

Broadcasting Commission Annual Report 2012 – 2013



TABLE OF CONTENTS

| | PAGE |
|--|------|
| Vision of the Broadcasting Commission | 4 |
| Mission Statement | 4 |
| Subject Areas | 4 |
| Profile on Commissioners and Executive Staff | |
| • Profile on Commissioners..... | 7 |
| • Profile on Executive Staff..... | 10 |
| • Profile on Principal Officers..... | 10 |
| Standing Committees | 11 |
| Introduction | 12 |
| Overview of Performance in 2012 – 2013 | |
| • Public Consultations and Public Education..... | 16 |
| ○ Industry Consultations..... | 16 |
| ○ Schools' Outreach..... | 17 |
| ○ Community Relations..... | 18 |
| ○ Citizen-based Media Monitoring..... | 19 |
| ○ Media Campaign..... | 20 |
| ○ Publications..... | 21 |
| ○ New Media..... | 22 |
| ○ Media Literacy..... | 23 |
| • Research | 24 |
| • Licensing, Legislative, Statutory Reports, Procurement | 26 |
| ○ Licensing Matters..... | 26 |
| ○ Legislative Matters..... | 26 |
| ○ Statutory Reports..... | 27 |
| ○ Procurement..... | 27 |
| ○ Facilities and Fleet Management..... | 27 |

| | |
|--|-----|
| ○ Human Capacity Development..... | 27 |
| ○ Corporate Social Responsibility..... | 28 |
| ○ Records and Information Management..... | 29 |
| • Technical Matters..... | 29 |
| Monitoring, Compliance and Customer Service | |
| • Contacts with the Commission..... | 30 |
| • Complaints Received..... | 32 |
| • Complaints Investigated..... | 34 |
| • Content Standards..... | 36 |
| Technical Compliance | |
| • Technical Monitoring..... | 44 |
| • Technical Investigations (Standards and Service Area)..... | 47 |
| Customer Service Complaints | 57 |
| Complaints Resolution... | 63 |
| Financial Compliance | 65 |
| Notices of Breach | 68 |
| Compliance Status of STV Licensees | 79 |
| Appendices | 82 |
| • Appendix A - Committees..... | 83 |
| • Appendix B - Advisory Groups..... | 85 |
| • Appendix C - Salaries and Emoluments..... | 87 |
| • Appendix D - Portfolio Responsibility..... | 89 |
| • Appendix E - Broadcast Licensees Tables 1 & 2..... | 90 |
| Cable TV Services Table 3..... | 93 |
| • Appendix F - Audited Financial Statements..... | 100 |



VISION OF THE BROADCASTING COMMISSION (BCJ)

The Commission contributes to the development of Jamaica by enabling a competitive, flourishing, co-regulated electronic communications sector that delivers high quality service and variety, including indigenous expression, is a responsible partner in the regulatory process and operates within the broad parameters administered by the Broadcasting Commission.

MISSION STATEMENT

The mission of the Broadcasting Commission of Jamaica is:

To enable the orderly development of the electronic communications sector in order to serve the interests of the Jamaican public by regulating and monitoring licensees and by advising government in a manner that is transparent, fair, efficient, effective, facilitative and consultative.

THE ROLE, COMPOSITION AND MANDATE OF THE BROADCASTING COMMISSION

The Broadcasting Commission (BCJ) is a body corporate established under **The Broadcasting and Radio Re-Diffusion Act (BRRA)**. It is the successor to the Broadcasting

Authority following the 1986 amendment of the BRR, making the Commission the Caribbean region's most well established communications regulator.

The Commission's principal functions may be classified as:

- Advisory;
- Monitoring;
- Research/information-gathering;
- Administrative; and
- Legislative.

The prescribed **advisory** functions include the following areas of advice to the Minister:

- Whether or not a licence should be granted **S. 11E (1)**;
- The terms and conditions on which licences should be granted **S 16 (a) (i)**;
- Whether a licence should be suspended or cancelled for non-compliance with the Commission's directives following a contravention of the licence **S 22**; and
- The allocation of broadcast time to programmes of Jamaican origin, performed by Jamaicans or programmes significant to Jamaica **S 16 (a) (ii)**.

The **monitoring** powers and duties include:

- Monitoring the operations of licensees **S 16 (e)**;
- Receiving and investigating complaints in relation to any matter under the BRR **S 16 (f)**;
- Establishing a system of monitoring transmissions by licensees **S 16 (d)**;
- Requiring licensees to submit information relating to their programming and operations **S 17**;
- Giving licensees written notice (copied to the Minister) of any contravention of licence, and requiring justification of the offending act and/or remedial action **S 20 (1)**;
- Giving written notice to the Minister of any failure by a licensee to justify any offending act or take remedial action **S 20 (3)**;

- Directing a licensee to transmit an apology for any action in contravention of its licence **S 20 (3)**; and
- In relation to political broadcasts, ensuring rights of reply under certain circumstances, and in general ensuring impartiality in political broadcasts **S 21**.

The **information-gathering** duties include:

- Conducting surveys to ascertain whether matter transmitted or relayed by licensees is capable of being received in Jamaica **S 16 (b)**; and
- Undertaking, sponsoring or assisting in research on any type of operation regulated under the Act **S 16 (c)**.

The **administrative** functions relate to:

- Processing all licence applications under the Act to determine whether prescribed requirements are satisfied **S 11E**;
- Receiving application fees **S 11 F (2)**;
- Receiving licence fees **S 11 G (5)**;
- At the direction of the Minister, notifying licensees before licenses are suspended or cancelled that they have an opportunity to be heard by the Minister **S 22 (2)**; and
- Where a licence to provide STV service becomes void for non-performance, notifying the licensee and requiring the return of the licence **S 11G (7)**.

The Commission's **legislative** power is to recommend regulations under the **Act**, after consultation with the Minister. Approval is subject to a negative resolution in the House of Representatives.

COMMISSIONERS

Commissioners are appointed by the Governor General after consultation with the Prime Minister and the Leader of the Opposition, pursuant to Section 1 of the First Schedule to the **BRRRA**. The appointments are for a period of five years.

The following persons served during the period under review:



Professor Hopeton S. Dunn, JP, Ph.D., M.A., B.A. (Hons.), Dip. (Mass Comm.) Chairman

Professor of Communications Policy and Digital Media, UWI, and Director, Telecommunications Policy and Management Programme, Mona School of Business, U.W.I.

Re-appointed November 1, 2011



Mrs. Rosemarie Vernon, C.D., B.Sc., Cert. Ed.

Educator, Former Principal, Alpha Primary School, Former President of The Jamaica Teachers' Association

Re-appointed November 1, 2011



Rev. Canon Peter Alexander Mullings O.D., J.P., B.A. (Th.)

Retired Cleric

Re-appointed November 1, 2011



Mrs. Elaine Foster-Allen, M.Phil, B.ED

Educator, Principal - Shortwood Teachers' College

Re-appointed November 1, 2011



Dr. Elaine Wallace, Ph.D., M.B.A.

Communications Specialist, Academic Administrator and
Lecturer - UTECH

Re-appointed November 1, 2011



Mrs. Hyacinth Lindsay, Q.C., C.D., LL.B., B.A.

Attorney at Law and Former Chief Parliamentary Counsel

Re-appointed November 1, 2011



Mr. Neville James, B.A., Dip. Public Admin.

Communications Consultant

Re-appointed November 1, 2011



Mrs. Sheena Johnson-Brown, M.A.

Communications Specialist and Lecturer - UTECH

Appointed November 1, 2011



Mr. Maxim G. Rochester, B.Sc., FCA, FCCA

Chartered Accountant

Appointed November 1, 2011

EXECUTIVE STAFF AND PRINCIPAL OFFICERS

The Commission is supported by a Secretariat, headed by the Executive Director, which has responsibility for its day to day operations. The executive staff members are:



Mr. Cordel Green, M.B.A., LL.M (Dist.), LL.B (Hons.), B.A. (Hons.)

Executive Director, Attorney-at-Law



Mrs. Karlene Salmon-Johnson, M.Sc., B.A. (Hons.)

Assistant Executive Director and Media Industry Specialist

There are also nine Principal Officers, namely:

| | | |
|---|--|---|
| Ms. Teisha Mattison, LL.M, LL.B Legal Officer | Ms. Stacy-Ann Nelson, B.Sc., M.Sc. Human Resource & Office Manager | Mr. Donovan Campbell, M.Sc. Technical Officer |
| Mrs. Juliet Henderson, FCCA, M.B.A. Finance Officer | Mrs. Michelle Jones-Francis, B.Sc. Monitoring and Customer Service Manager (Appointed March 10, 2008) | Ms. Nicole R. Morrison, B.A. Information & Public Relations Officer |
| Ms. Nicola Morrison B.A., Registrar | Mr. Richardo Williams, M.Sc., B.Sc. Economist/Researcher | Mr. Jelani Crawford, M.Sc., B.Sc. Systems Administrator/Webmaster |

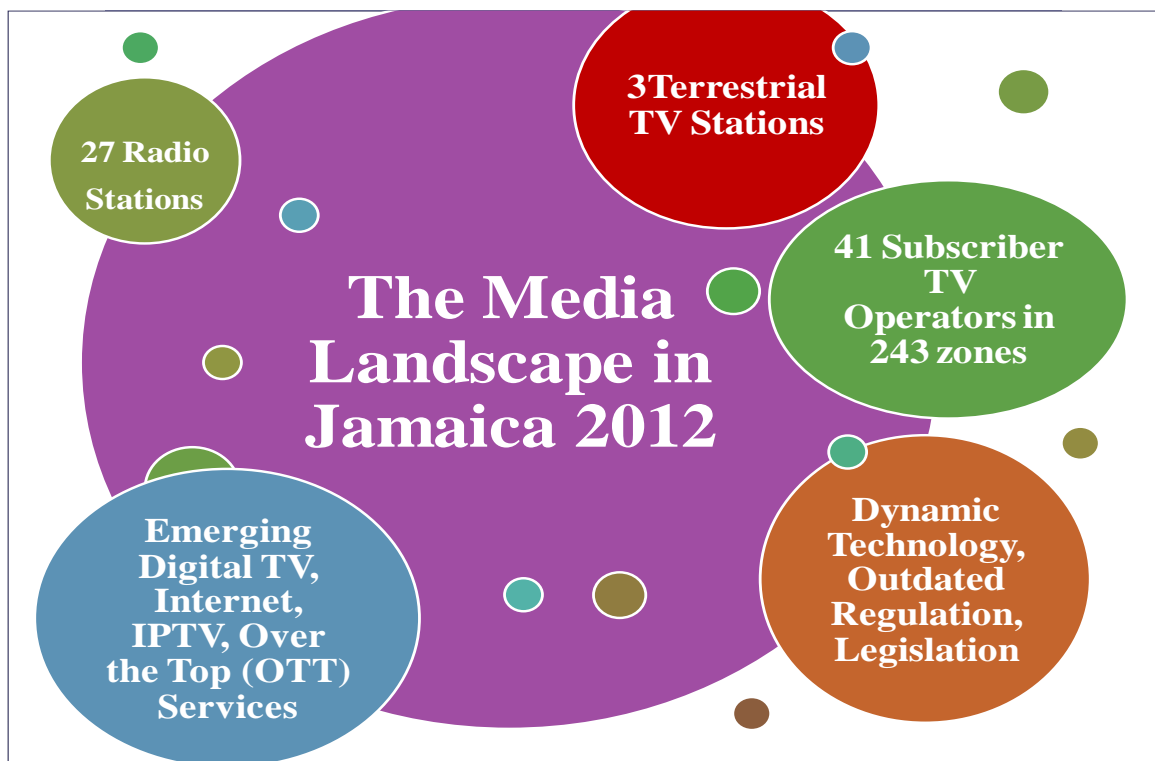
STANDING COMMITTEES

Thematic oversight of the Commission's work is conducted through four Standing Committees (See Appendix A). The results of Committee deliberations are brought to the full Commission for discussion, revision, approval or ratification. The Standing Committees are:

- (a) Legislative and Policy
- (b) Monitoring, Content and Compliance
- (c) Finance and Administrative
- (d) Audit

INTRODUCTION

The Jamaican media landscape is a dynamic mix of vibrant layers, operating within an equally complex economic and political environment. The regulatory arm of the BCJ traverses 27 Radio Stations, 3 Free to Air TV Stations, 41 Subscriber Television Operators (STVos) covering 243 geographic zones and including 1 island-wide licensee and 1 island-wide mobile Subscriber TV service; a number of dynamic emerging technologies and applications, Digital TV, IPTV, the internet, Web 2.0, and Over the Top (OTT) services. However, all these exist within and despite a hybrid of modern and outmoded policy, regulatory and legislative frameworks. This therefore requires government's continued and urgent attention to pending amendments to the Television and Sound Broadcasting Regulations, completion and implementation of a new electronic media policy, and the establishment of a modern electronic communications framework.



The complex landscape is characterized by a number of significant features:

- a. It operates within a challenging economic environment which threatens to erode revenues and industry growth. The past decade has been characterized by low to negative macroeconomic growth, high interest rates and periods of high inflation combined with prolonged global economic crises. With the potential impact of reduced advertising revenues and lower disposable personal income, there is no doubt about the impact on revenues in the electronic communication sector. Declines in competitiveness also stunt the growth of potentially significant areas of investment and growth such as cultural content produced by the industry.
- b. There have been significant and continuous structural changes in the industry. This has been marked by market consolidation, vertical and horizontal integration of businesses as the imperfect market seeks to adjust to competitive forces.
- c. It has been characterized by rapid technological developments which have outpaced the policy, regulatory and legislative framework. These developments have been supply led; the development of digital technologies on converged networks, IPTV, Mobile TV etc. They have also been demand led as modern consumers demand real time and ubiquitous access to information and entertainment resources as evidenced for example, by traditional and new social media news networks.
- d. More specifically, the industry now has what is determined to be a highly fragmented and uncompetitive subscription television (cable) market. Data gathered by the BCJ shows that one

company Columbus Communications (FLOW) accounts for 78% of market share in 2010 and only three (3) companies operate in more than three zones. The data show a sector with revenues trending below inflation rates and one where small operators struggle with transitioning to digital.

- e. The radio market, while surviving, is suffering from low net margins. Recent data from Media Survey show declining audiences as measured by the decline in radio sets (-44%), and potential radio audience (-18%). Broadcasting Commission analysis concludes that there is a migration of radio listeners to digital online and mobile platforms. It is noteworthy that this is also the case internationally, with new online music services such as Spotify and Pandora. Radio revenues continue to be a big part of the industry revenues, growing on average by 11.92 % over the decade to 2010. However, the companies have low profit margins which make it difficult to attract investments.
- f. The free to air television market is profitable but highly concentrated with TVJ (RJR Group) accounting for the lion's share vis-à-vis CVM TV and Love TV. Profitability is driven by advertising revenues and special sponsorship deals. The Mobile TV market has only one player at this time, but represents significant potential for increased diversity in this market segment.
- g. New media forms are emerging in an environment of regulatory uncertainty as multiple regulators seek to determine what should and should not be regulated and by whom. The big question is should these internet based media be regulated?

These developments have taken place within the context of a changing demographics and evolving ICT landscape. Census data from the Statistical Institute of Jamaica show a 3.5 percent growth in the population over the past ten (10) years, with increasing urbanisation, where 54 percent of the population lives in urban centers, including the Kingston Metropolitan Area. A look at the age distribution indicates some shifts with growth taking place in the age groups 15 -44 years and 45 – 64 years. The 2010 Caribbean ICT Indicators Survey reflects a high level of household access to radio and television, with computer and internet penetration at fairly low levels of 24 percent and 15.6 percent respectively.

It is against this background that the Commission continued its focus on the theme **People – Transitioning – Digital**, within a framework of constructive engagement with the regulated sector and other stakeholders, with a view to creating win-win outcomes for all.

