



**Unaudited Financial Statements
1st Quarter Ended 30 June 2021**

Radio Jamaica Limited

Index

1st Quarter Ended 30 June 2021

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Directors' interim report to Shareholders

Unaudited Financial Statements

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Radio Jamaica Limited Report to Stockholders

The directors are pleased to present the unaudited financial results of the RJRGLEANER Communications Group for its first quarter ended June 30, 2021.

The Group recorded a pre-tax profit of \$148 million and an after-tax profit of \$110 million for the quarter, compared with a pre-tax profit of \$1.7 million and an after-tax profit of \$1.5 million in the prior year.

Primary contributors to the quarter's performance were: -

- A \$361 million or 34% increase in the Group's revenues, driven by an increase in revenues in the Print and Online division (\$174 million or 40%), in the Audio/Visual division (\$128 million or 25%) and in the Audio division (\$57 million or 40%). The increases were due to increased advertising revenues across all divisions, the continued collaboration with the Ministry of Education, and the staging of the ISSA/GraceKennedy Boys' and Girls' Championship during the quarter.
- Other income of \$29 million increased by \$7 million or 31% compared with the prior year, mainly driven by income received from transmitter site rental and the sale of motor vehicles.
- Direct expenses were \$109 million above prior year, due mainly to the cost of staging the ISSA/GraceKennedy Boys' and Girls' Champs and the National Junior and Senior Athletics Trials in the current quarter. These events were not held last year.
- Selling expenses of \$242 million for the quarter increased by \$15 million or 6%, mainly driven by increased commissions due to higher revenues.
- Administrative expenses of \$362 million for the quarter were up by \$72 million compared with prior year, mainly driven by provisions for Expected Credit Losses (ECL), IAS 19 provisions, and salary costs.
- Other operating expenses of \$190 million were higher by \$24 million or 14% compared with prior year, due mainly to maintenance of transmitters and other operating equipment.

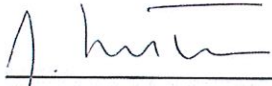
The results posted for this first quarter vindicate the tough decisions made last year in response to the negative impact of COVID-19 on our operations. Continuing guidance from the board and the dedication of management and staff, have manifested in greater agility and innovation as we continue the drive towards improved operational efficiency and strategy execution.

The Group continues to execute its strategic initiatives by undertaking the necessary investments in technology and by strategic acquisitions, building capabilities for operating in an increasingly digital and data driven environment as well as improving the planning for the final phase of Digital Switchover in Television which has been announced for early 2022.

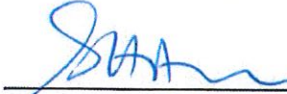
The Group maintains its strong brand equity through significant investments in the highest quality content in news, sports, lifestyle and entertainment. Many of the lessons learned and innovations executed in the COVID-19 environment continue to influence our way forward, as the team accepts that the entire ecosystem of our business has changed, including some of the habits of the customers who sustain us.

Many thanks to management and staff who continue to strive for excellence and have demonstrated strong commitment to the transformational goals of the Group. We likewise salute our advertisers, advertising agencies and our loyal customers -- listeners, viewers and readers -- who continuously stand by us in challenging times, and now reward us with the solid growth recorded in the first quarter. We continue to support Jamaica and Jamaicans through all our platforms as the country navigates its way through an ongoing challenging business environment.

Approved for issue by the Board of Directors on August 13, 2021, and signed on its behalf by: ___



