finance Costs

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest expense –				
Bank borrowings	31,313	38,691	3,051	3,773
Leases	6,734	789	534	150
Other	12,787	16,599	-	-
	<u>50,834</u>	<u>56,079</u>	<u>3,585</u>	<u>3,923</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%:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current tax	40,768	17,401	4,880	(1,755)
Prior year under accrual	17,154	-	8,791	-
Deferred tax (Note 16)	(56,009)	(19,209)	(10,843)	7,403
	<u>1,913</u>	<u>(1,808)</u>	<u>2,828</u>	<u>5,648</u>

# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

### 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 16.

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Profit/(loss) before taxation	39,620	(24,252)	16,380	21,203
Tax calculated at a tax rate of 25%	9,905	(6,063)	4,160	5,301
Adjusted for the effects of :				
Expenses not deductible for tax purposes	14,749	3,613	62	54
Income not subject to tax	(7,496)	-	(361)	-
Prior year tax adjustment	17,154	(7,980)	8,791	-
Tax losses utilised	(33,314)	-	(7,406)	-
Tax losses in subsidiaries	-	11,963	-	-
Employee tax credit	(737)	(2,899)	-	(1,013)
Other	1,652	(442)	(2,418)	1,306
	<u>1,913</u>	<u>(1,808)</u>	<u>2,828</u>	<u>5,648</u>

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

		Group		
		Before Tax \$'000	Tax Effect \$'000	After Tax \$'000
Remeasurements of post-employment benefit liabilities (Note 15)	<b>2020</b>	<u>(37,522)</u>	<u>9,381</u>	<u>(28,141)</u>
Remeasurements of post-employment benefit liabilities (Note 15)	<b>2019</b>	<u>67,613</u>	<u>(16,903)</u>	<u>50,710</u>

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 9. Taxation Expense (Continued)

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

		Company		
		Before Tax	Tax Effect	After Tax
		\$'000	\$'000	\$'000
Remeasurements of post-employment benefit liabilities (Note 15)	2020	(36,047)	9,012	(27,035)
Remeasurements of post-employment benefit liabilities (Note 15)	2019	45,348	(11,337)	34,011

## 10. Net Profit and Retained Earnings Attributable to Stockholders of the Company

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

	2020 \$'000	2019 \$'000
The Company	13,552	15,555
	13,552	15,555
The subsidiaries	24,007	(37,999)
	37,559	(22,444)

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

	2020 \$'000	2019 \$'000
The Company	314,959	376,471
The subsidiaries	(36,688)	(59,589)
	278,271	316,882

## 11. Ordinary Dividends

	2020 \$'000	2019 \$'000
Interim dividends – \$0.02 (2019 – nil) per stock unit	48,029	-

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 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.

	2020	2019
Net loss attributable to stockholders \$'000	37,559	(22,444)
Weighted average number of ordinary stock units in issue ('000) after acquisition	2,397,683	2,397,683
Basic earnings per ordinary stock unit	\$0.02	(\$0.01)



# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 13. Property, Plant and Equipment

	The Group								
	Freehold Land	Freehold Buildings	Improvements to Leasehold Property	Furniture, Fixtures & Equipment	Motor Vehicles	Spares	Leased Operating Assets	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost -									
31 March 2018	56,531	391,191	134,580	2,331,212	177,653	29,963	6,779	46,251	3,174,160
Additions	-	19,380	-	55,251	46,616	577	5,133	88,011	214,968
Disposals	-	-	-	(1,072)	(1,983)	-	(5,274)	-	(8,329)
Utilisation	-	-	-	(14)	-	(2,422)	-	-	(2,436)
Transfers	-	7,950	-	77,630	-	-	-	(85,580)	-
31 March 2019	56,531	418,521	134,580	2,463,007	222,286	28,118	6,638	48,682	3,378,363
Additions	-	9,961	-	42,911	48,882	133	28,540	164,357	294,784
Disposals	-	-	-	(788)	(61,903)	(317)	-	-	(63,008)
Utilisation	-	-	-	-	-	-	-	(14,521)	(14,521)
Transfers	-	9,065	-	120,196	-	-	-	(135,965)	(6,704)
31 March 2020	56,531	437,547	134,580	2,625,326	209,265	27,934	35,178	62,553	3,588,914

## Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 13. Property, Plant and Equipment (Continued)

	The Group								
	Freehold Land	Freehold Buildings	Improvements to Leasehold Property	Furniture, Fixtures & Equipment	Motor Vehicles	Spares	Leased Operating Assets	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost -									
31 March 2019	56,531	418,521	134,580	2,463,007	222,286	28,118	6,638	48,682	3,378,363
31 March 2020	56,531	437,547	134,580	2,625,321	209,265	27,934	35,178	62,553	3,588,911
Depreciation -									
31 March 2018	-	129,531	28,903	1,363,502	118,293	14,673	4,127	-	1,659,029
Charge for the year	-	9,959	988	168,430	39,625	1,004	4,283	-	224,289
Relieved on disposals /utilization	-	-	-	(1,072)	-	(1,164)	(5,274)	-	(7,510)
31 March 2019	-	139,490	29,891	1,530,860	157,918	14,513	3,136	-	1,875,808
Charge for the year	-	10,144	987	166,595	38,789	879	9,168	-	226,562
Relieved on disposals/ utilization	-	-	-	(660)	(60,670)	(59)	-	-	(61,389)
31 March 2020	-	149,634	30,878	1,696,795	136,037	15,333	12,304	-	2,040,981
Net Book Value -									
31 March 2020	56,531	287,913	103,702	928,531	73,228	12,601	22,874	62,553	1,547,933
31 March 2019	56,531	279,031	104,689	932,147	64,368	13,605	3,502	48,682	1,502,555

# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

### 13. Property, Plant and Equipment (Continued)

	The Company						
	Freehold Land	Freehold Buildings	Furniture, Fixtures & Equipment	Motor Vehicles	Spares	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost -							
31 March 2018	5,516	291,781	406,118	17,978	9,739	7,633	738,765
Additions	-	-	16,463	-	486	29,628	46,577
Disposals	-	-	(1,072)	-	-	-	(1,072)
Transfers	-	6,105	6,073	-	-	(12,178)	-
Utilisation	-	-	-	-	(1,461)	-	(1,461)
31 March 2019	5,516	297,886	427,582	17,978	8,764	25,083	782,809
Additions	-	9,961	12,072	9,058	133	44,850	76,074
Disposals	-	-	(788)	(9,142)	-	-	(9,930)
Transfers	-	9,065	8,661	-	-	(24,430)	(6,704)
Utilisation	-	-	-	-	-	(14,521)	(14,521)
31 March 2020	5,516	316,912	447,527	17,894	8,897	30,982	827,728
Depreciation -							
1 March 2018	-	106,918	358,848	17,978	9,214	-	492,958
Charge for the year	-	7,111	12,877	-	193	-	20,181
Relieved on disposals/utilization	-	-	(1,072)	-	(893)	-	(1,965)
31 March 2019	-	114,029	370,653	17,978	8,514	-	511,174
Charge for the year	-	7,254	17,603	944	109	-	25,910
Relieved on disposals/utilisation	-	-	(660)	(9,142)	-	-	(9,802)
31 March 2020	-	121,283	387,596	9,780	8,623	-	527,282
Net Book Value -							
31 March 2020	5,516	195,629	59,931	8,114	274	30,982	300,446
31 March 2019	5,516	183,857	56,929	-	250	25,083	271,635

The tables above include carrying values of \$5,545,000 (2019: \$11,412,000) for the Group representing assets being acquired under leases arrangements. All amounts related to leases are shown mainly in the 'Motor Vehicles' category of property, plant and equipment.

# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 14. Intangible Assets

	The Group					
	Goodwill	Broadcasting Right	Brand	Leases	Computer Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost -</b>						
31 March 2018	75,002	118,439	221,100	141,800	117,798	674,139
Additions	-	145,510	-	-	15,267	160,777
31 March 2019	75,002	263,949	221,100	141,800	133,065	834,916
Additions	-	-	-	-	87,468	87,468
Transfer from fixed asset	-	-	-	-	6,704	6,704
31 March 2020	75,002	263,949	221,100	141,800	227,237	929,088
<b>Amortisation -</b>						
31 March 2018	-	11,931	29,480	18,906	76,118	136,435
Amortisation charge	-	250,688	14,740	9,453	26,310	301,191
31 March 2019	-	262,619	44,220	28,359	102,428	437,626
Amortisation charge	-	1,330	14,740	9,453	30,523	56,046
31 March 2020	-	263,949	58,960	37,812	132,951	493,672
<b>Net Book Value</b>						
31 March 2020	75,002	-	162,140	103,988	94,286	435,416
31 March 2019	75,002	1,330	176,880	113,441	30,637	397,290

#### Broadcast rights

The Company acquired rights to broadcast FIFA events for the period 2018 to 2019 from the new rights holder.

#### Brand/Lease

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.

#### 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.



# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 14. Intangible Assets (Continued)

### *Impairment tests for goodwill (continued)*

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.

	Company Computer Software \$'000
<b>Cost -</b>	
31 March 2018 and 2019	9,251
Transfer from fixed asset	6,704
31 March 2020	15,955
<b>Amortisation -</b>	
31 March 2018 and 2019	9,251
Amortisation charge	1,304
31 March 2020	10,555
<b>Net Book Value</b>	
31 March 2020	5,400
31 March 2019	-

# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 15. Retirement Benefits

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Amounts recognised in the balance sheet –				
Pension schemes	132,486	214,852	155,490	212,923
Other retirement benefits	(202,645)	(201,367)	(68,122)	(66,924)
Amounts recognised in profit or loss –				
Pension schemes (Note 7)	34,992	39,733	17,001	21,025
Other retirement benefits (Note 7)	25,415	20,033	8,400	7,457
Amounts recognised in other comprehensive income –				
Pension schemes	49,376	(65,108)	41,662	(50,066)
Other retirement benefits	(11,852)	(2,502)	(5,613)	4,718
Deferred tax	9,381	(16,903)	9,012	(11,337)

#### **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 scheme is managed by an outside agency under a management contract, and by Trustees. 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 was done as at 28 February 2020.

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 who has responsibilities for the general management of the portfolio of investments and the administration of the fund.

The GCML Group operates a defined contribution pension fund for employees who satisfy certain minimum service requirements.

The fund is managed and administered by JN Fund Managers Limited.