OVERVIEW OF PERFORMANCE IN 2012 - 2013

Public Consultations and Public Education

Industry Consultations

The Commission continued its engagement with industry stakeholders through a series of regular meetings that facilitated discussions and updates on matters affecting the sector. Eight (8) industry confabs were held across the island. They covered a range of subjects including content standards, and service provision.



INDUSTRY MEETING, KINGSTON



BONES AND ZI SUNSHINE AT CONTENT STANDARDS WORKSHOP, IRIE/ZIP FM



CONTENT STANDARDS WORKSHOP, MONTEGO BAY



CONTENT STANDARDS WORKSHOP, RJR



CONTENT STANDARDS WORKSHOP, SAVANNA LA MAR

Schools' Outreach

Through its Schools' Outreach programme, the Commission continued to create greater awareness of the digital future among the nation's youth. This engagement took the form of an interactive multi-media presentation which explored a range of topics including the digital economy; new media; traditional media; the impending switchover from analogue to digital; and information about the Commission's role and mandate.

During the period twenty-three (23) schools in eight (8) parishes benefitted from the programme.



ST. ANDREW TECHNICAL HIGH SCHOOL



MAVERLY PRIMARY SCHOOL



GODFREY STEWART HIGH SCHOOL



ST. JAMES HIGH SCHOOL



TRENCH TOWN HIGH SCHOOL

Community Relations

The Commission also participated in several other activities involving youth. These included meetings with student leaders, and participation in expositions and trade fairs targeting youth.

UWI CAREERS' DAY



CHETOLAH PARK PRIMARY SCHOOL CAREERS' DAY



PORUS PRIMARY SCHOOL JAMAICA 50 PARENTING SEMINAR



KNOX COLLEGE CAREERS' DAY

Citizen-based Media Monitoring

Over the period fifty-two new volunteer media monitors were trained in three training sessions done in Kingston and St. James. Online training was also introduced in the period.



VOLUNTEER MEDIA MONITORS TRAINING IN MONTEGO BAY

Media Campaign

The Commission launched a new media campaign featuring **I-Cat**. The campaign utilised a 30-second commercial which was aired on television and shown in cinemas across the island. The commercial was very well received. It was viewed over 25,000 times on Youtube. By way of contrast, the most popular video on the Digicel Risings Stars Youtube channel was viewed less than 6,000 times over the same period. The ad was also sampled by local dance groups and recording artistes.



I-CAT SPOT

Thirteen 5-minute episodes of the **Under the Law BCJ TV** series were produced and broadcast over the period. Themes of the series included digital TV; illegal cable operations; payola; and parental controls/personal responsibility;



The **Choice Comes with Responsibility** campaign was also re-launched on radio and television in the last quarter.

Publications

Six (6) youth public education features in the **BC 2.0** and **Junior Commissioners** series were prepared and published in Jamaica Observer, Gleaner and Children's Own. The transition to digital television and the importance of managing one's digital self were among the topics covered.

Media Coverage



The Commission was featured in news stories in the electronic media and in 33 newspaper articles.

BROADCASTING COMMISSION BC 2.0 APRIL

HELP YOUR PARENTS GET READY FOR THE DIGITAL SWITCHOVER BEGINNING IN 2015

REASONS FOR THE DIGITAL SWITCHOVER

- Better picture and audio quality
- Broadcast houses/television stations can transmit more programmes over the same signal. For example, a broadcaster will be able to offer not only one channel (for eg. Jamaica TV), but also Jamaica TV1 and Jamaica TV2, if the broadcaster wishes to provide more programme choices.

Expansion of the Airwaves

- Digital TV takes up less space on the broadcast band than analogue TV.
- There is increased demand for over-the-air broadcast bandwidth as a result of the many wireless devices, such as cell phones and Wi-Fi networks.
- Switching to digital will make a lot more bandwidth available for these services.

Check the specs on the television set before you buy

- The digital switchover will only affect people who have older analogue televisions with NTSC tuners and get their television coverage via over-the-air antenna broadcasts.
- After the switchover, signals being sent out by broadcast houses will use a new set of standards and a new language, which will be digital that your old (analogue) TV does not understand. Your TV will work if it has a digital tuner (this includes both standard-definition and high-definition television sets), or if you currently receive your television programmes via a cable or satellite subscription service that utilizes a cable box.
- Your TV will require a digital converter box if it does not have a built-in digital tuner. A digital converter box is an external tuner that can take digital TV signals and translate them into NTSC signals that your analogue TV can understand.
- Before purchasing a TV, check the owner's manual and get the assurance of the sales representative to ensure what you are buying is a digital TV.

Look out for **BC 2.0** on the last Tuesday of every month in YouthLink.

We like to hear from you, send us your feedback: emailinfo@broadcom.org | www.facebook.com/bcjamca

BC 2.0 FEATURE PUBLISHED IN THE GLEANER YOUTHLINK AND OBSERVER TEENAGE PAPERS

BROADCASTING COMMISSION WRITES CVM ABOUT BREACH

...the management of CVM TV was required to meet with the Broadcasting Commission on June 7, 2012 to provide a full report on its service coverage and steps to correct poor quality of reception.



CLEAN UP YOUR ACT...
The Broadcasting Commission is about to embark on another tough drive...

BROADCASTING COMMISSION TAKES MEDIA LITERACY TO THE WEST



CRIMILISATION OF PAYOLA CLOSER

New Media



The Commission significantly expanded its social media reach over the period.



Our Facebook fanbase grew by 96.6% from 2,024 to 3,980. A total of 1,195 status updates were made. Facebook has been used to accomplish some of the Commission's communication goals including, sharing live updates and photos from important events such as our Schools Outreach.

BCJ followers on twitter increased by 74.6% from 410 to 716. The Commission's tweet rate (a measure of how social or active an account is) improved from 89 to 93 out of 100. Twitter has been used to share information and discuss issues such as the transition to digital, and the media and children.



As a result of our activity on Twitter we moved up to #26 on Jamaica Follow Fridays. Follow Fridays is an initiative where, every Friday, "Tweeps" from around the world suggest an account to follow.



Twenty-four BCJ blog posts were posted and read 6,600 times. Over 2,500 persons read the Notice of Breach issued to CVM during the 2012 Olympics. The BCJ Blog has also helped the Commission to maintain a high SEO (Search Engine Optimization) ranking.



The Commission's Youtube page received 38,881 views and gained fifty new subscribers.



LADY SAW SOUNDS OFF IN BCJ YOUTUBE AND FACEBOOK FEATURE

Much of the traffic on our Youtube channel was spurred in the past year by the I-Cat spot and our **BCJ Sound-Off** Series which featured interviews with artistes like **Spice, Popcaan, Lady Saw, Konshens** and **Khago** on a range of topics including payola.



Media Literacy

The Commission was successful in securing funding support from UNESCO for a third phase of the Media Literacy Project.

Aspects of the third phase completed in the period include the integration of Media Literacy Curriculum in the Jamaican teachers' College Curriculum and pilot testing of media literacy materials revised in the second phase.



*MEDIA LITERACY PROJECT LEAD, DR. MARCIA STEWART
HEAD OF THE JBTE, DISCUSSES CURRICULUM INTEGRATION
WITH MRS. SHARON NEIL, DEPUTY CHIEF EDUCATION
OFFICER WITH RESPONSIBILITY FOR CURRICULUM*



*TECHNICAL MEETING WITH BCJ, JBTE AND MINISTRY OF
EDUCATION TO LOOK AT INTEGRATING THE MEDIA
LITERACY CURRICULA IN THE NATIONAL CURRICULUM*

Research

Consistent with its evidence-based ethos, the Commission undertook a number of research projects, with a view to informing regulatory decisions and contributing to the continued development of Jamaica's increasingly dynamic and expansive electronic media sector. The following were the main research areas:



1. ***“A Feasibility Study of Digital Terrestrial Television Broadcasting in Jamaica”***: This study was completed in July 2012. The report provided useful information about the main issues that the regulator and all stakeholders should consider in order to ensure a successful DSO transition in Jamaica.
2. ***“Next Generation Media: On the nature of the emerging New Media economy”***: Completed in September 2012. This research examined the main technological developments in the emerging new media economy and their regulatory implications. The report established the context that will drive a new research in the financial year 2013 -2014 to examine the optimal regulatory model for the emerging new media economy.
3. ***“A Regulatory Impact Assessment of the BCJ’s Operations, Regulations and Legislations”***: completed in September 2012. The study examined the BCJ’s impact in the domains of its regulatory decisions, legislations and operations. The main conclusion was that comparatively, the BCJ does not exert any adverse impact on the market relative to similar regulators internationally.
4. ***“Study of the Output of Jamaica’s Electronic Media Sector Content”***: this study, conducted by CARIMAC, and Commissioned by BCJ, was completed in October 2012. The research project gave useful information on the following:

- Audience needs in relation to the output of Jamaica's electronic media sector;
- Output of the electronic media sector in Jamaica;
- Perceptions of the Broadcasting Commission with respect to brand recognition as well as its work and activities and;
- Impact of the Children's Code for Programming viz rating, scheduling and provision of advisories.

5. ***“An Economic Analysis of the Jamaican Electronic Communications Industry”:***

the final version of this research was completed in March 2012. It is data driven and relied on the audited financial statements of regulated entities, supplemented by quarterly reports submitted by the subscriber television operators (STV), and the overarching framework of macroeconomic data on the Jamaican economy.

6. ***“Feasibility of Digital Switchover in Jamaica: The Consumer Perspective”:***

The final version of this study was completed in July 2012. The study tested, empirically, the factors that will generate voluntary take-up of DTTV by consumers. These findings will be instrumental for piloting digital switchover feasibility research and public policy making in Jamaica and other Caribbean countries. The findings will aid in answering certain questions needed to allow evidence based public policy making which considers the television receiver industry. The research also highlighted groups of individuals, including the elderly and disabled, for whom analogue switch-off could be seriously difficult (financially/physically) and considered the access and usability factors to assist these groups.

Licensing Matters

Between April 1, 2012 and March 31, 2013, one Subscriber Television (STV) Operator applied to vary its licence to provide service in additional zones.

During the period one International Relay Operator, whose licence was set to expire, expressed interest in renewal. The application was reviewed and a recommendation was made to the Minister for renewal thereof.

Additionally, the Broadcasting Commission evaluated applications for the renewal of six (6) Subscriber Television (STV) Operators STV licences. In conducting this exercise, the Commission took the following actions:

- Invited eligible STV licensees to indicate an expression of interest in renewing the licence.
- Invited the six (6) licensees who submitted expression of interest to complete and submit an application for renewal of the licence.
- Established a sub-committee of the Commission to manage the relicensing process.

Resulting from the renewal exercise, two cable operators were successful and their licences were renewed for a ten (10) year period while four (4) were not recommended for renewal due to their poor track record of performance in most of the areas assessed, including financial, technical and copyright compliance.

There were no Commercial Sound Broadcast licences issued or varied.

Legislative Matters

The Commission continued to meet with the Ministry and the relevant stakeholders to advance impending amendments to the **Broadcasting and Radio Re-diffusion Act** and the **Television and Sound Broadcasting Regulations**.

Additionally, two focus groups considered and made recommendations for amendments to the Children's Code for Programming, comprised of individuals from children's interest organizations and licensees based in Kingston, St. Andrew and St. Catherine.

Statutory Reports

All Statutory Reports, including Annual Report and Audited Financial Statements were submitted, within the required timeline.

Procurement

The Commission's Standing Procurement Committee provided oversight of procurement activities. All Quarterly Contract Awards reports were submitted, on time, to the Office of the Contractor General (OCG) in accordance with government policy.

Facilities and Fleet Management

The Commission's vehicles were serviced in accordance with a maintenance schedule and kept in proper working condition. Fleet and other assets were insured and all premiums paid-up for the period.

Human Capacity Development

The Commission continued to build internal human capacity. This was accomplished through various training courses, sensitisation sessions and workshops. These included; Customer Service Excellence, Business Writing for Administrative Professionals, Gender Equality, Media and Communications Regulations Master class (University of Cambridge, London), The Cable Show in Massachusetts, First Aid & CPR Training (20

Employees), Corporate Governance, Fire Safety Sensitisation and Productivity and Time Management Sensitisation Sessions.

Annual performance appraisals were conducted, along with ongoing feedback and coaching, to ensure continued performance improvement. Also, consistent with its holistic approach to staff relations, the Commission established a Staff Welfare Committee to engage and motivate staff and build team spirit.

Corporate Social Responsibility

The Commission built on its efforts to be a responsive corporate citizen, through engagement in charitable activities. This was done mainly by participation of Commissioners and staff in the Grace Kennedy and Sagcor SIGMA 5k Runs. The staff also donated food, toiletries and stationery to the Reddie's Place of Safety for children.



Sagcor SIGMA 5K Run 2013.



Ms. Semoi Robinson, a teacher at the Reddie's Place of Safety for Children, poses with some of the gifts that were donated by the staff of the BCI.

Records and Information Management

The Commission continued to practice the recommendations of ISO 15489:1 in order to follow best procedures in Records Management. All vital records were digitized and secured on an off-site backup system.

Technical Matters

There were a total of twenty seven (27) broadcast radio licensees. Seventeen (17) provided island wide services, each utilizing an average of eight (8) transmitter sites to achieve island wide coverage. Ten (10) of the broadcast radio licensees provided limited area broadcast services.

There were three (3) island wide broadcast TV stations each utilizing an average of eight (8) transmitter sites to achieve island wide coverage. Forty one (41) Subscriber Television operators were in operation across the island.

Tables 1 - 3 in **Appendix E** provide listings of the broadcast radio, TV and STV licensees currently licensed to operate in the country.

A pilot Mandatory Proof of Performance system was launched with (9) STV licensees. The objective of this project is to increase efficiency and responsiveness, by reducing the number of technical inspections and strengthening the Commission's capacity for strategic technical interventions.

The Commission collaborated with Digicel and the Spectrum Management Authority (SMA) to resolve three instances of interference to Digicel's 4G network, allegedly caused by signal leakages from cable TV systems.

Monitoring, Compliance and Customer Service

Contacts with the Commission

Three hundred and seventy six (376) contacts were recorded for the period under review. This was a seven percent (7%) increase over the previous year. The contacts resulted in forty-nine (49) investigations and the issuing of thirty-two (32) Notices of Breach.

Table 1 - Total Contacts recorded

| | |
|----------------------------|------------|
| APRIL '12 - JUNE '12 | 81 |
| JULY '12 - SEPTEMBER '12 | 155 |
| OCTOBER '12 - DECEMBER '12 | 57 |
| JANUARY '13 - MARCH '13 | 83 |
| TOTAL | 376 |

Table 2 provides further details on the nature of contacts with the public.

Table 2: BREAKDOWN OF CONTACTS

| | Apr-Jun 2012 | Jul-Sept 2012 | Oct-Dec 2012 | Jan-Mar 2013 | Total |
|---|-----------------|------------------|-----------------|-----------------|------------|
| Information Requested: | 46 | 39 | 29 | 58 | 172 |
| <i>Complaints received</i> | 15 | 13 | 12 | 9 | 49 |
| Zoning Information | 6 | 3 | 4 | 5 | 18 |
| Regulating of Internet by BCJ | 2 | | | | 2 |
| Licences Application process | 10 | 7 | 2 | 9 | 28 |
| Converter Box Issues | 2 | | | | 2 |
| Customer Service Issues - FLOW | | | 2 | | 2 |
| STVO changing channels without notice | | 2 | | | 2 |
| CVM's Coverage -2012 Olympics | | 60 | | | 60 |
| STVO transmitting channels in Spanish | | 4 | | | 4 |
| Broadcast rights of the 2012 Olympics | | 7 | | | 7 |
| Digital Switchover | | 2 | | | 2 |
| Difficulty accessing CVM TV | | 18 | | | 18 |
| Rebate Issues | | | 2 | | 2 |
| Legality of community Stations airing Advertisements | | | 2 | | 2 |
| STV Services issues related to passage of Hurricane Sandy | | | 4 | | 4 |
| STV licensees pegging subscribers fee to the value of the US dollar | | | | 2 | 2 |
| TOTAL | 81 | 155 | 57 | 83 | 376 |

Complaints Received

Section 16 (f) of The Broadcasting and Radio Re-Diffusion Act requires the Commission to “receive and investigate complaints in relation to any matter under the Act”.