Joseph M. Matalon, CD
Chairman



Gary H. Allen CD, JP
Chief Executive Officer


**Consolidated Statement of Comprehensive Income (Unaudited)
1st Quarter Ended 30 June 2021**

Current Quarter 3 Months to 30/06/21 \$'000	Prior Year Quarter 3 Months to 30/06/20 \$'000	Note		Year-to-Date 3 Months to 30/06/21 \$'000	Prior Year-to-date 3 Months to 30/06/20 \$'000
1,420,158	1,059,547	2	Revenue	1,420,158	1,059,547
(493,960)	(384,519)		Direct expenses	(493,960)	(384,519)
<u>926,198</u>	<u>675,028</u>		Gross Profit	<u>926,198</u>	<u>675,028</u>
28,869	22,098	3	Other income	28,869	22,098
(242,846)	(228,204)		Selling expenses	(242,846)	(228,204)
(362,102)	(290,021)		Administration expenses	(362,102)	(290,021)
(190,240)	(166,378)		Other operating expenses	(190,240)	(166,378)
<u>159,879</u>	<u>12,523</u>		Operating Profit/(Loss)	<u>159,879</u>	<u>12,523</u>
(12,166)	(10,739)		Finance costs	(12,166)	(10,739)
<u>147,713</u>	<u>1,784</u>		Profit/(Loss) before Taxation	<u>147,713</u>	<u>1,784</u>
(37,259)	(284)	4	Taxation	(37,259)	(284)
<u>110,454</u>	<u>1,500</u>		Net Profit/(Loss)	<u>110,454</u>	<u>1,500</u>
			Other comprehensive income - Items that may be reclassified to profit or loss		
(9,884)	23,694		Currency translation differences on foreign subsidiaries	(9,884)	23,694
<u>100,570</u>	<u>25,194</u>		Attributable to: Stockholders of the company	<u>100,570</u>	<u>25,194</u>
<u>4.6 cents</u>	<u>0.1 cent</u>	5	Earnings per Ordinary Stock Unit Attributable to Stockholders of the Company	<u>4.6 cents</u>	<u>0.1 cent</u>


Consolidated Balance Sheet (Unaudited)
1st Quarter Ended 30 June 2021

	Note	Unaudited June 2021 \$'000	Audited March 2021 \$'000
Non-Current Assets			
Fixed assets		1,361,678	1,340,525
Investment properties		82,260	82,260
Intangible assets	6	426,734	422,251
Deferred tax asset		232,498	232,498
Retirement benefit assets	7	148,766	148,766
Long term receivables		349	349
Investment securities		20,076	14,738
Investments accounted for using the equity method		121,597	125,831
		<u>2,393,958</u>	<u>2,367,218</u>
Current Assets			
Inventories		356,247	142,171
Receivables	8	1,365,865	1,209,492
Taxation recoverable		11,009	34,136
Cash and short term investments		606,358	725,305
		<u>2,339,479</u>	<u>2,111,104</u>
Current Liabilities			
Payables		1,177,082	928,076
Taxation payable		110,563	93,136
		<u>1,287,645</u>	<u>1,021,212</u>
Net Current Assets		<u>1,051,834</u>	<u>1,089,892</u>
		<u>3,445,792</u>	<u>3,457,110</u>
Stockholders' Equity			
Share capital	9	2,041,078	2,041,078
Foreign currency translation	10	(16,759)	(6,875)
Retained earnings		604,718	494,264
		<u>2,629,037</u>	<u>2,528,467</u>
Non-controlling Interests		1,948	1,948
Non-Current Liabilities			
Finance lease obligations	11	11,207	11,207
Long term loans	12	387,872	499,760
Deferred tax liabilities		205,912	205,912
Retirement benefit obligations	7	209,816	209,816
		<u>3,445,792</u>	<u>3,457,110</u>

Approved for issue by the Board of Directors on August 13, 2021 and signed on its behalf by:



 Joseph M. Matalon Chairman



 Gary Allen Chief Executive Officer

Consolidated Statement of Changes in Equity (Unaudited)
1st Quarter Ended 30 June 2021

	Number of Shares	Attributable to Stockholders of the Company							Total
		Share Capital	Retained Earnings	Foreign Currency Translation	Fair Value Reserve	Equity Owners' Total	Non- controlling Interests Total	\$'000	
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2019	2,397,683	2,041,078	316,882	1,761	(7,135)	2,352,586	1,948	2,354,534	
Ordinary dividends	-	-	(48,029)	-	-	(48,029)	-	(48,029)	
Total comprehensive income	-	-	9,418	(16,587)	-	(7,169)	-	(7,169)	
Changes on initial application of IFRS19	-	-	-	-	-	-	-	-	
Ordinary dividends	-	-	-	-	-	-	-	-	
Balance at 31 March 2020	2,397,683	2,041,078	278,271	(14,826)	(7,135)	2,297,388	1,948	2,299,336	
Transfer to retained earnings	-	-	(7,135)	-	7,135	-	-	-	
Total comprehensive income	-	-	223,128	7,951	-	231,079	-	231,079	
Balance at 31 March 2021	2,397,683	2,041,078	494,264	(6,875)	-	2,528,467	1,948	2,530,415	
Total comprehensive income	-	-	110,454	(9,884)	-	100,570	-	100,570	
Balance at 30 June 2021	2,397,683	2,041,078	604,718	(16,759)	-	2,629,037	1,948	2,630,985	
Balance at 31 March 2020	2,397,683	2,041,078	278,271	(14,826)	(7,135)	2,297,388	1,948	2,299,336	
Total comprehensive income	-	-	1,500	23,694	-	25,194	-	25,194	
Balance at 30 June 2020	2,397,683	2,041,078	279,771	8,868	(7,135)	2,322,582	1,948	2,324,530	