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Retirement Benefits (Continued)

### *Pension schemes (continued)*

The amounts recognised in the balance sheet were determined as follows:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Fair value of plan assets	1,549,090	1,331,454	1,180,647	1,014,539
Present value of funded obligation	(1,416,604)	(1,116,602)	(1,025,157)	(801,616)
Asset in the balance sheet	<u>132,486</u>	<u>214,852</u>	<u>155,490</u>	<u>212,923</u>

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

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Balance at start of year	1,116,602	994,987	801,616	724,624
Current service cost	41,830	46,163	25,963	29,235
Interest cost	<u>78,134</u>	<u>74,116</u>	<u>55,754</u>	<u>53,692</u>
	1,236,566	1,115,266	883,333	807,551
Remeasurements -				
Experience losses/(gains)	89,339	(57,528)	75,068	(39,671)
Losses from change in financial assumptions	<u>46,329</u>	<u>56,043</u>	<u>32,699</u>	<u>38,260</u>
	<u>135,668</u>	<u>(1,485)</u>	<u>107,767</u>	<u>(1,411)</u>
Employee contributions	72,683	36,156	57,811	24,066
Benefits paid	<u>(28,313)</u>	<u>(33,335)</u>	<u>(23,754)</u>	<u>(28,590)</u>
	<u>1,416,604</u>	<u>1,116,602</u>	<u>1,025,157</u>	<u>801,616</u>

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Retirement Benefits (Continued)

### *Pension schemes (continued)*

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

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Balance at start of year	1,331,454	1,182,720	1,014,539	907,427
Employee contributions	72,683	36,156	57,811	24,066
Employer contributions	2,003	1,743	1,230	1,079
Interest income on plan assets	92,963	87,981	70,499	67,239
Benefits paid	(28,313)	(33,335)	(23,754)	(28,590)
Administrative fees	(7,991)	(7,434)	(5,783)	(5,337)
Remeasurements of the plan assets	86,291	63,623	66,105	48,655
Balance at end of year	1,549,090	1,331,454	1,180,647	1,014,539

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

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current service cost	41,830	46,163	25,963	29,235
Interest cost	78,134	74,117	55,754	53,692
Interest income on plan assets	(92,963)	(87,981)	(70,499)	(67,239)
Administrative fees	7,991	7,434	5,783	5,337
Total included in staff costs (Note 7)	34,992	39,733	17,001	21,025

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

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Remeasurements of the defined benefit obligation	135,667	(1,485)	107,767	(1,411)
Remeasurements of the plan assets	(86,291)	(63,623)	(66,105)	(48,655)
Total	49,376	(65,108)	41,662	(50,066)



# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 15. Retirement Benefits (Continued)

#### *Pension schemes (continued)*

At the last valuation date, the present value of the defined benefit obligation comprised approximately \$1,059,867 (2019 - \$799,749,000) and \$708,249,000 (2019- \$520,475,000) relating to active members, \$82,397,000 (2019 - \$79,860,000) and \$64,078,000 (2019 - \$61,209,000) relating to deferred members and \$274,341,000 (2019- \$236,995,000) and \$252,831,000 (2019 - \$219,933,000) relating to the members in retirement for the Group and the Company respectively.

Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

Expected employer contributions to the plan for the year ended 31 March 2021 amount to \$2,140,000 for the Group and \$1,370,000 for the Company.

The distribution of plan assets was as follows:

	<b>The Group &amp; Company</b>	
	<b>2020</b>	<b>2019</b>
	%	%
Equities	55	45
Government of Jamaica securities	15	12
Certificate of deposits	-	5
US\$ Investments	2	5
Corporate bonds	23	27
Other	5	6
	<u>100</u>	<u>100</u>

Plan assets include the Company's ordinary shares with a fair value of \$2,430,000 (2019- \$2,065,000).

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

	<b>The Group</b>		
	<b>2020</b>		
	<b>Impact on post-employment obligations</b>		
	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
		<b>\$'000</b>	<b>\$'000</b>
Discount rate	1%	(184,868)	238,213
Future salary increases	1%	57,875	(51,882)
Pension increases	1%	157,798	(130,500)

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Retirement Benefits (Continued)

### *Pension schemes (continued)*

The Group			
2019			
Impact on post-employment obligations			
Change in assumption	Increase in assumption	Decrease in assumption	
	\$'000	\$'000	
Discount rate	1%	(35,526)	75,390
Future salary increases	1%	15,240	(10,291)
Pension increases	1%	49,314	(29,417)

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

The Company			
2020			
Impact on post-employment obligations			
Change in assumption	Increase in assumption	Decrease in assumption	
	\$'000	\$'000	
Discount rate	1%	(127,868)	162,950
Future salary increases	1%	38,980	(35,188)
Pension increases	1%	108,365	(90,574)

The Company			
2019			
Impact on post-employment obligations			
Change in assumption	Increase in assumption	Decrease in assumption	
	\$'000	\$'000	
Discount rate	1%	(95,988)	121,332
Future salary increases	1%	29,651	(26,677)
Pension increases	1%	80,519	(67,849)

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Retirement Benefits (Continued)

### *Pension schemes (continued)*

		The Group	
		Increase Assumption by One Year	Decrease Assumption by One Year
		\$'000	\$'000
Life expectancy	2020	41,800	(39,400)
Life expectancy	2019	34,400	(35,100)

		The Company	
		Increase Assumption by One Year	Decrease Assumption by One Year
		\$'000	\$'000
Life expectancy	2020	31,600	(29,800)
Life expectancy	2019	25,800	(26,300)

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.