During the period under review, the Commission received forty-nine (49) complaints. This was an increase of fourteen percent (14%) when compared to the previous period. Table 3 gives a breakdown of the complaints on a quarterly basis.

Table 3 - QUARTERLY BREAKDOWN OF COMPLAINTS RECEIVED

| | |
|-----------------------------------|-----------|
| APRIL '12 - JUNE '12 | 15 |
| JULY '12 - SEPTEMBER '12 | 13 |
| OCTOBER '12 - DECEMBER '12 | 12 |
| JANUARY '13 - MARCH '13 | 9 |
| TOTAL | 49 |

Table 4: COMPLAINTS RECEIVED APRIL 2012- MARCH 2013

| | Apr-Jun 2012 | Jul-Sep 2012 | Oct-Dec 2012 | Jan-Mar 2013 | TOTAL | (%) |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|-------------|
| Subscriber Television | | | | | | |
| Technical | 1 | 1 | 1 | 1 | 4 | 8% |
| Customer Service | 2 | 1 | | | 3 | 6% |
| Content Standards | 0 | 0 | 0 | 0 | 0 | 0% |
| Unlicensed Service | 0 | 0 | 0 | 0 | 0 | 0% |
| Broadcast Television | | | | | | |
| Technical | 0 | 0 | 0 | 0 | 0 | 0% |
| Content Standard | 5 | 3 | 1 | 1 | 10 | 20% |
| Customer Service | | | | | | |
| Broadcast Radio | | | | | | |
| Content Standards Technical | 7 | 8 | 10 | 7 | 32 | 66% |
| Total | 15 | 13 | 12 | 9 | 49 | 100% |
| Percentage (%) | 31% | 27% | 24% | 18% | | 100% |

Complaints Investigated

The Commission investigated seventy-three (73) complaints. Forty-nine (49) of those arose during the period under review and twenty-four (24) were carried over from the previous year. The total number of complaints investigated was a twelve percent (12%) decrease over the previous period.

Table 5 represents a breakdown of the complaints investigated on a quarterly basis.

Table 5: COMPLAINTS INVESTIGATED FOR THE PERIOD APRIL 2012-MARCH 2013

| | |
|----------------------------|-----------|
| APRIL '12 - JUNE '12 | 22 |
| JULY '12 - SEPTEMBER '12 | 20 |
| OCTOBER '12 - DECEMBER '12 | 17 |
| JANUARY '13 - MARCH '13 | 14 |
| TOTAL | 73 |

Table 6 provides a breakdown of all complaints investigated, including those brought forward from the previous period.

**Table 6: TOTAL COMPLAINTS INVESTIGATED
APRIL 2012 - MARCH 2013**

| | Complaints Brought forward From April 2011 - March 2012 | Complaints Received April 2012-March 2013 | Total |
|------------------------------|--|--|-----------|
| Subscriber Television | 4 | 7 | 11 |
| Broadcast Television | 12 | 10 | 22 |
| Broadcast Radio | 8 | 32 | 40 |
| TOTAL | 24 | 49 | 73 |

Table 7

Content Standards Complaints Investigated: April - June 2012

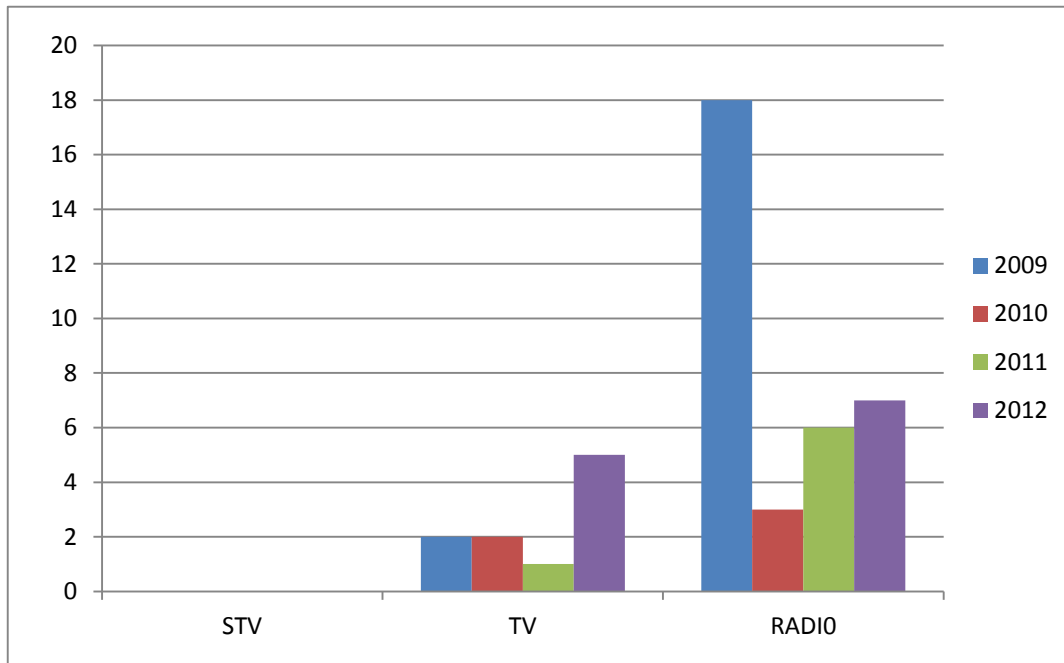
| | Transmission of content containing sexually suggestive material | Transmission of song with sexually suggestive lyrics | Transmission of a profanity in a Newscast | Transmission of profanity | Transmission of song Not Fit for Air Play | Transmission of song containing expletive | Transmission of content in breach of the scheduling requirement of the Code | TOTAL |
|-------------------------------|---|--|---|---------------------------|---|---|---|--------------|
| CVM Television Ltd | 1 | 1 | 1 | | | 1 | | 4 |
| Nationwide News Network (NNN) | | 1 | | | | | 1 | 2 |
| FAME 95 FM | | | | | | 1 | | 1 |
| Television Jamaica Limited | 1 | | | | | | | 1 |
| Hot 102FM | | | | | 1 | | | 1 |
| Mega Jamz | | | | 1 | | | | 1 |
| Music 99FM | | 1 | | | | 1 | | 2 |
| TOTAL | 2 | 3 | 1 | 1 | 1 | 3 | 1 | *12 |

*Complaints listed above include allegations that may not have necessarily resulted in findings of breach

Figure 1 illustrates the trends in content standard complaints received in similar reporting periods since 2009.

Figure 1

Content Standards Report Trends for Quarters April- June 2009 to 2012



| | 2009 | 2010 | 2011 | 2012 |
|-------|------|------|------|------|
| STV | 0 | 0 | 0 | 0 |
| TV | 2 | 2 | 1 | 5 |
| RADIO | 18 | 3 | 6 | 7 |

Table 8
Content Standards Complaints Investigated: July – September 2012

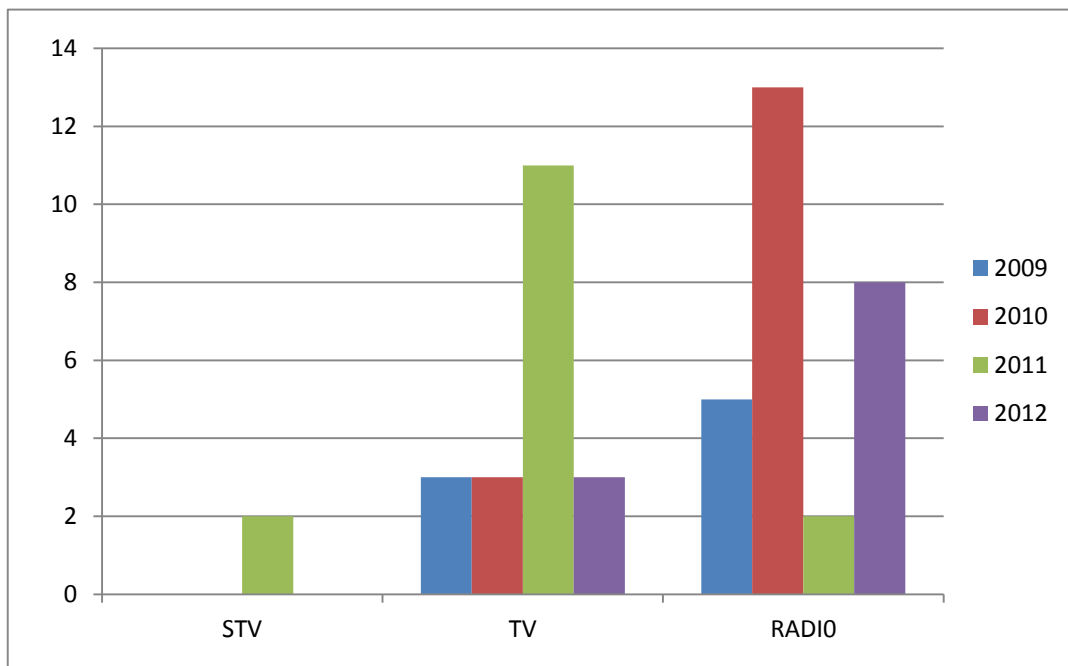
| | Transmission of content in breach of scheduling requirements | Transmission of lyrics promoting lottery scamming | Transmission of content advocating violence against citizens | Transmission of song with violent lyrics | Transmission of sexually suggestive lyrics | Transmission of song with sexually explicit lyrics | Transmission of song containina expletive. | Transmission of profanity | Transmission of content in breach of scheduling requirements | TOTAL |
|------------------------------|--|---|--|--|--|--|--|---------------------------|--|------------|
| CVM Television Ltd | | | 1 | | 1 | | | | | 2 |
| FAME 95 FM | | 1 | | 1 | | 1 | | | | 3 |
| Television Jamaica Limited | 1 | | | | | | | | | 1 |
| Sun City Radio | | | | | | | 1 | 1 | | 2 |
| Yard Broadcasting (LINKZ FM) | | | | | | | | | 1 | 1 |
| ZIP 103FM | | | | | | | 2 | | | 2 |
| TOTAL | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 1 | 1 | *11 |

*** Complaints listed above include allegations that may not have necessarily resulted in findings of breach.**

Figure 2 illustrates the trends in content standard complaints received in similar reporting periods since 2009.

Figure 2

**Content Standards Report
Trends for Quarters July - September 2009 to 2012**



| | 2009 | 2010 | 2011 | 2012 |
|-------|------|------|------|------|
| STV | 0 | 0 | 2 | 0 |
| TV | 3 | 3 | 11 | 3 |
| RADIO | 5 | 13 | 2 | 8 |

Table 9

Content Standards Complaints Investigated: October –December 2012

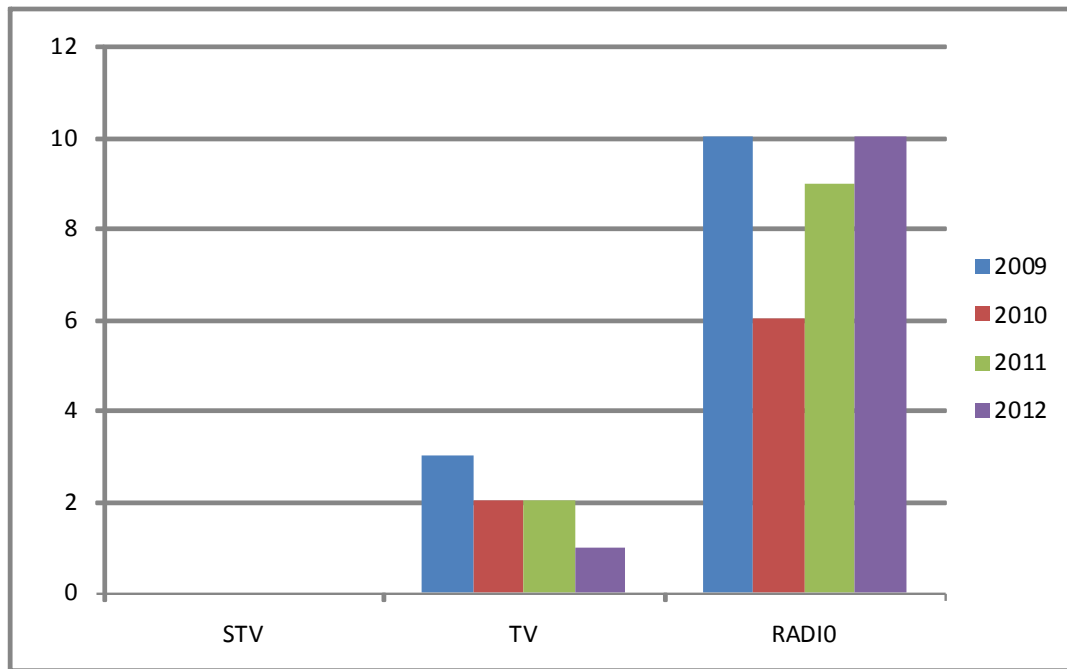
| | Transmission of content containing sexually suggestive material | Transmission of song with excessive sexual content | Transmission of advertisement in breach of laws of Jamaica | Transmission of profane language | Transmission of song Not Fit for Air Play | Transmission of song with violent content | Transmission of content in breach of the scheduling requirement of the Code. | TOTAL |
|-------------------------------|---|--|--|----------------------------------|---|---|--|-------|
| CVM Television Ltd | | | 1 | | | | | 1 |
| Nationwide News Network (NNN) | 1 | | | | | | | 1 |
| FAME 95 FM | | | | | | 1 | | 1 |
| IRIE 107.5 FM | | | | 2 | | | | 2 |
| ZIP 103 FM | | 1 | | | | 3 | 1 | 5 |
| Mega Jamz | | 1 | | | | | | 1 |
| TOTAL | 1 | 2 | 1 | 2 | 0 | 4 | 1 | *11 |

* Complaints listed above include allegations that may not have necessarily resulted in findings of breach.

Figure 3 illustrates the trends in content standard complaints received in similar reporting periods since 2009.