Consolidated Cash Flow (Unaudited)

1st Quarter Ended 30 June 2021

	Unaudited June 2021 \$'000	Unaudited June 2020 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit	110,454	1,500
Items not affecting cash:		
Depreciation and amortisation	71,813	67,306
Gain on disposal of fixed assets	(2,092)	(420)
Lease income	-	422
Interest income	(1,618)	645
Dividend income	(60)	-
Interest expense	12,167	10,740
Income tax charge	37,259	284
Exchange losses/(gains) on foreign currency balances	10,841	(24,396)
Retirement benefits	-	13,073
Revaluation of investment securities	139	383
	<u>238,903</u>	<u>69,537</u>
Changes in operating assets and liabilities:		
Inventories	(214,076)	14,308
Receivables	(156,374)	(121,913)
Payables	256,914	16,388
	<u>125,367</u>	<u>(21,680)</u>
Income tax paid/(recoverable)	(5,288)	(19,387)
Net Cash provided/(used in) by operating activities	<u>120,079</u>	<u>(41,067)</u>
Investing Activities		
Proceeds from disposal of fixed assets	3,054	539
Purchase of fixed assets and intangibles	(98,411)	(19,637)
Proceeds from long-term investments	(9,572)	17,648
Interest received	1,619	(359)
Net Cash used in investing activities	<u>(103,310)</u>	<u>(1,809)</u>
Financing Activities		
Loans repaid	(111,888)	6,982
Principal lease repayments	(820)	(4,845)
Interest paid	(12,167)	(10,740)
Exchange (losses)/gains on cash and cash equivalents	(10,841)	24,396
Net Cash (used in)/provided by financing activities	<u>(135,716)</u>	<u>15,793</u>
Increase/(decrease) in cash and cash equivalents	<u>(118,947)</u>	<u>(27,083)</u>
Cash and cash equivalents at beginning of year	725,305	281,816
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>606,358</u></u>	<u><u>254,733</u></u>

Company Statement of Comprehensive Income (Unaudited)

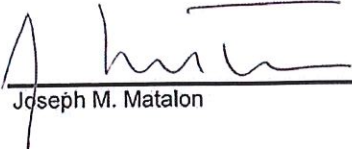
1st Quarter Ended 30 June 2021

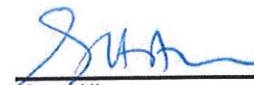
Current Quarter 3 Months to 30/06/21	Prior Year Quarter 3 Months to 30/06/20		Year-to-Date Quarter 3 Months to 30/06/21	Prior Year Quarter 3 Months to 30/06/20
\$'000	\$'000		\$'000	\$'000
171,801	113,501	Revenue	171,801	113,501
<u>(62,404)</u>	<u>(60,790)</u>	Direct expenses	<u>(62,404)</u>	<u>(60,790)</u>
109,397	52,711	Gross Profit	109,397	52,711
19,583	14,988	Other income	19,583	14,988
(28,195)	(21,901)	Selling expenses	(28,195)	(21,901)
(56,862)	(34,597)	Administration expenses	(56,862)	(34,597)
<u>(32,562)</u>	<u>(23,240)</u>	Other operating expenses	<u>(32,562)</u>	<u>(23,240)</u>
11,361	(12,039)	Operating Profit/(Loss)	11,361	(12,039)
<u>(1,018)</u>	<u>(676)</u>	Finance costs	<u>(1,018)</u>	<u>(676)</u>
10,343	(12,715)	Profit/(Loss) before Taxation	10,343	(12,715)
<u>(2,833)</u>	<u>1,603</u>	Taxation	<u>(2,833)</u>	<u>1,603</u>
7,510	(11,112)	Net Profit/(Loss)	7,510	(11,112)