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Retirement Benefits (Continued)

### *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.

The amounts recognised in the balance sheet were determined as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Present value of unfunded obligations	202,645	201,367	68,122	66,924

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at start of year	201,367	190,442	66,924	56,255
Current service cost	6,343	5,937	3,771	3,295
Past service cost	136	-	-	-
Interest cost	13,936	14,095	4,629	4,162
	221,782	210,474	75,324	63,712
Remeasurements -				
Experience (gains)/losses	(4,767)	2,359	2,525	(784)
Gains from change in demographic assumptions	(7,640)	1,867	(5,003)	1,472
Losses from change in financial assumptions	555	(6,730)	(3,138)	4,031
	(11,852)	(2,504)	(5,616)	4,719
Benefits paid	(7,285)	(6,603)	(1,586)	(1,507)
Balance at end of year	202,645	201,367	68,122	66,924



# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Retirement Benefits (Continued)

### *Other retirement benefits (continued)*

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

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current service cost	6,343	5,937	3,771	3,295
Past service cost	136	-	-	-
Interest cost	13,936	14,095	4,629	4,162
Total included in staff costs (Note 7)	<u>20,415</u>	<u>20,032</u>	<u>8,400</u>	<u>7,457</u>

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

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Remeasurements of the defined benefit obligation	<u>(11,852)</u>	<u>(2,502)</u>	<u>(5,613)</u>	<u>4,718</u>

At the last valuation date, the present value of the defined benefit obligation comprised approximately \$163,129,000 (2019 - \$167,557,000) and \$39,427,000 (2019 - \$40,888,000) relating to active members and \$39,515,000 (2019 - \$33,810,000) and \$28,695,000 (2019 - \$26,036,000) relating to the members in retirement for the Group and the Company respectively.

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Retirement Benefits (Continued)

### *Other retirement benefits (continued)*

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

The Group 2020			
Impact on post-employment obligations			
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1%	(13,826)	17,329
Future salary increases	1%	-	-
Health inflation rate	1%	17,501	(14,175)

GCML			
Impact on post-employment obligations			
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1/2%	(93,900)	105,700
Health inflation rate	1/2%	105,700	(93,900)

The Group 2019			
Impact on post-employment obligations			
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1%	(13,314)	16,667
Future salary increases	1%	233	(213)
Health inflation rate	1%	15,190	(12,343)

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Retirement Benefits (Continued)

*Other retirement benefits (continued)*

GCML			
Impact on post-employment obligations			
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1/2%	(97,000)	16,667
Health inflation rate	1/2%	108,900	108,900
The Company 2020			
Impact on post-employment obligations			
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1%	(8,937)	11,170
Future salary increases	1%	-	-
Health inflation rate	1%	11,283	(9,164)
The Company 2019			
Impact on post-employment obligations			
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1%	(8,394)	10,485
Future salary increases	1%	85	(77)
Health inflation rate	1%	10,007	(8,154)

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Retirement Benefits (Continued)

### *Other retirement benefits (continued)*

		The Group	
		Increase Assumption by One Year	Decrease Assumption by One Year
		\$'000	\$'000
Life expectancy	2020	106,767	92,354
Life expectancy	2019	110,285	110,285

		The Company	
		Increase Assumption by One Year	Decrease Assumption by One Year
		\$'000	\$'000
Life expectancy	2020	2,030	(2,010)
Life expectancy	2019	2,465	2,438

### *Principal actuarial assumptions used in valuing retirement benefits*

The principal actuarial assumptions used were as follows:

		The Group & The Company	
		2020	2019
Discount rate		6.5%	7%
Inflation rate		5%	5%
Future salary increases		4%	5%
Future pension increases		3%	3%
Long term increase in health cost		5%	6%



# Radio Jamaica Limited

## Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 15. 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.

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 2020 consists of bonds and equities.

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 31 December 2019. 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.

# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

### 16. Deferred Taxation

Deferred income taxes are calculated in full on all temporary differences under the liability method using a principal rate of 25%.

	<b>The Group</b>		<b>The Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deferred income tax assets	98,989	52,445	25,094	5,239
Deferred income tax liabilities	(92,766)	(111,612)	-	-
	<u>6,223</u>	<u>(59,167)</u>	<u>25,094</u>	<u>5,239</u>

The movement on the deferred income tax account is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 April	(59,167)	(61,473)	5,239	23,979
Credited/(charged) in arriving at profit or loss	56,009	19,209	10,843	(7,403)
Credited/(charged) to other comprehensive income	9,381	(16,903)	9,012	(11,337)
Balance as at 31 March	<u>6,223</u>	<u>(59,167)</u>	<u>25,094</u>	<u>5,239</u>

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 16. Deferred Taxation (Continued)

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

	Group				
	Accelerated Tax Depreciation	Retirement Benefit Assets	Unrealised Foreign Exchange Gains	Intangible Assets	Interest Receivable
	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities					
At 31 March 2018	64,479	40,242	6,148	94,977	1,820
Charged/(Credited) to profit or loss	3,783	(1,910)	(4,594)	-	(443)
Credited to other comprehensive income	-	18,858	-	-	-
At 31 March 2019	68,262	57,190	1,554	94,977	1,377
(Credited)/Charged to profit or loss	(16,248)	(4,426)	3,669	-	(3,563)
Credited to other comprehensive income	-	(10,416)	-	-	-
At 31 March 2020	52,014	42,348	5,223	94,977	(2,186)