Figure 3

**Content Standards Report Trends for Quarters:
October – December 2009 to 2012**



| | 2009 | 2010 | 2011 | 2012 |
|-------|------|------|------|------|
| STV | 0 | 0 | 0 | 0 |
| TV | 3 | 2 | 2 | 1 |
| RADIO | 10 | 6 | 9 | 10 |

Table 10

Content Standards Complaints Investigated: January- March 2013

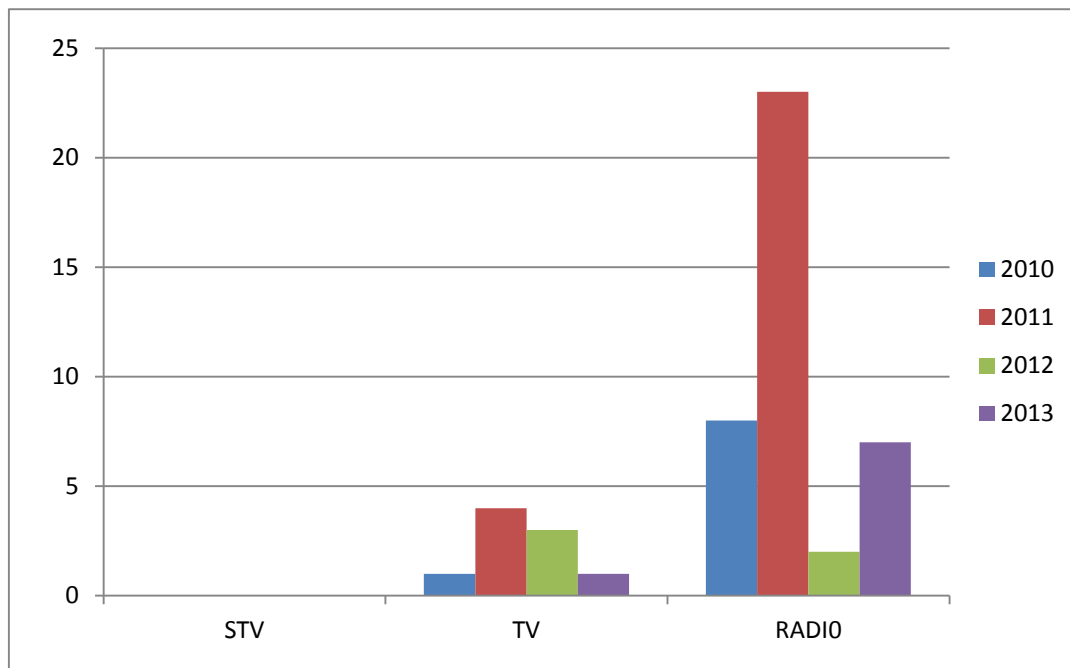
| | Transmission of songs with sexually suggestive lyrics | Transmission of content not fit for air play | Transmission of content in breach of scheduling requirement of the Code | TOTAL |
|---------------------------------------|---|--|---|-------|
| | | | | |
| S & B Communications (FYAH 105 FM) | 1 | | | 1 |
| Mello FM | 1 | 1 | | 2 |
| Mother In Crisis | | 1 | | 1 |
| Television Jamaica Ltd. | | | 1 | 1 |
| ZIP 103 | 2 | 1 | | 3 |
| | | | | |
| TOTAL | 4 | 3 | 1 | *8 |

*Complaints listed above include allegations that may not have necessarily resulted in findings of breach.

Figure 4 illustrates the trend in content standard complaints received in similar reporting periods since 2010.

Figure 4

**Content Standards Report
Trends for Quarters Jan-Mar 2010 to 2013**



| | 2010 | 2011 | 2012 | 2013 |
|-------|------|------|------|------|
| STV | 0 | 0 | 0 | 0 |
| TV | 1 | 4 | 3 | 1 |
| RADIO | 8 | 23 | 2 | 7 |

TECHNICAL COMPLIANCE

Technical Monitoring

The facilities of fifteen (15) subscriber television operators were inspected to determine their compliance with the technical standards set out in law.

Tables 11-14 list the subscriber television licensees inspected and the areas of technical non-compliance found.

Table 11: Technical Monitoring: April - June 2012

| | LICENSEES INSPECTED | NON- COMPLIANCE DETECTED | STATUS |
|----|-----------------------------------|---|--|
| 1. | Santastic Cable Systems Limited | 17(4)(b) | Closed- licensee is now fully compliant. |
| 2. | Communicable Limited | 17(4)(d), 17(1)(h), 17(4)(e), 17(4)(b) 25(1) | Breach letter was dispatched to licensee on June 22, 2012. |
| 3. | Cable One Jamaica Limited | 17(4)(b), 17(1)(h), 17(4)(d), 17(4)(e) | Breach letter was dispatched to licensee on June 22, 2012. |
| 4. | Silly Video Cable Network Limited | 17(1)(a), 17(1)(b), 17(4)(e), 17(1)(h) Breach of Licence (1) | Breach letter was dispatched to licensee on August 13, 2012. |

Table 12: Technical Monitoring: July - September 2012

| | LICENSEE INSPECTED | NON- COMPLIANCE DETECTED | STATUS |
|-----------|-------------------------------------|--|---|
| 5. | First Choice Cable Services Limited | 15 (a), 17(1)(b), 17(4)e), 17(1)(h), 17(1) (f) Breach of Licence (1) | Breach letter was dispatched to licensee on November 1, 2012. |

Table 13: Technical Monitoring: October - December 2012

| | LICENSEES INSPECTED | NON- COMPLIANCE DETECTED | STATUS |
|-----------|----------------------------------|--|--|
| 6. | MARS CABLE VISION LTD | 17(4)(d), 17 (1)(h), 17(4)(e), 19(1)(b),Breach of Licence (1) | Breach letter dispatched to licensee on January 11, 2013 |
| 7. | ST. THOMAS CABLE NETWORK LIMITED | 17(4)(d),17 (1)(h), 17(1)(b),17(4)(b) 15(a),15(b), 17(1)(f), 17(4)(e), Breach of Licence (2) | Breach letter dispatched to licensee on January 11, 2013 |
| 8. | STARCOM CABLE VISION LIMITED | 17(4)(b),17(1)(h) , 17(4)(d), 17(4)(e), 17(1)(b), 15(a), 16(1) | Breach letter was dispatched to licensee on January 31, 2013 |
| 9. | McKOYS CABLE TELEVISION LIMITED | 15(a), 17(1)(d), 17(1)(f),17(1)(h), 17(4)(b),17(4)(d) ,17(4)(e), Breach of Licence (1) | Breach letter was dispatched to licensee on January 31, 2013 |

Table 14: Technical Monitoring: Jan - March 2013

| | LICENSEES INSPECTED | NON- COMPLIANCE DETECTED | STATUS |
|-----|--------------------------------|--|---|
| 10. | Central Communications | 17(1)(h) | Meeting held with Licensee on March 29, 2013, Licensee given 1 month to correct breaches. |
| 11. | Jamaica Cablevision Limited | 17(1)(h), and 17(4)(e), | Meeting held with Licensee on April 3, 2013 Licensee given 3 months to correct breaches. |
| 12. | Marimax Communications Ltd. | 15(a),15(b), 17(4)(b), 17(4)(d), 17(4)(e), 17(1)(h) | Breach letter was dispatched to Licensee on March 26, 2013. |
| 13. | Ques 46 Limited | 17(1)(h), 17(4)(b) , 17(4)d), 17(4)(e) Breach of Licence (2) | Breach letter was dispatched to Licensee on March 19, 2013. |
| 14. | Venus Cable Service Limited | Breach of Licence (1) 15(a) 16(1), 17(1)(b) 17(1)f, 17(1)(h) 17(4)(d), 17(4)(e) | Breach letter dispatched to Licensee on March 27, 2013. |
| 15. | Westar Communication Limited | Breach of Licence (2) | Meeting to be held with Licensee. Notification letter dispatched March 21, 2013. |

TECHNICAL INVESTIGATIONS (Standards & Service Area)

For the period under review three investigations were conducted in relation to complaints about technical quality of STV service. Two (2) STV operators were investigated in relation to provision of service beyond their authorized zones. Tables 15-18 detail the complaints and investigations.

Table 15 displays the nature of complaint investigated relating to Technical Standards for the period April – June 2012.

Table 15

Technical Standards Complaints

April - June 2012

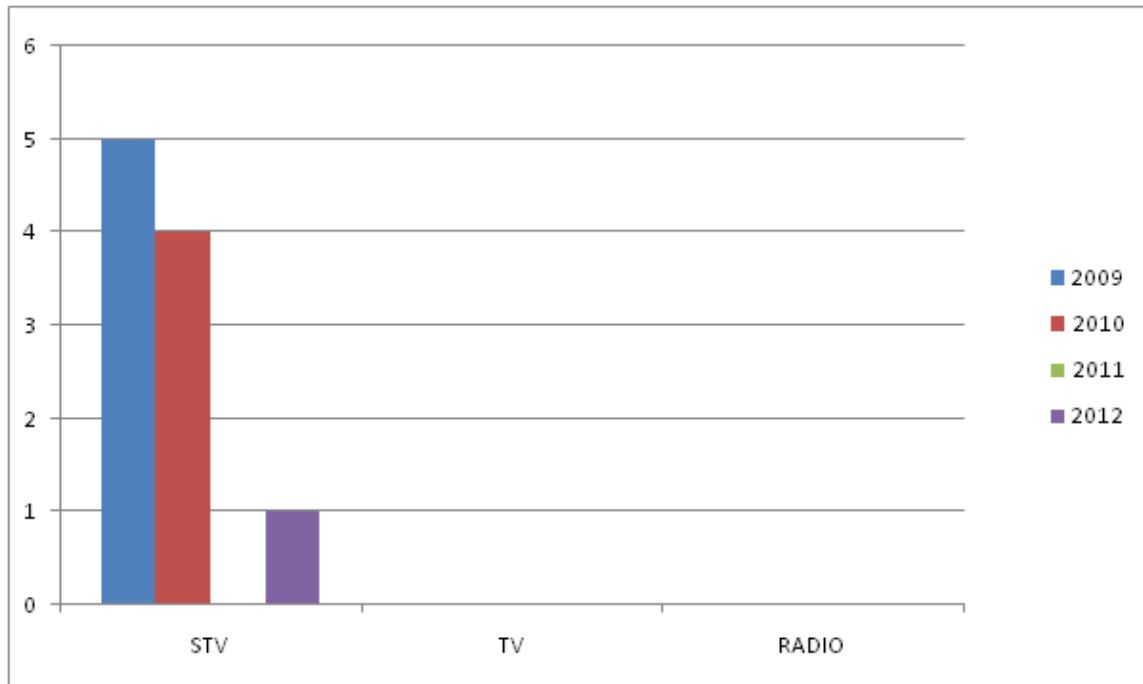
| | Poor Audio & Video Signals | TOTAL |
|---------------|-------------------------------|-------|
| Telstar Cable | 1 | 1 |
| | | |
| | | |
| TOTAL | 1 | *1 |

*Complaint listed above includes allegations that may not have necessarily resulted in findings of breach.

Figure 5 illustrates the trends in technical standard complaints received in similar reporting periods since 2009.

Figure 5

Technical Standards Report Trends for Quarters April-June 2009 to 2012



| | 2009 | 2010 | 2011 | 2012 |
|-------|------|------|------|------|
| STV | 5 | 4 | 0 | 1 |
| TV | 0 | 0 | 0 | 0 |
| RADIO | 0 | 0 | 0 | 0 |

Table 16 displays the nature of complaint investigated relating to Technical Standards for the period July – September 2012.

Table 16
Technical Standards Complaints
July - September 2012

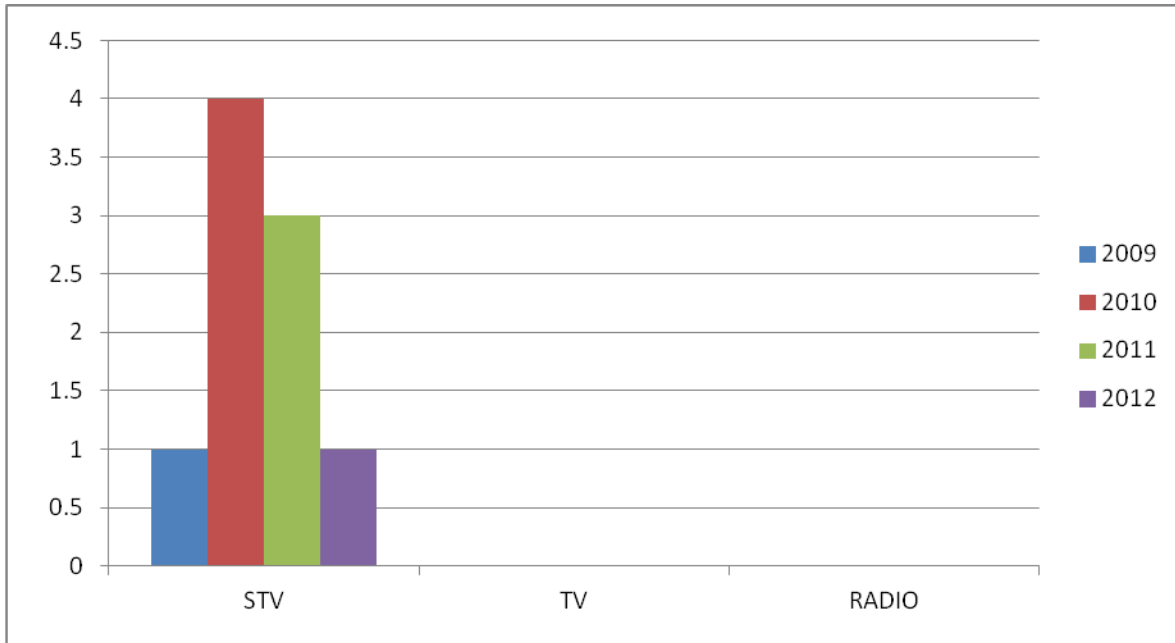
| | Poor Audio & Video Signals | TOTAL |
|---------------------|-------------------------------|-----------|
| Stars Cable Limited | 1 | 1 |
| | | |
| | | |
| TOTAL | 1 | *1 |

***Complaint listed above includes allegations that may not have necessarily resulted in findings of breach.**

Figure 6 illustrates the trend in technical standard complaints received in similar reporting periods since 2009.

Figure 6

Technical Standards Report Trends for Quarters July – September 2009 to 2012



| | 2009 | 2010 | 2011 | 2012 |
|-------|------|------|------|------|
| STV | 1 | 4 | 3 | 1 |
| TV | 0 | 0 | 0 | 0 |
| RADIO | 0 | 0 | 0 | 0 |

Tables 17 (a) and (b) relate to investigations of unauthorized service conducted in the periods October – December 2012 and January-March 2013.

Table 17(a)
Unauthorized Service Investigation
October - December 2012

| | Unauthorized STV operation | TOTAL |
|-----------|-------------------------------|-------|
| Cabletron | 1 | 1 |
| | | |
| | | |
| TOTAL | 1 | *1 |

*Complaint listed above includes allegations that may not have necessarily resulted in findings of breach.

Table 17(b)

Unauthorized Service Investigation

January – March 2013

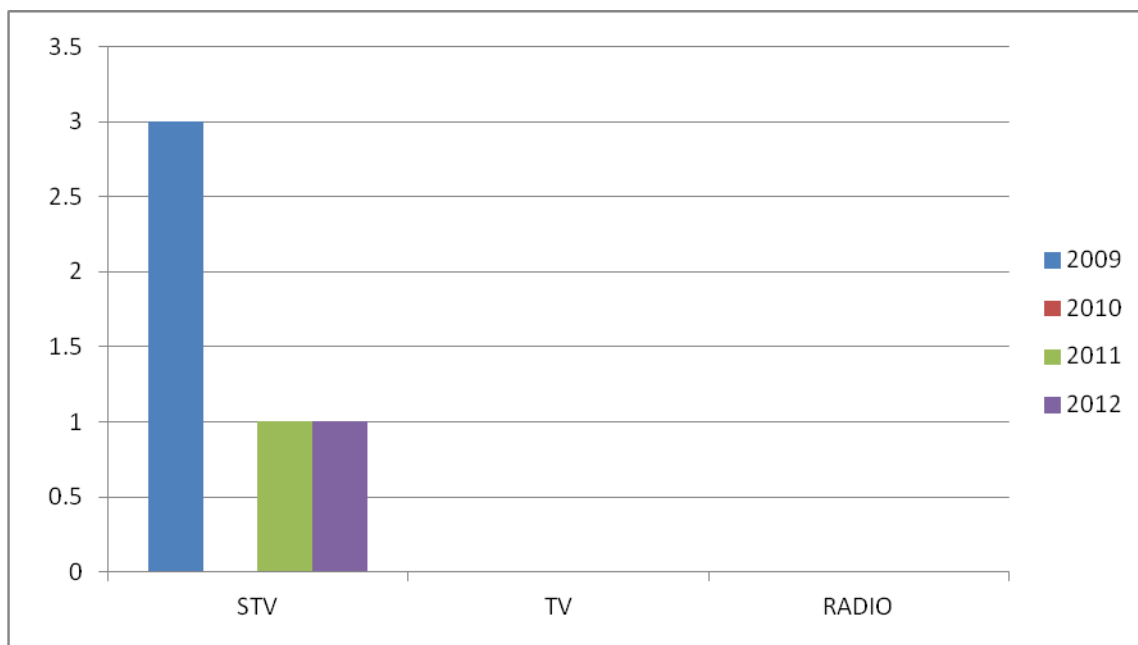
| | Unauthorized STV operation | TOTAL |
|----------------|-------------------------------|-----------|
| QES 46 Limited | 1 | 1 |
| | | |
| | | |
| TOTAL | 1 | *1 |

***Complaint listed above includes allegations that may not have necessarily resulted in findings of breach.**

Figures 7(a) and (b) illustrate the trend in authorised service investigations conducted in similar reporting periods since 2009.