Company Balance Sheet (Unaudited)
1st Quarter Ended 30 June 2021

	Unaudited June 2021 \$'000	Audited March 2021 \$'000
Non-Current Assets		
Fixed assets	332,259	316,375
Intangible assets	2,607	3,166
Retirement benefit asset	148,766	148,766
Deferred tax asset	18,261	18,261
Investment in subsidiaries	1,824,854	1,824,854
Investment securities	20,076	14,537
	2,346,823	2,325,959
Current Assets		
Inventories	18,902	4,842
Due from subsidiaries	704,600	651,469
Receivables	211,928	175,630
Taxation recoverable	7,452	8,168
Cash and short term investments	402,625	466,186
	1,345,507	1,306,295
Current Liabilities		
Payables	283,677	237,069
Due to subsidiaries	632,562	598,413
	916,239	835,482
Net Current Assets	429,268	470,813
	2,776,091	2,796,772
Equity		
Share capital	2,041,078	2,041,078
Retained earnings	360,900	353,390
	2,401,978	2,394,468
Non-Current Liabilities		
Long term loans	304,166	332,357
Retirement benefit obligations	69,947	69,947
	2,776,091	2,796,772

Approved for issue by the Board of Directors on August 13, 2021 and signed on its behalf by:


 Joseph M. Matalon Chairman


 Gary Allen Chief Executive Officer

Company Statement of Changes in Equity (Unaudited)
1st Quarter Ended 30 June 2021

	Attributable to Stockholders of the Company				
	Number of Shares '000	Share Capital \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 April 2019	2,397,683	2,041,078	(7,135)	376,471	2,410,414
Total comprehensive income	-	-	-	(13,483)	(13,483)
Effect of restatement as at April 1, 2018	-	-	-	(48,029)	(48,029)
Balance at 31 March 2020	2,397,683	2,041,078	(7,135)	314,959	2,348,902
Transfer to retained earnings	-	-	7,135	(7,135)	-
Total comprehensive income	-	-	-	45,566	45,566
Balance at 31 March 2021	2,397,683	2,041,078	-	353,390	2,394,468
Total comprehensive income	-	-	-	7,510	7,510
Balance at 30 June 2021	2,397,683	2,041,078	-	360,900	2,401,978
Balance at 31 March 2020	2,397,683	2,041,078	(7,135)	314,959	2,348,902
Total comprehensive income	-	-	-	(11,112)	(11,112)
Balance at 30 June 2020	2,397,683	2,041,078	(7,135)	303,847	2,337,790

Company Cash Flow (Unaudited)
1st Quarter Ended 30 June 2021

	Unaudited June 2021 \$'000	Unaudited June 2020 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Net Loss	7,510	(11,112)
Items not affecting cash:		
Depreciation and amortisation	8,559	7,688
Gain on disposal of fixed assets	(656)	(420)
Dividend income	(60)	-
Interest income	(1,616)	286
Lease income	(410)	422
Interest expense	1,018	676
Income tax	2,833	(1,604)
Exchange gains on foreign currency balances	(424)	(16)
Retirement benefits	-	6,413
Revaluation of investment securities	138	383
	<u>16,892</u>	<u>2,716</u>
Changes in operating assets and liabilities:		
Inventories	(14,060)	(680)
Due from subsidiaries	(18,982)	(14,211)
Receivables	(36,298)	(32,048)
Payables	46,608	27,904
	<u>(5,840)</u>	<u>(16,319)</u>
Income tax recoverable	(3,479)	(1,723)
	<u>(9,319)</u>	<u>(18,042)</u>
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	670	420
Purchase of fixed assets	(22,067)	(5,735)
Purchase of investment securities	(5,677)	16,782
Interest received	1,616	-
	<u>(25,458)</u>	<u>11,467</u>
Cash Flows from Financing Activities		
Loans repaid	(28,191)	(1,859)
Interest paid	(1,018)	(676)
Exchange gains on cash and cash equivalents	424	16
	<u>(28,785)</u>	<u>(2,519)</u>
Decrease in cash and cash equivalents	(63,562)	(9,094)
Cash and cash equivalents at beginning of year	466,186	133,693
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>402,624</u>	<u>124,599</u>