# Radio Jamaica Limited

Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

## 16. Deferred Taxation (Continued)

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

Deferred tax assets	Group					
	Retirement Benefit Obligation	Accelerated Tax Depreciation	Accrued Vacation	Tax Losses	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2018	47,612	11,398	36,658	45,795	4,730	146,193
Credited/(charged) to profit or loss	2,175	-	(2,501)	(5,459)	21,830	16,045
Credited to other comprehensive income	1,955	-	-	-	-	1,955
At 31 March 2019	51,742	11,398	34,157	40,336	26,560	164,193
Credited to profit or loss	3,421	-	5,049	(3,733)	30,704	35,441
Charged to other comprehensive income	(1,035)	-	-	-	-	(1,035)
At 31 March 2020	54,128	11,398	39,206	36,603	57,264	198,599



# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 16. Deferred Taxation (Continued)

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

	Company				
	Accelerated Tax Depreciation \$'000	Retirement Benefit Assets \$'000	Unrealised Foreign Exchange Gains \$'000	Interest Receivable \$'000	Total \$'000
At 31 March 2018	(178)	45,701	5,351	432	51,306
(Credited)/charged to profit or loss	9,879	(5,006)	(4,594)	4,557	4,836
Charged to other comprehensive income	-	12,536	-	-	12,536
At 31 March 2019	9,701	53,231	757	4,989	68,678
(Credited)/charged to profit or loss	(9,556)	(3,943)	3,699	(3,563)	(13,363)
Credited to other comprehensive income	-	(10,416)	-	-	(10,416)
At 31 March 2020	145	38,872	4,456	1,426	44,899

	Company				
Deferred tax assets	Retirement Benefit Obligation \$'000	Tax Losses \$'000	Accrued Vacation \$'000	Other \$'000	Total \$'000
At 31 March 2018	14,064	52,489	5,015	3,717	75,285
Credited/(charged) to profit or loss	1,468	(5,459)	(1,826)	3,250	(2,567)
Credited to other comprehensive income	1,199	-	-	-	1,199
At 31 March 2019	16,731	47,030	3,189	6,967	73,917
Credited/(charged) to profit or loss	1,704	(7,407)	1,728	1,455	(2,520)
Charged to other comprehensive income	(1,404)	-	-	-	(1,404)
At 31 March 2020	17,031	39,623	4,917	8,422	69,993

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 16. Deferred Taxation (Continued)

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

Deferred income tax assets/liabilities amounts which are expected to be recovered/settled within one year:

	<b>The Group</b>		<b>The Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deferred income tax liabilities	3,037	18,075	5,882	5,746

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 \$158,494,000 (2019 – \$235,966,000) for the Group and \$158,494,000 (2019 – \$188,120,000) 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 \$202,821,000 (2019 – \$223,515,000).

## 17. Investment in Subsidiaries

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Multimedia 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
	<u>1,824,854</u>	<u>1,824,854</u>

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 18. Investment Securities

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At fair value through profit or loss –				
One Caribbean Media Limited, quoted	7,555	9,234	7,555	9,234
Other	-	13,233	-	13,233
Fair value through other comprehensive Income (FVOCI) –				
Caribbean News Agency, unquoted	7	7	7	7
Global bonds	9,107	7,396	8,906	7,195
Corporate bonds	9,053	10,000	9,053	10,000
	<u>25,723</u>	<u>39,870</u>	<u>25,522</u>	<u>39,669</u>

Fair value losses in relation to the fair value through other comprehensive income securities total \$7,135,000 and is included in fair value reserve in shareholders equity.

## 19. Inventories

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Spares	2,011	1,537	1,426	942
Film	157	13,556	-	-
Newsprint	88,255	43,140	-	-
Goods in transit	5,727	8,649	-	202
Books, stationery and general supplies	29,191	35,264	2,653	2,561
Consumable stores	9,388	4,979	-	-
Other	1,663	5,299	355	719
	<u>136,392</u>	<u>112,424</u>	<u>4,435</u>	<u>4,424</u>

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 20. Due from Subsidiaries

	2020 \$'000	Restated 2019 \$'000	Restated 2018 \$'000
Multi-Media Jamaica Limited	75,281	59,007	33,730
Media Plus Limited	70,582	-	-
The Gleaner Company (USA) Limited	1,114	1	1
The Gleaner Company (Media) Limited	60,601	60,601	36,957
Independent Radio Jamaica	26,740	29,802	27,313
Reggae Entertainment Television Limited	89,373	72,270	50,752
Television Jamaica Limited	-	163,089	391,988
Jamaica News Network Limited	164,198	124,449	81,735
	<u>487,889</u>	<u>509,219</u>	<u>622,476</u>

### Due to subsidiaries

	2020 \$'000	2019 \$'000
Television Jamaica Limited	45,914	-
The Gleaner Company (Media) Limited	133,664	204,010
	<u>179,578</u>	<u>204,010</u>



# Radio Jamaica Limited

Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

## 21. Related Party Transaction Balances

- (a) Sale of services  
The Company did not have any sale of services to its subsidiaries.
- (b) Purchase of services