Figure 7(a)

Unauthorised Service Investigations - Trends for Quarters October – December 2009 to 2012.

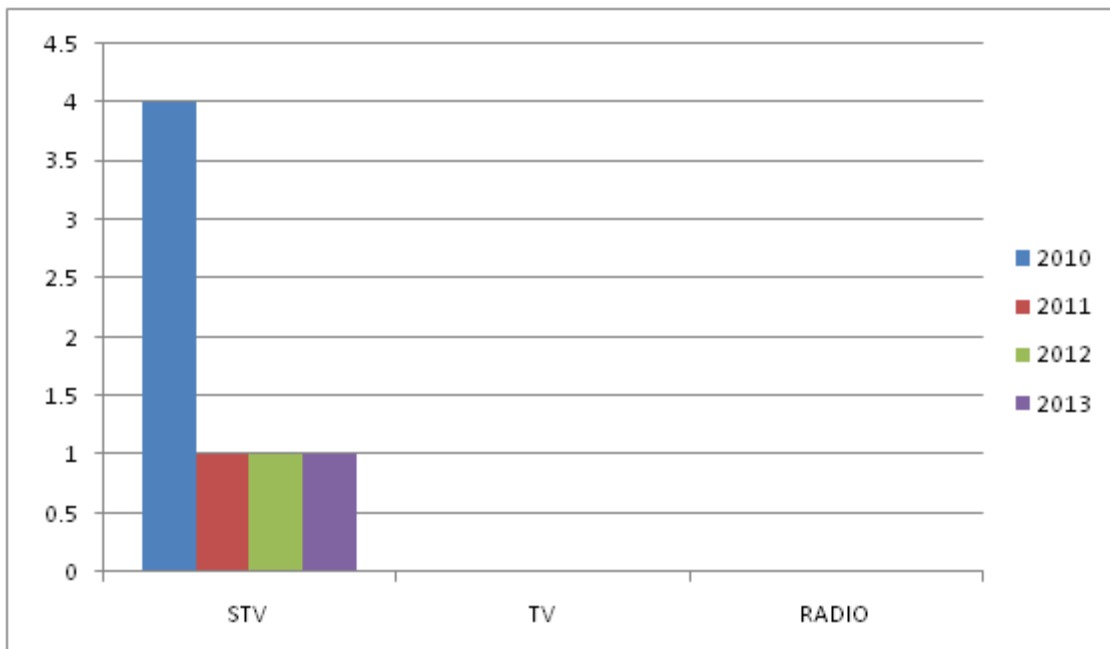


| | 2009 | 2010 | 2011 | 2012 |
|-------|------|------|------|------|
| STV | 3 | 0 | 1 | 1 |
| TV | 0 | 0 | 0 | 0 |
| RADIO | 0 | 0 | 0 | 0 |

Figure (b) illustrates the trend in authorised service investigations conducted in similar reporting periods since 2010.

Figure 7 (b)

**Unauthorised Service Investigations - Trends for Quarters January- March
2010 to 2013**



| | 2010 | 2011 | 2012 | 2013 |
|-------|------|------|------|------|
| STV | 4 | 1 | 1 | 1 |
| TV | 0 | 0 | 0 | 0 |
| RADIO | 0 | 0 | 0 | 0 |

Table 18 displays the nature of complaint investigated relating to Technical Standards for the period January - March 2013.

Table 18
Technical Standards Complaints
January- March 2013

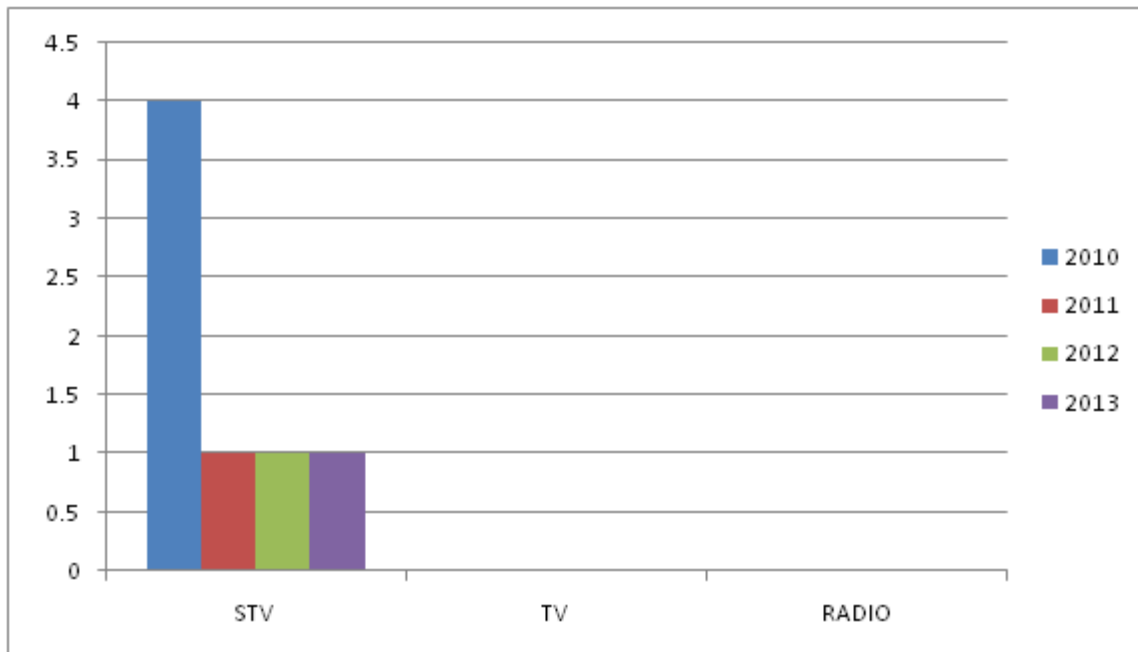
| | Poor Audio & Video Signals | TOTAL |
|--------------|----------------------------|-----------|
| Logic One | 1 | 1 |
| | | |
| | | |
| TOTAL | 1 | *1 |

***Complaint listed above includes allegations that may not have necessarily resulted in findings of breach.**

Figure 8 illustrates the trend in technical standard complaints received in similar reporting periods since 2010.

Figure 8

**Technical Standards Report Trends for Quarters January- March
2010 to 2013**



| | 2010 | 2011 | 2012 | 2013 |
|-------|------|------|------|------|
| STV | 4 | 1 | 1 | 1 |
| TV | 0 | 0 | 0 | 0 |
| RADIO | 0 | 0 | 0 | 0 |

CUSTOMER SERVICE COMPLAINTS

There were three (3) Customer Service complaints that resulted in an investigation for the period under review.

Tables 19 & 20 detail the complaints.

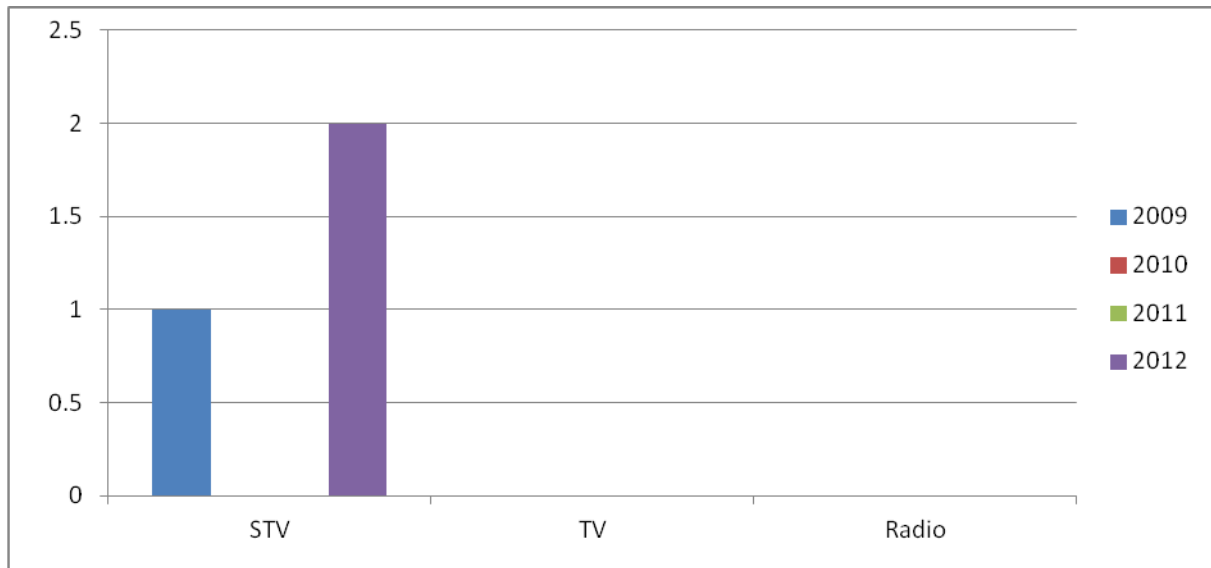
Table 19
Customer Service Complaints
April – June 2012

| | Transmission of Content without Rights Holder Permission | Inability to access local channels | TOTAL |
|-------------------------|---|---------------------------------------|-------|
| Cornwall Communications | 1 | | 1 |
| Stars Cable Limited | | 1 | 1 |
| TOTAL | 1 | 1 | *2 |

*Complaint listed above includes allegations that may not have necessarily resulted in findings of breach.

Figure 9 illustrates the trends in customer service complaints received in similar reporting periods since 2009.

Figure 9
Customer Service Complaints Reports Trends
Quarters April – June 2009 to 2012



| | 2009 | 2010 | 2011 | 2012 |
|-------|------|------|------|------|
| STV | 1 | 0 | 0 | 2 |
| TV | 0 | 0 | 0 | 0 |
| RADIO | 0 | 0 | 0 | 0 |

Table 20 displays the nature of complaint investigated relating to Customer Service for the period July – September 2012.

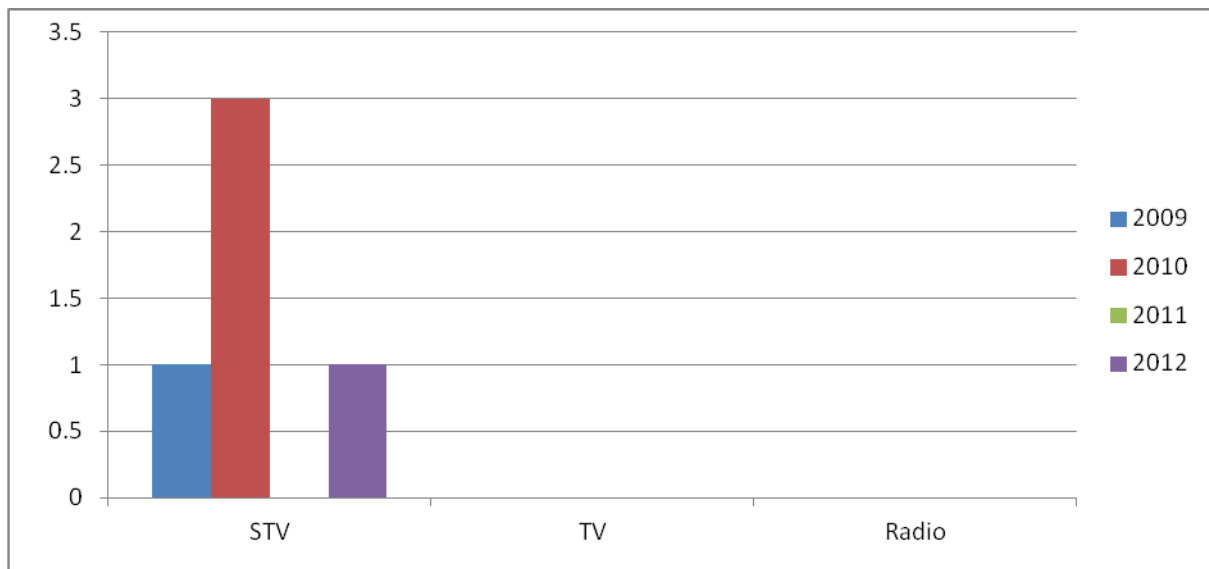
Table 20
Customer Service Complaints
July – September 2012

| | Delay in the provision of STV Service | TOTAL |
|---------------------|--|-----------|
| Stars Cable Limited | 1 | 1 |
| TOTAL | 1 | *1 |

***Complaint listed above includes allegations that may not have necessarily resulted in findings of breach.**

Figure 10 illustrates the trend in customer service complaints received in similar reporting periods since 2009.

Figure 10
Customer Service Complaints Reports Trends
Quarters July – September 2009 to 2012



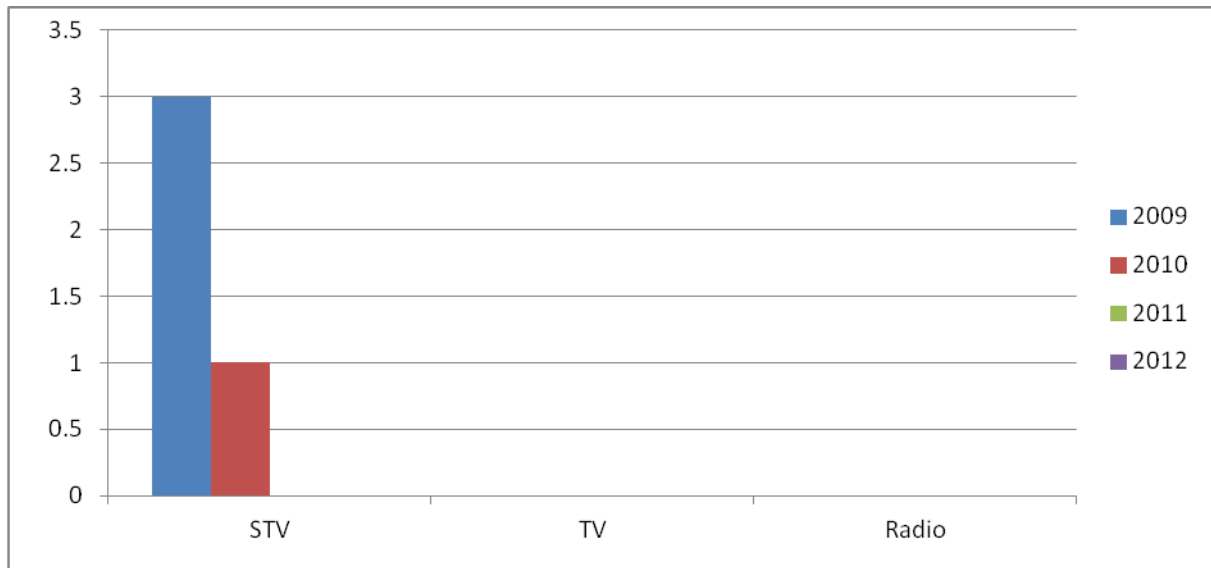
| | 2009 | 2010 | 2011 | 2012 |
|-------|------|------|------|------|
| STV | 1 | 3 | 0 | 1 |
| TV | 0 | 0 | 0 | 0 |
| RADIO | 0 | 0 | 0 | 0 |

Figure 11 illustrates the trend in customer service complaints received in similar reporting periods since 2009.

Figure 11

Customer Service Complaints Report Trends

Quarters October - December 2009 to 2012.