Segment Report (Unaudited)
1st Quarter Ended 30 June 2021

	Audio Visual	Audio	Print & Others	Sub-total	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
JUNE 2021						
Revenues	639,377	199,605	610,217	1,449,199	(29,040)	1,420,158
Operating profit/(loss)	106,889	13,987	45,050	165,926	(6,048)	159,879
Assets	2,946,082	2,021,332	1,263,618	6,231,032	(1,497,595)	4,733,437
Liabilities	1,694,888	1,400,506	798,643	3,894,037	(1,791,585)	2,102,452
Capital expenditure	6,002	22,067	70,340	98,409	-	98,409
Depreciation & amortisation	34,886	16,882	20,044	71,812	-	71,812
Finance costs	6,797	1,432	3,937	12,166	-	12,166
JUNE 2020						
Revenues	511,807	142,578	436,592	1,090,977	(31,429)	1,059,547
Operating Profit/(Loss)	73,263	543	(55,236)	18,570	(6,048)	12,523
Assets	2,074,196	1,495,552	1,096,697	4,666,445	(884,396)	3,782,049
Liabilities	1,226,098	914,093	483,872	2,624,063	(1,166,544)	1,457,519
Capital expenditure	7,399	5,735	6,720	19,854	-	19,854
Depreciation & amortisation	39,835	16,937	10,534	67,306	-	67,306
Finance costs	7,746	1,126	1,867	10,739	-	10,739

Notes to the financial statements
1st Quarter Ended 30 June 2021

NOTES

1. This condensed consolidated interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the last audited annual consolidated financial statements as at and for the year ended March 31, 2021. The accounting policies followed in the interim financial statements are consistent with the most recent audited annual report.
2. Revenue comprises the sale of airtime, programme material, web fees, print advertising, print copy sales, subscription and the rental of studios and equipment, Pay-Per-View services, net of General Consumption Tax. Revenue in respect of airtime and programming is recognised on performance of the underlying service. Subscription revenue is recognised over the life of the subscription.
3. Other income represents interest income, net foreign exchange (losses)/gains, profit/(loss) on sale of fixed assets, net unrealised gains on revaluation of investment securities classified at fair value through profit and loss, cross country revenues, and rental income.
4. Taxation expense in the statement of comprehensive income comprises current and deferred tax amounts. Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that are in effect at the reporting date.

Deferred tax is tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

5. Earnings per ordinary stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue during the year.
6. Intangible assets represent Goodwill, Broadcast Rights, Computer software, Brand and Lease. Goodwill, Brand and Lease arose on the acquisition of The Gleaner Company (Media) Limited (GCML). Broadcast rights represent the exclusive rights to broadcast FIFA events for the period 2015 to 2022. Goodwill is tested annually for impairment. Broadcast rights, Computer software, Brand and Lease are amortised over their estimated useful lives.
7. Retirement benefits
 The Trustees of the pension fund are required by law 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 Group runs two pension schemes:-

1. A defined benefit pension scheme covering all qualifying permanent employees of Radio Jamaica Limited, Multi-Media Jamaica Limited and Television Jamaica Limited is operated as the RJR Staff Pension Scheme. This scheme is managed by Proven Wealth Management Limited and by Trustees.
2. A defined contribution pension fund covering all qualifying permanent employees of The Gleaner Company (Media) Limited (GCML) and Independent Radio Company Limited who have satisfied certain minimum service requirements. The fund is managed and administered by JN Fund Managers Limited and by Trustees.
8. The category Receivables consists of trade receivables, prepayments and other receivables.
9. Share capital represents authorised number of shares of 3,633,781,481; issued and fully paid shares of 2,422,487,654.
10. Foreign Currency Translation:
 Foreign currency translation reserves materially represent foreign exchange adjustments arising on the translation of foreign subsidiaries for consolidation purposes.
11. The group entered into finance lease arrangements for the acquisition of motor vehicles and transmission equipment. The group's obligation under these leases have been recorded at amounts equal to the present value of future lease payments using interest rates implicit in the leases.
12. The loans are secured and unsecured, repayable on a monthly basis.