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Multi-Media Jamaica Limited	31,896	31,875
The Gleaner Company (Media) Limited	-	721
Jamaica News Network Limited	16,566	13,012
	<u>48,462</u>	<u>45,608</u>

- (c) Rental income – The Company earns rental income from its subsidiaries as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Television Jamaica Limited	15,031	15,031
Multi-Media Jamaica Limited	245	245
Reggae Entertainment Television Limited	240	240
Independent Radio Company Limited	500	-
Jamaica News Network Limited	240	240
	<u>16,256</u>	<u>15,756</u>

- (d) Lease income- The Company earns lease income from subsidiaries as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Independent Radio Company Limited	<u>1,714</u>	<u>1,759</u>

# Radio Jamaica Limited

Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

## 21. Related Party Transaction Balances (Continued)

(e) Rental expense- The Company pays rental expense to its subsidiary as follows:

	<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
Jamaica News Network Limited	<u>1,953</u>	<u>1,953</u>

(f) Advertising Income- The Company earns advertising from its subsidiaries as follows:

	<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
The Gleaner Company (Media) Limited	<u>1,237</u>	<u>-</u>

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

	<b>The Group &amp; The Company</b>	
	<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
Wages and salaries	67,426	68,564
Statutory contributions	3,969	3,995
Other	<u>7,896</u>	<u>7,604</u>
	<u>79,291</u>	<u>80,163</u>

	<b>The Group</b>		<b>The Company</b>	
	<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
Directors' emoluments –				
Fees	11,807	11,293	10,326	10,060
Management remuneration (included in staff costs)	<u>46,959</u>	<u>40,881</u>	<u>46,959</u>	<u>40,881</u>

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 22. Receivables

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables	1,088,915	970,198	119,900	110,998
Prepayments	41,755	57,445	13,947	11,681
Other	181,458	171,832	59,919	65,625
	1,312,128	1,199,475	193,766	188,304
Less: Loss allowance for impairment	(287,676)	(285,164)	(29,948)	(55,247)
	1,024,452	914,311	163,818	133,057

## 23. Cash and Cash Equivalents

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

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash	166,536	282,555	82,589	120,407
Short term investments	115,280	163,873	51,104	100,663
	281,816	446,428	133,693	221,070

- (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:

	The Group		Company	
	2020	2019	2020	2019
	%	%	%	%
Jamaican dollar	2	1	2	1

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

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 24. Payables

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Trade	221,043	213,035	43,532	50,958
Accrued vacation leave	53,525	40,339	19,668	12,756
Other accruals	214,571	173,435	44,440	43,635
Current portion of leases (Note 26)	14,020	13,946	-	-
Current portion of long term loans (Note 26)	48,144	37,355	35,078	34,357
Statutory deductions	12,753	54,117	604	10,627
Deferred Revenue	73,964	66,492	23,103	22,943
General Consumption Tax Payable	53,187	17,546	4,338	-
Other	65,177	37,872	45,045	18,421
	<u>756,384</u>	<u>654,137</u>	<u>215,808</u>	<u>193,697</u>

## 25. Share Capital

Authorised –

50,000 5% Cumulative participating preference shares

2,422,487,654 (2019 – 2,422,487,654) Ordinary shares

	2020	2019
	\$'000	\$'000
Issued and fully paid –		
2,422,487,654 (2019 – 2,422,487,654) Ordinary shares of no par value	2,046,117	2,046,117
24,804,577 Treasury shares (2019 – 24,804,577) Ordinary shares of no par value	<u>(5,039)</u>	<u>(5,039)</u>
	<u>2,041,078</u>	<u>2,041,078</u>

The treasury shares are held by the RJR Employee Share Scheme.



# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 26. Long Term Loans & Leases

### *Long term loans*

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
(a) Sagicor Bank Jamaica Limited Loan 1	333,334	360,000	333,334	360,000
(b) Sagicor Bank Jamaica Limited Loan 2	29,293	37,705	29,293	37,705
(c) Jamaica Money Market Brokers	19,755	22,772	-	-
(d) Jamaica National Bank Loan 1	18,633	-	-	-
(e) Jamaica National Bank Loan 2	23,477	-	-	-
	424,492	420,477	362,627	397,705
Less: Current portion (Note 24)	(48,144)	(37,355)	(35,078)	(34,357)
	<u>376,348</u>	<u>383,122</u>	<u>327,549</u>	<u>363,348</u>

- (a) This loan is repayable on a monthly basis, maturing in 30 September 2032 and attracts interest at 7% (2019 – 9%). It is secured by a first mortgage over commercial properties owned by the Company.
- (b) This loan is repayable on a monthly basis, maturing in February 2023 and attracts interest at 7% (2019 – 9%). It is secured by a first mortgage over a commercial property owned by the Company.
- (c) The loan is repayable over 7 years commencing February 2019 and attracts interest at 8.75%.
- (d) The loan is repayable over 2 years commencing September 2019 and attracts interest at 7.5%.
- (e) The loan is repayable over 5 years commencing August 2019 and attracts interest at 8.25%.