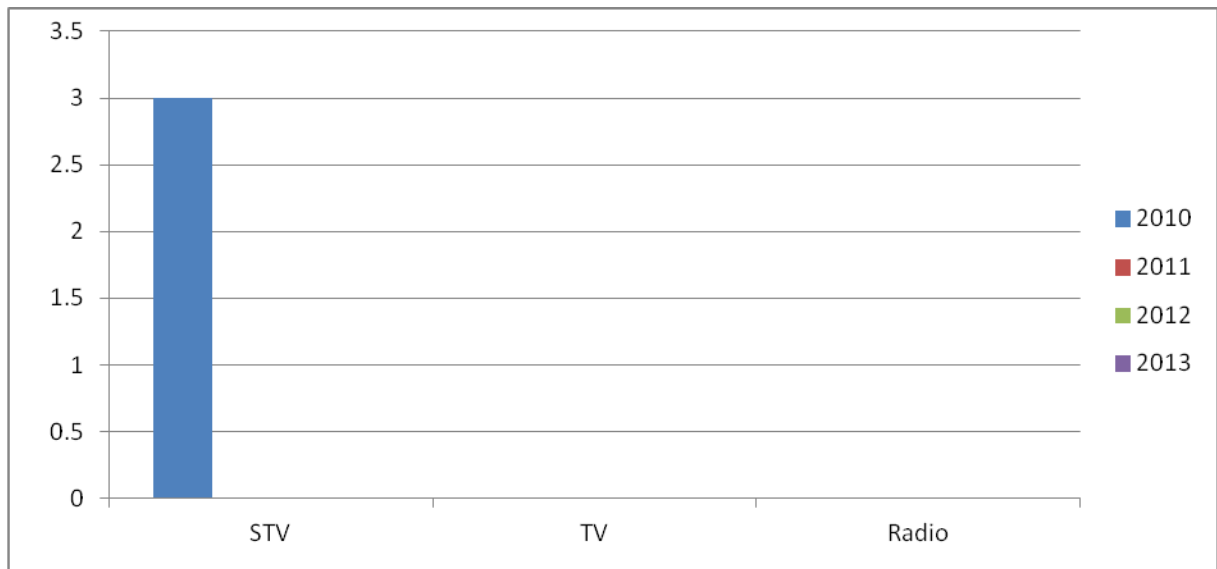


| | 2009 | 2010 | 2011 | 2012 |
|-------|------|------|------|------|
| STV | 3 | 1 | 0 | 0 |
| TV | 0 | 0 | 0 | 0 |
| RADIO | 0 | 0 | 0 | 0 |

Figure 12 illustrates the trend in customer service complaints received in similar reporting periods since 2010.

Figure 12

**Customer Service Complaints Reports Trends
Quarters January – March 2010 to 2013**



| | 2010 | 2011 | 2012 | 2013 |
|-------|------|------|------|------|
| STV | 3 | 0 | 0 | 0 |
| TV | 0 | 0 | 0 | 0 |
| RADIO | 0 | 0 | 0 | 0 |

COMPLAINTS RESOLUTION

Forty-six (46) complaints were resolved during the period under review.

Table 21 shows the categories of complaints resolved while **Table 22** details the grounds on which the Commission closed its investigations.

**Table 21: COMPLAINTS RESOLVED APRIL 2012 – MARCH 2013
(BY SERVICE)**

| | NO. OF INVESTIGATED COMPLAINTS RESOLVED (INCLUDING THOSE BROUGHT FORWARD) |
|-----------------------|--|
| Subscriber Television | 3 |
| Broadcast Television | 11 |
| Broadcast Radio | 32 |
| Total | 46 |

Table 22: COMPLAINTS RESOLVED FOR APRIL 2012- MARCH 2013 (BY METHOD)

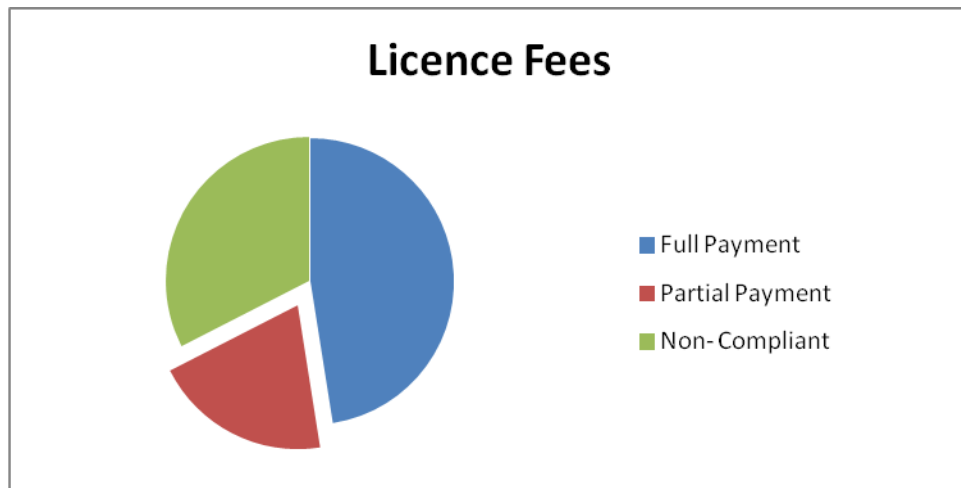
| CATEGORY | Apr-Jun 2012 | Jul-Sept 2012 | Oct-Dec 2012 | Jan-Mar 2013 | TOTAL |
|--|--------------|---------------|--------------|--------------|-----------|
| Closed – no further remedial action | | | | | |
| Subscriber Television | | | | | |
| Broadcast Television | | | | | |
| Broadcast Radio | | 1 | | | 1 |
| Complied with required remedial action for breach of licence | | | | | |
| Subscriber Television | 1 | 1 | 1 | 2 | 3 |
| Broadcast Television | | | 3 | 7 | 5 |
| Broadcast Radio | 2 | 2 | 3 | | 14 |
| Closed – No evidence of breach of Children's Code for Programming | | | | | |
| Subscriber Television | | | | | |
| Broadcast Television | 2 | 1 | 2 | 3 | 5 |
| Broadcast Radio | 1 | 1 | 4 | | 9 |
| Closed - Commission's investigation complete | | | | | |
| Subscriber Television | | | 1 | 2 | 1 |
| Broadcast Television | 2 | | 4 | | 8 |
| Broadcast Radio | | | | | |
| Total | 8 | 6 | 18 | 14 | 46 |

FINANCIAL COMPLIANCE

STV operators are required to pay an annual licence fee of five percent (5%) of their gross subscription income.

Aggregate payment performance is illustrated in **Figure 13**

Figure 13



| | |
|-----------------|-----|
| Full Payment | 48% |
| Partial Payment | 20% |
| Non- Compliant | 32% |

**Table 23 - STV Licensees Financial Compliance For quarter ended
March 31, 2013**

| LICENSEES | | SUBMISSION OF AUDITED FINANCIAL STATEMENTS FOR YEARS: | | | | | LICENCE FEES | | |
|-----------|--|---|------|------|------|------|--------------|--------------------|-------------------|
| | | 2008 | 2009 | 2010 | 2011 | 2012 | Paid In Full | Partial Payment | Non- Compliant |
| 1 | Astra Technology Ltd. | yes | no | yes | no | no | | ✓ | |
| 2 | Cable One Jamaica Ltd. Yes | No | yes | yes | yes | no | | | ✓ |
| 3 | Cabletron Network Systems Ltd. | No | yes | yes | yes | no | | ✓ | |
| 4 | Central Communication Services Ltd. | yes | yes | yes | yes | no | ✓ | | |
| 5 | Columbus Communications – FLOW | yes | yes | yes | yes | yes | ✓ | | |
| 6 | Combined Communications Ltd. | yes | no | no | no | no | | ✓ | |
| 7 | Communicable Ltd. | No | no | no | no | no | | | ✓ |
| 8 | Cornwall Communications Ltd. | yes | yes | yes | no | no | ✓ | | |
| 9 | CTL Limited | No | no | no | no | yes | ✓ | | |
| 10 | Digital Media & Entertainment Ltd. | n/a | n/a | n/a | no | no | ✓ | | |
| 11 | Direct Cable Systems Ltd. | n/a | n/a | no | no | no | ✓ | | |
| 12 | First Choice Cable | yes | yes | yes | yes | no | ✓ | | |
| 13 | General Satellite Network Company | yes | yes | yes | yes | no | | | ✓ |
| 14 | Guthrie's Communications Ltd | yes | yes | yes | yes | no | ✓ | | |
| 15 | Inntech Communications Ltd. | No | no | no | no | no | ✓ | | |
| 16 | Jamaica Cablevision Ltd. | yes | yes | yes | yes | no | ✓ | | |
| 17 | Linscom Network Limited | yes | yes | yes | no | no | ✓ | | |
| 18 | Logic One Limited | yes | yes | no | no | no | ✓ | | |
| 19 | Marimaxx Communications Ltd. | yes | no | no | no | no | | ✓ | |
| 20 | Mars Cable Vision Ltd. | yes | yes | yes | no | no | | ✓ | |
| 21 | McKoy's Cable Television Co. Ltd. | n/a | n/a | no | no | no | | | ✓ |
| 22 | Mega International Co. Ja. Ltd. | No | no | no | no | no | | | ✓ |
| 23 | Mikes Electronics & Cable Network Ltd. | No | no | no | no | no | ✓ | | |
| 24 | Modern Re-Broadcasting Co. Ltd. | yes | yes | yes | yes | no | ✓ | | |

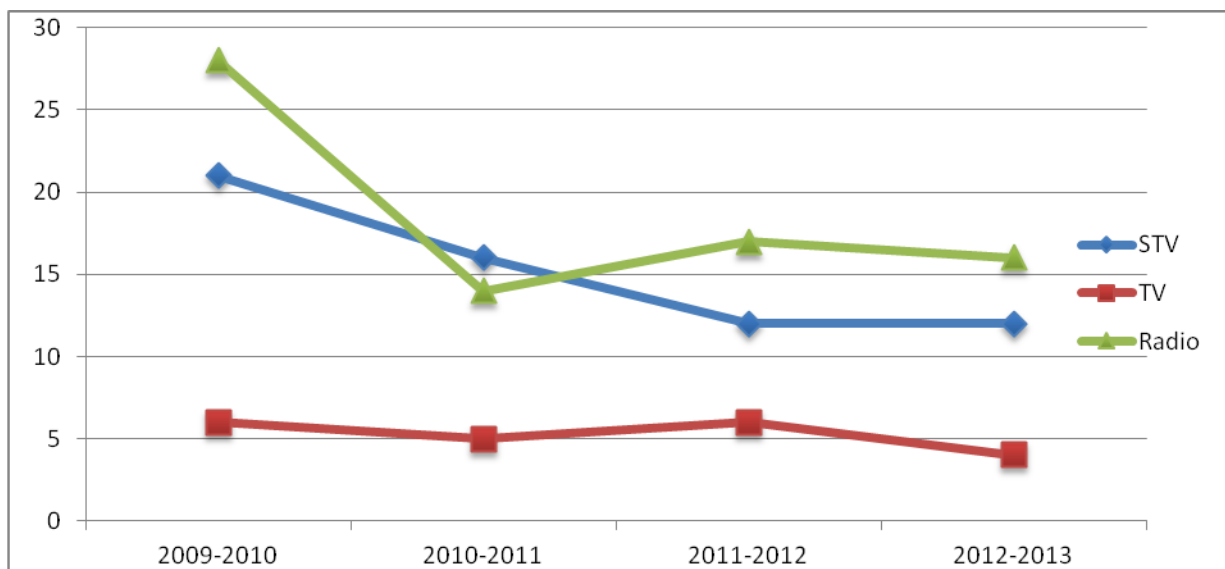
STV Licensees Financial Compliance - CONT'D

| LICENSEES | | SUBMISSION OF AUDITED FINANCIAL STATEMENTS FOR YEARS: | | | | | LICENCE FEES | | |
|-----------|-------------------------------------|---|------|------|------|------|--------------|--------------------|-------------------|
| | | 2008 | 2009 | 2010 | 2011 | 2012 | Paid in Full | Partial Payment | Non- Compliant |
| 25 | Odyssey Cable Vision Limited | yes | yes | yes | yes | no | ✓ | | |
| 26 | Oliver Electronics Engineering Ltd. | yes | no | no | no | no | | ✓ | |
| 27 | QES 46 Limited | yes | yes | no | no | no | | | ✓ |
| 28 | Quality Cable Services Limited | no | no | no | no | no | | | ✓ |
| 29 | Santastic Cable Systems Ltd. | yes | yes | yes | yes | no | ✓ | | |
| 30 | Silly Video Cable Network Limited | yes | yes | no | yes | yes | ✓ | | |
| 31 | Starcom Cablevision Ltd. | yes | yes | no | no | no | | | ✓ |
| 32 | Stars Cable Company Ltd. | No | yes | no | no | no | | ✓ | |
| 33 | St. Thomas Cable Network Limited | No | no | no | yes | no | | | ✓ |
| 34 | Summit Satellite Systems Limited | yes | yes | yes | no | no | ✓ | | |
| 35 | Telstar Cable Limited | yes | yes | no | no | no | ✓ | | |
| 36 | Total Cable | yes | yes | yes | no | no | | | ✓ |
| 37 | Tru Star Cable Television Network | n/a | no | no | no | no | | | ✓ |
| 38 | Unique Vision Cable Co. Ltd. | yes | no | no | no | no | | ✓ | |
| 39 | Venus Cable Services | No | no | no | no | no | | | ✓ |
| 40 | Westar Communications Limited | yes | no | no | no | no | | | ✓ |
| 41 | Wilson Enterprises Limited | yes | yes | yes | no | no | | | ✓ |

NOTICES OF BREACH

During the period under review, thirty-two (32) Notices of Breach were issued to licensees. Twenty (20) notices arose from contraventions of content standards, nine (9) for failure to meet technical standards, two (2) for unauthorized STV operation and one (1) for unauthorized transmission of channel.

Figure 14: TREND IN BREACHES BY SERVICE



| | 09-10 | 10-11 | 11-12 | 12-13 |
|-------|-------|-------|-------|-------|
| STV | 21 | 16 | 12 | 12 |
| TV | 6 | 5 | 6 | 4 |
| RADIO | 28 | 14 | 17 | 16 |

Table 24

BREACHES BY BROADCAST RADIO LICENSEES

MUSIC 99FM

| | |
|----------------------|---|
| DATE OF BREACH: | 01-Jun-2012** |
| COMPLAINT NUMBER: | 201204250000 |
| NATURE OF COMPLAINT | Transmission of expletive |
| NATURE OF BREACH: | Breach of Regulation 30(d) of TSBR & L3 of the Code |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Licensee directed to air apology. |
| Licensee | complied |
| STATUS | Closed |

FAME 95 FM

| | |
|----------------------|---|
| DATE OF BREACH: | 16-Aug-2012** |
| COMPLAINT NUMBER: | 201206060000 |
| NATURE OF COMPLAINT: | Transmission of song containing profanity |
| NATURE OF BREACH: | Breach of L3 of Code. |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Transmission of prescribed apology |
| STATUS: | Closed |

| | |
|----------------------|--|
| DATE OF BREACH: | 08-Oct-2012** |
| COMPLAINT NUMBER: | 201208220001 |
| NATURE OF COMPLAINT: | Transmission of song inciting criminal activity |
| NATURE OF BREACH: | Breach of Regulation 30(k) of TSBR |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Commission accepted licensee's internal remedial action. |
| STATUS: | Closed |

| | |
|----------------------|--|
| DATE OF BREACH: | 08-Oct-2012** |
| COMPLAINT NUMBER: | 201208140000 |
| NATURE OF COMPLAINT: | Transmission of song containing mild sexual content. |
| NATURE OF BREACH: | Licensee in breach of scheduling requirements |
| COMMISSION DECISION: | Licensee in breach. |

| | |
|----------------------|--|
| REMEDIAL ACTION: | Transmission of prescribed apology. |
| STATUS: | Closed |
| | |
| DATE OF BREACH: | 05-Nov-2012** |
| COMPLAINT NUMBER: | 201200913000 |
| NATURE OF COMPLAINT: | Transmission of song containing mild violent content. |
| NATURE OF BREACH: | Licensee in breach of scheduling requirements |
| COMMISSION DECISION: | Licensee in breach. |
| REMEDIAL ACTION: | Transmission of prescribed apology. |
| STATUS: | Closed |
| | |
| DATE OF BREACH: | 06-Dec-2012** |
| COMPLAINT NUMBER: | 201210170000 |
| NATURE OF COMPLAINT: | Transmission of song containing excessive language |
| NATURE OF BREACH: | Breach of V4 of Code and Regulation 30 (l) of the TSBR |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | In light of age of song Commission has refrained from applying any sanctions |
| STATUS: | Closed |

NATIONWIDE NEWS NETWORK (NNN)

| | |
|----------------------|---|
| DATE OF BREACH: | 20-Aug-2012** |
| COMPLAINT NUMBER: | 201205220000 |
| NATURE OF COMPLAINT: | Broadcast of farce of the kidnapping of children and paedophilia. |
| NATURE OF BREACH: | Licensee in breach of Regulation 30 (d) of TSBR |
| COMMISSION DECISION: | Licensee in breach. |
| REMEDIAL ACTION: | Transmission of prescribed apology. |
| STATUS: | Closed |
| | |
| DATE OF BREACH: | February 11, 2013** |
| COMPLAINT NUMBER: | 2012110900 |
| NATURE OF BREACH: | Breach of scheduling requirements of the Code |

| | |
|----------------------|--|
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Licensee directed to transmit apology. |
| STATUS: | Closed |

GROVE BROADCASTING COMPANY LIMITED- ZIP 103 FM

| | |
|----------------------|--|
| DATE OF BREACH: | 06-Dec-2012** |
| COMPLAINT NUMBER: | 201210290000 |
| NATURE OF COMPLAINT: | Transmission of song glorifying the use of offensive weapons |
| NATURE OF BREACH: | Breach of February 2009 Directive for lyrics promoting and glorifying the use of offensive weapons |
| COMMISSION DECISION: | Breach of Licence |
| REMEDIAL ACTION: | Transmission of prescribed apology. |
| STATUS: | Closed |

| | |
|----------------------|---|
| DATE OF BREACH: | 06-Dec-2012** |
| COMPLAINT NUMBER: | 201210180000 |
| NATURE OF COMPLAINT: | Transmission of content containing excessive language |
| NATURE OF BREACH: | Breach of Regulation 30 (I) of TSBIR and V4 of the Code |
| COMMISSION DECISION: | Breach of Licence |
| REMEDIAL ACTION: | Transmission of prescribed apology. |
| STATUS: | Closed |

| | |
|----------------------|--|
| DATE OF BREACH: | 06-Dec-2012** |
| COMPLAINT NUMBER: | 201210180000 |
| NATURE OF COMPLAINT: | Transmission of song containing mild offensive language |
| NATURE OF BREACH: | Breach of L1 of Code. |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | In light of age of song Commission has refrained from applying any sanctions |
| STATUS: | Closed |

| | |
|-------------------|---------------------|
| DATE OF BREACH: | February 11, 2013** |
| COMPLAINT NUMBER: | 201211080000 |

| | |
|----------------------|---|
| NATURE OF COMPLAINT: | Transmission of song containing excessive language |
| NATURE OF BREACH: | Breach of Regulation 30(d) of the TSBR and L3 of the Code of the Code |
| COMMISSION DECISION: | Breach of Licence |
| REMEDIAL ACTION: | Commission accepted licensees internal remedial action. |
| STATUS: | Closed |

IRIE FM

| | |
|----------------------|---|
| DATE OF BREACH: | 05-Nov-2012** |
| COMPLAINT NUMBER: | 201210010000 |
| NATURE OF COMPLAINT: | Transmission of song containing expletive |
| NATURE OF BREACH: | Breach of Regulation 30 (d) of TSBR and L3 of Code. |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Transmission of prescribed apology |
| STATUS: | Closed |

| | |
|----------------------|--|
| DATE OF BREACH: | 06-Dec-2012** |
| COMPLAINT NUMBER: | 201210030000 |
| NATURE OF COMPLAINT: | Transmission of song containing expletive |
| NATURE OF BREACH: | Breach of L3 of Code. |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | In light of age of song Commission has refrained from applying any sanctions |
| STATUS: | Closed |

MEGA JAMZ FM

| | |
|----------------------|--|
| DATE OF BREACH: | 06-Dec-2012** |
| COMPLAINT NUMBER: | 201210220000 |
| NATURE OF COMPLAINT: | Transmission of song containing excessive sexual content |
| NATURE OF BREACH: | Breach of S3 of Code & Regulation 30 (d) of the TSBR |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | In light of age of song Commission has refrained from applying any sanctions |
| STATUS: | Closed |

SUNCITY RADIO

DATE OF BREACH: 05-Nov-2012**
COMPLAINT NUMBER: 20120822000
NATURE OF COMPLAINT: Failure to supply slow tapes
NATURE OF BREACH: Breach of Regulation 11 (3) of TSBR.
COMMISSION DECISION: Licensee in breach
REMEDIAL ACTION: Commission accepted licensees internal remedial action
STATUS: Closed

DATE OF BREACH: 05-Nov-2012**
COMPLAINT NUMBER: 201208090001
NATURE OF COMPLAINT: Transmission of content containing profanity
NATURE OF BREACH: Breach of Regulation 30(d) of TSBR and L3 of the Code
COMMISSION DECISION: Licensee in breach
REMEDIAL ACTION: Transmission of prescribed apology
STATUS: Closed

BREACHES COMMITTED BY BROADCAST TELEVISION LICENSEES

CVM TELEVISION LIMITED (CVM TV)

DATE OF BREACH: 10-Aug-2012**
COMPLAINT NUMBER: 201206260000
NATURE OF COMPLAINT: Transmission of news item containing profanity
NATURE OF BREACH: Breach of L3 of Code.
COMMISSION DECISION: Licensee in breach
REMEDIAL ACTION: Transmission of prescribed apology
STATUS: Closed

DATE OF BREACH: 06-Dec-2012**
COMPLAINT NUMBER: 2012009240000
NATURE OF COMPLAINT: Transmission of music video containing sexual content
NATURE OF BREACH: Breach of S2 of the Code.
COMMISSION DECISION: Licensee in breach
REMEDIAL ACTION: Transmission of prescribed apology
STATUS: Closed

DATE OF BREACH: 06-Dec-2012**
COMPLAINT NUMBER: 201210050000
NATURE OF COMPLAINT: Transmission of advertisement in breach of Food & Drugs Act & Regulation (8)(b) of the TSBR
NATURE OF BREACH: Breach of the Regulation 8 (1) (b) of the TSBR
COMMISSION DECISION: Licensee in breach
REMEDIAL ACTION: Licensee ceased transmission of the advertisement
STATUS: Closed

TELEVISION JAMAICA LIMITED (TVJ)

DATE OF BREACH: 05-Nov-2012**
COMPLAINT NUMBER: 201208310000
NATURE OF COMPLAINT: Transmission of content containing sexual paraphernalia in breach of scheduling requirements of the Code

| | |
|----------------------|------------------------------------|
| NATURE OF BREACH: | Breach of S2 of Code. |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Transmission of prescribed apology |
| STATUS: | Closed |

TECHNICAL BREACHES BY SUBSCRIBER TELEVISION LICENSEES

COMMUNICABLE LIMITED

| | |
|----------------------|---|
| DATE OF BREACH: | 22-Jun-2012** |
| NATURE OF BREACH: | Breach of Technical Standards |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Licensee given deadline to address breaches |
| STATUS: | Open |

CABLE ONE JAMAICA LIMITED

| | |
|----------------------|---|
| DATE OF BREACH: | 22-Jun-2012** |
| NATURE OF BREACH: | Breach of Technical Standards |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Licensee given deadline to address breaches |
| STATUS: | Open |

FIRST CHOICE CABLE SERVICES

| | |
|----------------------|---|
| DATE OF BREACH: | 31-Oct-2012** |
| NATURE OF BREACH: | Breach of Technical Standards |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Licensee given deadline to address breaches |
| STATUS: | Open |

MARS CABLEVISION LIMITED

| | |
|----------------------|---|
| DATE OF BREACH: | 11-Jan- 2013** |
| NATURE OF BREACH: | Failure to maintain technical standards |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Breach Letter issued to Licensee |
| STATUS: | Open |

MCCOY's CABLE TELEVISION COMPANY LIMITED

| | |
|----------------------|--------------------------------------|
| DATE OF BREACH: | 11-Jan- 2013** |
| NATURE OF BREACH: | Failure maintain technical standards |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Breach letter issued to Licensee |
| STATUS: | Open |

STARCOM CABLEVISION LIMITED

| | |
|----------------------|--------------------------------------|
| DATE OF BREACH: | 11-Jan- 2013** |
| NATURE OF BREACH: | Failure maintain technical standards |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Breach letter issued to Licensee |
| STATUS: | Open |

ST. THOMAS CABLE NETWORK LIMITED

| | |
|----------------------|--------------------------------------|
| DATE OF BREACH: | 11-Jan- 2013** |
| NATURE OF BREACH: | Failure maintain technical standards |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Breach letter issued to Licensee |
| STATUS: | Open |

MARIMAXX COMMUNICATIONS LIMITED

| | |
|----------------------|--------------------------------------|
| DATE OF BREACH: | 26-Mar- 2013** |
| NATURE OF BREACH: | Failure maintain technical standards |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Breach letter issued to Licensee |
| STATUS: | Open |

VENUS CABLE SERVICES LIMITED

| | |
|----------------------|--------------------------------------|
| DATE OF BREACH: | 26-Mar- 2013** |
| NATURE OF BREACH: | Failure maintain technical standards |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Breach letter issued to Licensee |
| STATUS: | Open |

UNAUTHORIZED TRANSMISSION OF CHANNEL

FLOW

| | |
|----------------------|---|
| DATE OF BREACH: | 05-Nov-2012** |
| COMPLAINT NUMBER: | 20121003000 |
| NATURE OF COMPLAINT: | Transmission of channel without authorization from rights holder |
| NATURE OF BREACH: | Breach of Regulation 30(a) of the TSBR and Clause 11.2 of its STV licence |
| COMMISSION DECISION: | Licensee in breach and licensee to remove channel |
| REMEDIAL ACTION: | Commission accepted licensee's remedial action |
| STATUS: | Closed |

UNAUTHORIZED STV OPERATION

CABLETRON NETWORK SYSTEMS LIMITED

| | |
|----------------------|---|
| DATE OF BREACH: | December 6, 2012** |
| NATURE OF BREACH: | Provision of service beyond their authorized zones. |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Breach letter issued to Licensee, prescribed notice to be placed on licensee's Community Channel and service to be discontinued |
| STATUS: | Closed |

QES 46 LIMITED

| | |
|----------------------|--|
| DATE OF BREACH: | March 18, 2013** |
| NATURE OF BREACH: | Provision of service beyond their authorized zones. |
| COMMISSION DECISION: | Licensee in breach |
| REMEDIAL ACTION: | Breach letter issued to Licensee, prescribed notice to be placed on licensee's Community Channel and service to be discontinued. |
| STATUS: | Closed |

**** 'Date of Breach' is meant to indicate the date on which the Commission made a determination that there was a contravention by the licensee, pursuant to Section 20 of the Broadcasting and Radio Re-diffusion Act.**

**COMPLIANCE STATUS OF STV LICENSEES INSPECTED DURING
APRIL 1, 2012 - MARCH 31, 2013**

| | Licensees inspected | Date of completion of inspection | Breach Detected | Action Taken | Status |
|----|--------------------------------------|---|---|--|-------------------------------|
| 1. | Santastic Cable Systems Limited. | April 18, 2012 | 17(4)(b) | | Fully compliant - May 7, 2012 |
| 2. | Cable One Jamaica Limited | May 6, 2012 | 17(1)(h), 17(4)(b), 17(4)(d), 17(4)(e) | Issue Notice of Breach Letter - June 22, 2012 | |
| 3. | Communicable Limited. | May 22, 2012 | 17(1)(h), 17(4)(b), 17(4)(d), 17(4)(e), 25(1), | Issue Notice of Breach Letter - June 22, 2012 | |
| 4. | Silly Video Cable Network Limited. | June 21, 2012 | 17(1)(a), 17(1)(b), 17(1)(h), 17(4)(e) Breach of licence : <ul style="list-style-type: none"> System not addressable | Issue Notice of Breach Letter - August 13, 2012 | |
| 5. | First Choice Cable Services Limited. | September 19, 2012 | 15(a), 17(1)(b), 17(1)(f), 17(1)(h), 17(4)(e) Breach of licence : <ul style="list-style-type: none"> System not addressable | Issue Notice of Breach Letter - November 1, 2012 | |
| 6. | Mars Cable Vision Limited. | October 9, 2012 | 17(1)(h), 17(4)(d), 17(4)(e), 19(1)(b), Breach of licence : <ul style="list-style-type: none"> System not addressable | Issue Notice of Breach Letter - January 11, 2013 | |

| | Licensees inspected | Date of completion of inspection | Breach Detected | Action Taken | Status |
|----|----------------------------------|----------------------------------|--|--|--------|
| 7. | St. Thomas Cable Network Limited | October 11, 2012 | 15(a), 15(b), 17(1)(b), 17(1)(f), 17(1)(h), 17(4)(b), 17(4)(d), 17(4)(e), Breach of licence : <ul style="list-style-type: none"> non provision of service to zone | Issue Notice of Breach Letter - November 1, 2013 | |
| 8. | Starcom Cable Vision Limited | November 13, 2012 | 15(a), 16(1), 17(1)(b), 17(1)(h), 17(4)(b), 17(4)(d), 17(4)(e), | Issue Notice of Breach Letter - January 31, 2013 | |

TABLE 4 COMPLIANCE STATUS OF STV LICENSEES INSPECTED DURING APRIL 2011 - MARCH 2012 Cont'd

| | Licensees inspected | Date of completion of inspection | Breach Detected | Action taken | Status |
|----|---|----------------------------------|---|--|--------|
| 9. | Mckoy's Cable Television Company Limited. | November 29, 2012 | 15(a), 17(1)(d), 17(1)(f), 17(1)(h), 17(4)(b), 17(4)(d), 17(4)(e), Breach of licence : <ul style="list-style-type: none"> system not addressable | Issue Notice of Breach Letter - January 31, 2013 | |

| | | | | | |
|-----|--|-------------------|--|---|--|
| 10. | QES 46 Limited. | January 29, 2013 | 17(1)(h), 17(4)(b), 17(4)(d), 17(4)(e), Breach of licence : <ul style="list-style-type: none"> non provision of service to zone | Issue Notice of Breach Letter - March 19, 2013 | |
| 11. | Westar Communications Limited. | February 5, 2013 | Breach of licence : <ul style="list-style-type: none"> non provision of service to zone | Notice of Breach Letter to be issued as licensee failed to attend meeting after several attempts. | |
| 12. | Marimaxx Communications Limited. | February 11, 2013 | 15(a), 15(b), 17(1)(h), 17(4)(b), 17(4)(d), 17(4)(e), | Issue Notice of Breach Letter - March 26, 2013 | |
| 13. | Jamaica Cable Vision Limited. | February 21, 2013 | 17(1)(h), 17(4)(e) | Meeting held with licensee on April 3, 2013 re identified breaches. | |
| 14. | Central Communications Services Limited. | March 4, 2013 | 17(1)(h) | Meeting held with licensee on April 3, 2013 re identified breaches. | |
| 15. | Venus Cable Service Limited. | October 27, 2011 | 15(a), 16(1), 17(1)(b), 17(1)(f), 17(1)(h), 17(4)(d), 17(4)(e), Breach of licence : <ul style="list-style-type: none"> system not addressable | Issue Notice of Breach Letter - December 1, 2011 | |

Note:

Licensees highlighted in grey in Table 4 above are fully compliant.