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 26. Long Term Loans & Leases (Continued)

### Leases

Lease liabilities – minimum lease payments

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Not later than 1 year	14,020	13,946	-	-
Later than 1 year and not later than 5 years	23,361	4,008	-	-
	37,381	17,954	-	-
Future finance charges on leases	(14,020)	(13,946)	-	-
Present value of lease obligations	23,361	4,008	-	-

The present value of lease obligations is as follows:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Not later than 1 year (Note 24)	14,020	13,946	-	-
Later than 1 year and not later than 5 years	23,361	4,008	-	-
	37,381	17,954	-	-

# Radio Jamaica Limited

## Notes to the Financial Statements

**31 March 2020**

(expressed in Jamaican dollars unless otherwise indicated)

### 27. 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) Radio and other, 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.

The Group's operations are primarily located in Jamaica.

	Audio Visual \$'000	Audio \$'000	Print & Others \$'000	Sub-total \$'000	Eliminations \$'000	Total \$'000
<b>2020</b>						
Revenues	2,196,602	755,306	2,784,588	5,736,496	(143,799)	5,592,697
Operating profit	131,883	(4,010)	(14,114)	113,759	(23,305)	90,454
Assets	2,061,663	3,301,229	1,225,301	6,588,193	(2,816,182)	3,772,011
Liabilities	1,268,381	909,724	571,980	2,750,085	(1,277,410)	1,472,675
Capital expenditure	153,664	79,368	61,752	294,784		294,784
Depreciation	137,335	36,568	52,659	226,562		226,562
Finance costs	(31,015)	(5,655)	(14,164)	(50,834)		(50,834)
<b>2019</b>						
Revenues	2,168,089	714,236	2,751,143	5,633,468	(150,579)	5,482,889
Operating profit	(18,094)	24,643	51,230	51,137	(25,952)	31,827
Assets	1,855,375	3,437,079	1,189,890	6,482,344	(2,766,053)	3,716,291
Liabilities	1,155,879	929,172	477,051	2,562,102	(1,200,346)	1,361,756
Capital expenditure	106,391	46,814	61,763	214,968	-	214,968
Depreciation	148,507	30,845	44,937	224,289	-	224,289
Finance costs	(35,524)	(5,777)	(14,778)	(56,079)	-	(56,079)

The Group's customers are mainly resident in, and operate from, Jamaica.

The result of its revenue from external customers in Jamaica is \$5,510,141 (2019 - \$5,393,746,000), and the total of revenue from external customers from other countries is \$82,556,000 (2019 - 89,143,000).

The operations of The Gleaner Company Media Limited were acquired on 24 March 2016.

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 28. 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 has 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 financial position and results of operations.

## 29. Investments in Associates

	<b>The Group</b>
	<b>2020</b>
	<b>\$'000</b>
Associated companies -	
Jamaica Holdings, LLC	
Investment	40,168
Transferred from investment securities	13,233
Share of net profit	257
	<u>53,658</u>
SiFi Studios Jamaica Limited	
Investment	17,180
Share of net loss	(405)
	<u>16,775</u>
	<u>70,433</u>

The summarised information for associates that were accounted for using the equity method for the period ended 31 March 2020 is as presented in the tables below.

Summarised statement of financial position

	<b>Jamaica Holding</b>	<b>SiFi Studios</b>
	<b>\$'000</b>	<b>\$'000</b>
Current Assets	27,109	11,743
Current Liabilities	<u>(20,356)</u>	<u>(2,852)</u>
	6,753	8,891
Non-current Assets	-	743
Net liabilities	<u>6,753</u>	<u>9,634</u>



# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 29. Investments in Associates (Continued)

Summarised statement of comprehensive income

	<b>Jamaica Holding \$'000</b>	<b>SiFi Studios \$'000</b>
Revenue	<u>319,646</u>	<u>1,287</u>
Net profit/(loss), being total comprehensive income	<u>757</u>	<u>(5,814)</u>
	<b>Jamaica Holding \$'000</b>	<b>SiFi Studios \$'000</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>2020</b>		
Closing net assets at 31 March	<u>6,753</u>	<u>9,634</u>
Interest in associate (%)	25%	6.89%
Interest in associate (J\$)	1,688	664
Goodwill	<u>51,970</u>	<u>16,111</u>
Carrying value	<u>53,658</u>	<u>16,775</u>

## 30. Restatement

In the prior years, the Company did not reflect the appropriate carrying value for an amount due from a subsidiary. The carrying value should have been reduced due to a debt forgiveness agreement between the Company and the subsidiary. As a result of the agreement, the carrying value of the amount due to the subsidiary was reduced from \$48,487,000 to \$1 as at 31 March 2018 (the earliest period presented in the financial statements).

This arrangement did not have any impact on the consolidated financial statements.

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 30. Restatement (Continued)

Effect of restatement on Company balance sheet as at 31 March 2019

	As previously stated \$'000	Effect of restatement \$'000	As restated \$'000
<b>Non-Current Assets</b>	2,354,320	-	2,354,320
<b>Current Assets</b>			
Inventories	4,424	-	4,424
Due from subsidiaries	557,706	(48,487)	509,219
Receivables	133,057	-	133,057
Taxation recoverable	16,303	-	16,303
Cash and short term investments	221,070	-	221,070
	932,560	(48,487)	884,073
<b>Current Liabilities</b>	397,707	-	397,707
<b>Net Current Assets</b>	534,853	(48,487)	486,366
	2,889,173	(48,487)	2,840,686
<b>Equity</b>			
Share capital	2,041,078	-	2,041,078
Fair value reserves	(7,135)	-	(7,135)
Retained earnings	424,958	(48,487)	376,471
	2,458,901	(48,487)	2,410,414
<b>Non-Current Liabilities</b>	430,272	-	430,272
	2,889,173	(48,487)	2,840,686

# Radio Jamaica Limited

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

## 30. Restatement (Continued)

Effect of restatement on Company balance sheet as at 31 March 2018

	As previously stated \$'000	Effect of restatement \$'000	As restated \$'000
<b>Non-Current Assets</b>	2,436,411	-	2,436,411
<b>Current Assets</b>			
Inventories	5,656	-	5,656
Due from subsidiaries	670,963	(48,487)	622,476
Receivables	116,160	-	116,160
Taxation recoverable	13,700	-	13,700
Cash and short term investments	151,087	-	151,087
	957,566	(48,487)	909,079
<b>Current Liabilities</b>	530,023	-	530,023
<b>Net Current Assets</b>	427,543	(48,487)	379,056
	2,863,954	(48,487)	2,815,467
<b>Equity</b>			
Share capital	2,041,078	-	2,041,078
Fair value reserves	(7,135)	-	(7,135)
Retained earnings	375,392	(48,487)	326,905
	2,409,335	(48,487)	2,360,848
<b>Non-Current Liabilities</b>	454,619	-	454,619
	2,863,954	(48,487)	2,815,467

## 31. Subsequent Event

### Impact of COVID-19

Subsequent to the end of the financial year, the World Health Organization declared the Corona virus (COVID-19) to be a global pandemic. The pandemic has resulted in a significant downturn in commercial activity as there is currently no cure, and the means most recommended to manage contagion is social distancing. Reduction in economic activity will have negative global consequences. The extent and duration of the impact of COVID-19 on the global economy and the sectors in which the Group and its customers operate is uncertain at this time, but it has the potential to adversely affect the business.

The Group experience a reduction in revenues in the print segment subsequent to the year end. In response, the Group implemented a series of measures, including laying off some employees in the affected segment. These measures resulted in cost reduction and closed the gap which arose from the reduction in revenues.

The Group anticipates that it will continue to be affected by Covid-19 but it unable to further quantify the impact of the foregoing on its financial results at the time of reporting.

## SHAREHOLDINGS

### TEN (10) LARGEST SHAREHOLDERS AS AT MARCH 31, 2020

No.	Names	Shareholdings
1	Financial & Advisory Services Ltd	164,845,524
2	GraceKennedy Pension Fund Custodian Ltd. for GraceKennedy Pension Scheme	160,314,655
3	Kaytak Investments St. Lucia Limited	148,796,235
4	JCSD Trustee Services Ltd – Sigma Equity	116,936,408
5	Ideal Portfolio Services Company Limited	98,455,351
6	NCB Jamaica Limited	94,912,334
7	VMWM Stock Trading A/C	94,725,368
8	Prime Asset Management JPS Employees Superannuation Fund	85,556,622
9	PAM – Pooled Equity Fund	81,077,876
10	Kaytak Investments Limited	68,669,862



# DECLARATION OF NUMBER OF STOCK UNITS OWNED BY DIRECTORS, OFFICERS & CONNECTED PERSONS AS AT MARCH 31, 2020

NO.	NAMES	PERSONAL SHAREHOLDINGS	SHAREHOLDINGS OF CONNECTED PARTIES
<b>DIRECTORS</b>			
1	Joseph M. Matalon	23,572,020	220,062,987
2	Christopher Barnes	4,307,000	0
3	Carl Domville	1,076,152	10,994
4	Gary Allen	1,053,228	0
5	Douglas Orane	823,381	230,172
6	Dr. Lawrence Nicholson	282,916	0
7	Prof. Carol Archer	58,320	0
8	Lisa Johnston	3,732	0
9	Oliver F. Clarke	0	211,271,053
10	Elizabeth Jones	0	0
11	Minna Israel	0	0
12	Mervyn Eyre	0	0
13	Sharon Roper	0	0
14	Dr. Cassida Jones Johnson	0	0
<b>SENIOR MANAGERS</b>			
1	Christopher Barnes	4,307,000	0
2	Yvonne Wilks O'Grady	1,576,386	0
3	Gary Allen	1,053,228	0
4	Claire Grant	922,513	0
5	Shena Stubbs Gibson	211,834	0
6	Roland Booth	201,313	0
7	Andrea Messam	86,836	0
8	Garfield Grandison	73,952	0
9	Melvis Cummings	40,660	0
10	Milton Walker	36,000	0
11	Michael Henlin	10,000	0
12	Robin Williams	0	0
13	Tanya Smith	0	0
14	Michele Dunkley-White	0	0
15	Rohan Scarlett	0	0

# Form of Proxy

Place  
\$125.00  
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-Second Annual General Meeting of the Company to be held on October 28, 2020 at 10AM at the 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 ..... 2020

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 thinks fit.

RESOLUTIONS	FOR	AGAINST
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3		
RESOLUTION 4		
RESOLUTION 5		
RESOLUTION 6		
RESOLUTION 7		
RESOLUTION 8		
RESOLUTION 9		
RESOLUTION 10		
RESOLUTION 11		
RESOLUTION 12		
RESOLUTION 13		
RESOLUTION 14		
RESOLUTION 15		

(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 (\$125.00) 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

[illegible]

[illegible]



# 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)