Licensees highlighted in yellow were given an opportunity to address the few breaches detected prior to being issued with a notice of breach letter as they were deemed to have passed the inspection.



APPENDICES

APPENDICES

APPENDIX A – COMMITTEES

Legislative and Policy

Dr. Elaine Wallace - Chairman

Mrs. Hyacinth Lindsay

Mr. Neville James

Staff: Mrs. Karlene Johnson, Mr. Donovan Campbell, Ms. Teisha Mattison

Monitoring, Complaints and Compliance

Mrs. Rosemarie Vernon - Chairman*

Canon Peter Mullings

Mr. Neville James

Mrs. Sheena Johnson-Brown - Chairman **

Staff: Ms. Michelle Francis, Ms. Teisha Mattison, Mr. Donovan Campbell

***effective November 1, 2006 – December 31, 2012**

****effective January 1, 2013**

Finance and Administrative

Mr. Maxim Rochester - Chairman*

Mrs. Elaine Foster-Allen

Prof. Hopeton Dunn

Mr. Neville James**

Staff: Mr. Cordel Green; Ms. Juliet Anderson; Ms. Stacy-Ann Nelson

***effective November 30, 2011**

****effective January 1, 2013**

NB: The Chairman and Executive Director are ex-officio committee members.

Audit

Mr. Neville James - Chairman*

Mr. Issac Damdar (External Member) **

Mr. Allan Campbell (External Member) ***

Staff: Mr. Cordel Green; Juliet Anderson;

***effective June 1, 2010**

****effective June 1, 2010 – June 30, 2012**

*****effective July 1, 2012**

NB: External Auditors, Barrett and Company and Internal Auditors, The Practice.

APPENDIX B - ADVISORY GROUPS

During the reporting period, the Commission was assisted in its work by two teams of specialists in the technical and financial fields.

Technical

The Technical Advisory Group advised the Commission on the following:

- The level of applicants' compliance with technical Regulations and Guidelines set by the Broadcasting Commission
- The results of comparative review of submissions based on all the factors required for the delivery of high quality transmission
- All issues of a technical nature related to STV and broadcast services.

The Technical Advisory Group members for the period were:

Chairman

Mr. Wainsworth Anderson, M.Sc. (Telecommunications); BSc. (Hons.); Dip. Mgt. Studies.

Director of Electrical & Mechanical Engineering, National Works Agency

Members

Mr. Leslie Facey, BSc. (Hons.), Dip. Electronics Engineering Technology; Dip. Technical Education, Lecturer in Engineering, University of Technology

Mr. Henry Batson, M.Sc. (Management Information System); B.Sc. (Hons.) - (Electronics and Telecommunications), Director of Spectrum Engineering Division, Spectrum Management Authority

Mr. Roy Humes –Telecommunications consultant, former Director of Spectrum Engineering Division, Spectrum Management Authority

Mr. Daniel Tulloch-Reid* - Chairman, Technical Committee- Digital Television National Steering Committee and regional Chairman, IEEE

Financial

The services of the firm of management and financial consultants, BDO Ltd. were retained to assist and advise the Commission in the areas of:

- evaluation of business plans from applicants for licences for both subscriber television and broadcast services
- and to supply expertise in finance management that may be required periodically

APPENDIX C - SALARIES AND EMOLUMENTS

DIRECTORS COMPENSATION 2012/2013

| Position of Director | Fees (\$) | Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$) | Honoraria (\$) | All Other Compensation including Non-Cash Benefits as applicable (\$) | Total (\$) |
|-----------------------|-------------------|---|----------------|---|-------------------|
| Chairman | 180,000.00 | 0 | 0 | 0 | 180,000.00 |
| Commissioner 1 | 120,000.00 | 0 | 0 | 0 | 120,000.00 |
| Commissioner 2 | 120,000.00 | 0 | 0 | 0 | 120,000.00 |
| Commissioner 3 | 120,000.00 | 0 | 0 | 0 | 120,000.00 |
| Commissioner 4 | 120,000.00 | 0 | 0 | 0 | 120,000.00 |
| Commissioner 5 | 120,000.00 | 0 | 0 | 0 | 120,000.00 |
| Commissioner 6 | 120,000.00 | 0 | 0 | 0 | 120,000.00 |
| Commissioner 7 | 120,000.00 | 0 | 0 | 0 | 120,000.00 |
| Commissioner 8 | 120,000.00 | 0 | 0 | 0 | 120,000.00 |

Notes

1. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

SENIOR EXECUTIVE COMPENSATION 2012/2013

| Position of Senior Executive | Year | Salary (\$) | Gratuity or Performance Incentive (\$) | Travelling Allowance or Value of Assigned Motor Vehicle (\$) | Pension or Other Retirement Benefits (\$) | Other Allowances (\$) | Non-Cash Benefits (\$) | Total (\$) |
|------------------------------|-----------|--------------|--|--|---|-----------------------|------------------------|--------------|
| Executive Director | 2012/2013 | 6,220,482.14 | | 975,720.00 | | | | 7,196,202.14 |
| Asst. Executive Director | 2012/2013 | 4,909,448.04 | 438,343.70 | 975,720.00 | | | | 6,323,511.74 |
| | | | | | | | | |
| | | | | | | | | |

Notes

1. Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency must be clearly provided and not the Jamaican equivalent.
2. Other Allowances (including laundry, entertainment, housing, utility, etc.)
3. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

APPENDIX D – PORTFOLIO RESPONSIBILITY

During the period under review, the Information portfolio was held by Prime Minister, the Most Hon. Portia Simpson-Miller and Minister without Portfolio with responsibility for Information, Senator the Hon. Sandra Falconer.

The Most Hon. Portia Simpson-Miller, M.P.



Senator the Hon. Sandra Falconer



APPENDIX E – BROADCAST LICENSEES

Table 1 List of Broadcast Radio Licensees

| RADIO BROADCAST LICENSEES | | | | |
|---------------------------|--|-------------------|--------------------------|---------------------------|
| LICENSEES | | Call Signs | Island wide Broadcasters | Limited Area Broadcasters |
| 1. | Aeronautical Telecommunications Limited | KOOL 97-FM | <input type="checkbox"/> | |
| 2. | Alliance Francaise De La Jamaïque | RFI | | <input type="checkbox"/> |
| 3. | British Broadcasting Corporation | BBC | <input type="checkbox"/> | |
| 4. | Cornwall Broadcasting Company Limited | Mello FM | | <input type="checkbox"/> |
| 5. | Grove Broadcasting Company Limited | IRIE-FM | <input type="checkbox"/> | |
| 6. | | ZIP 103 FM | <input type="checkbox"/> | |
| 7. | Independent Radio Company Limited | POWER 106 FM | <input type="checkbox"/> | |
| 8. | | MUSIC 99 FM | <input type="checkbox"/> | |
| 9. | Island Broadcasting Company Limited | KLAS Sports Radio | <input type="checkbox"/> | |
| 10. | Kommerical Suites Limited | MEGA JAMZ-98 FM | <input type="checkbox"/> | |
| 11. | KC Gospel Broadcasting Limited | Gospel JA | | <input type="checkbox"/> |
| 12. | Mothers in Crisis | Sun City Radio | | <input type="checkbox"/> |
| 13. | Mustard Seed Communities | ROOTS FM | | <input type="checkbox"/> |
| 14. | National Religious Media Company Limited | LOVE-FM | <input type="checkbox"/> | |
| 15. | Native Broadcasting | Stylz FM | | <input type="checkbox"/> |
| 16. | RJR Communications Group | FAME FM | <input type="checkbox"/> | |
| 17. | | HITZ 92 | <input type="checkbox"/> | |
| 18. | | RJR 94 FM | <input type="checkbox"/> | |
| 19. | Nationwide News Network (*) | NNN | <input type="checkbox"/> | |
| 20. | Northern Caribbean University | NCU FM | <input type="checkbox"/> | |

| | | | | |
|-----|---|-----------------|--------------------------|--------------------------|
| 21. | S & B Communications | JA 105 | <input type="checkbox"/> | |
| 22. | St. Bess Radio FM Company Ltd. | BESS FM | | <input type="checkbox"/> |
| 23. | Tarrant Baptist Church | TBC | | <input type="checkbox"/> |
| 24. | Western Broadcasting Ltd | HOT 102 FM | <input type="checkbox"/> | |
| 25. | Westmoreland Broadcasting Service Limited | VYBZ FM | | <input type="checkbox"/> |
| 26. | Universal Media Company | NEWS TALK 93 FM | <input type="checkbox"/> | |
| 27. | Yard Broadcasting Limited | LYNX FM | | <input type="checkbox"/> |

(*) denotes licensee utilizing the FM frequencies which were reserved for PBCJ under a lease agreement.

Table 2 List of Broadcast Television Licensees

| TELEVISION BROADCAST LICENSEES | | | | |
|---------------------------------------|----------------------------|-------------------|---------------------------------|----------------------------------|
| LICENSEES | | Call Signs | Island wide Broadcasters | Limited Area Broadcasters |
| 1. | CVM Television Limited | CVM | <input type="checkbox"/> | |
| 2. | Television Jamaica Limited | TVJ | <input type="checkbox"/> | |
| 3. | LOVE Television | LOVE TV | <input type="checkbox"/> | |

CABLE TV SERVICES

Table 3 List of STV Licensees and Zones Served

| Zone | Licensee |
|---|------------------------------------|
| <i>Kingston & St. Andrew</i> | |
| Harbour View | Flow; CTL LTD. |
| Central Down Town | Flow |
| Fletcher's Land | Flow |
| Allman Town | Flow |
| Campbell Town | Flow |
| East Down Town | Flow |
| Passmore Town | Flow |
| Franklin Town | Flow |
| Rollington Town | Flow |
| Bournemouth Gardens | Flow |
| Norman Gardens | Flow |
| D'Aguilar Town | Flow |
| August Town | Flow |
| Mona | Flow |
| Hope Tavern | Flow |
| Hope Pastures | Flow |
| Beverly Hills | Flow |
| Barbican | Flow, Telstar Cable Ltd. |
| Cherry Gardens | Flow; Telstar Cable Ltd. |
| Grants Pen | Logic One Ltd.; Telstar Cable Ltd. |
| Half-Way-Tree | Flow; Telstar Cable Ltd. |
| Trafalgar Park | Flow; Telstar Cable Ltd. |
| New Kingston | Flow; Telstar Cable Ltd. |
| Swallowfield | Flow |
| Vineyard Town | Flow |
| Cross Roads | Flow |
| Jones Town | Flow |
| Trench Town | Flow |
| Kencot | Flow |
| Whitfield Town | Flow |
| Greenwich Town | Flow |

Table 3 List of STV Licensees and Zones Served cont'd

| Zone | Licensee |
|-------------------------|--|
| Delacree Pen | Flow |
| Boucher Park | Flow |
| Richmond Park | Flow |
| Eastwood Park Gardens | Flow; Logic One Ltd. |
| Constant Spring Gardens | Logic One Ltd.; Telstar Cable Ltd. |
| White Hall | Logic One Ltd.; Telstar Cable Ltd. |
| Red Hills Gardens | Flow; Logic One Ltd. |
| Arlene Gardens | Flow; Logic One Ltd. |
| Meadowbrook | Logic One Ltd.; Telstar Cable Ltd. |
| Meadowbrook Estates | Flow; Logic One Ltd. |
| Marverly | Flow; Logic One Ltd. |
| Balmagie | Flow |
| Molynes Gardens | Logic One Ltd.; Flow |
| Waltham Gardens | Logic One Ltd.; Flow |
| Cockburn Gardens | Flow |
| Tower Hill | Flow |
| Penwood | Flow |
| Riverton City | Flow |
| Washington Gardens | Flow |
| Patrick City | Flow |
| Duhaney Park | Flow |
| New Haven | Flow |
| Red Hills | Flow; Logic One Ltd. |
| Rock Hall | Logic One Ltd.; Flow |
| Golden Spring | Logic One Ltd. |
| Stony Hill | Flow; Logic One Ltd. |
| Constant Spring | Flow; Telstar Cable Ltd. |
| Seven Miles | CTL Ltd. |
| Bull Bay | CTL Ltd. |
| Dallas | Quality Cable |
| | |
| St. Thomas | |
| Bath | St. Thomas Cable Network |
| Seaforth | St. Thomas Cable Network |
| White Horses | Summit Satellite; St. Thomas Cable Network |
| Morant Bay | Summit Satellite; St. Thomas Cable Network |
| Trinityville | First Choice; St. Thomas Cable Network |
| Airy Castle | Summit Satellite; St. Thomas Cable Network |
| Cedar Valley | St. Thomas Cable Network |

Table 3 List of STV Licensees and Zones Served cont'd

| Zone | Licensee |
|-------------------|--|
| Port Morant | St. Thomas Cable Network |
| Yallahs | St. Thomas Cable Network |
| Duckenfield | St. Thomas Cable Network |
| | |
| Portland | |
| Manchioneal | St. Thomas Cable Network; Astra Technology Ltd. |
| Priestman's River | Wilson's Enterprises Ltd.; Astra Technology Ltd. |
| Fellowship | Wilson's Enterprises Ltd.; Astra Technology Ltd. |
| Port Antonio East | Wilson's Enterprises Ltd. |
| Port Antonio West | Wilson's Enterprises Ltd. |
| Hope Bay | Wilson's Enterprises Ltd. |
| Buff Bay | Inntech Communication Ltd. |
| | |
| St. Mary | |
| Highgate East | Flow; Cable One Jamaica Ltd. |
| Highgate West | Flow; Cable One Jamaica Ltd. |
| Richmond | Flow |
| Annotto Bay | Silly Video Cable Network Ltd. |
| Port Maria | Flow |
| Mason Hall | Flow |
| Oracabessa | Flow |
| Retreat | Flow |
| Guys Hill | Stars Cable Company Limited |
| | |
| St. Ann | |
| Brown's Town | Santastic Cable Systems |
| Breadnut Hill | Flow; Stars Cable Company |
| Ocho Rios | Flow; Stars Cable Company |
| Bamboo | Flow; Stars Cable Company |
| St. Ann's Bay | Flow |
| Sturge Town | Flow |
| Discovery Bay | Central Communication Services Limited |
| Moneague | Stars Cable Company Limited |
| Claremont | Stars Cable Company Limited |
| Alexandria | Odyssey Cable Vision Limited |
| | |

Table 3 List of STV Licensees and Zones Served *cont'd*

| Zone | Licensee |
|------------------|---|
| <i>Trelawny</i> | |
| Falmouth | Cornwall Communications Ltd.; Westar Communication Limited |
| Duncans | Westar Communication Limited |
| Wakefield | Modern Rebroadcasting Company Limited |
| | |
| <i>St. James</i> | |
| Mango Walk | Cornwall Communications Ltd.; Flow |
| Rosemount | Cornwall Communications Ltd.; Flow |
| Mount Salem | Cornwall Communications Ltd.; Flow |
| Catherine Mount | Cornwall Communications Ltd.; Flow |
| Barrett Town | Unique Vision Cable Network Ltd; Modern Rebroadcasting Co. Ltd.; Flow |
| Somerton | Unique Vision Cable Network Ltd; Modern Rebroadcasting Co. Ltd. |
| Johns Hall | Cornwall Communications Limited |
| Ironshore | Cornwall Communications Limited; Flow |
| Flankers | Cornwall Communications Limited; Flow |
| Porto Bello | Cornwall Communications Limited; Flow |
| Pitfour Pen | Cornwall Communications Limited; Flow |
| Reading | Flow |
| Anchovy | Guthrie's Communications Limited |
| Cambridge | Guthrie's Communications Limited |
| | |
| <i>Hanover</i> | |
| Sandy Bay | Flow; Qes 46 Ltd. |
| Lucea | Flow |
| Green Island | Flow |
| Hopewell | Flow; Qes 46 Ltd. |
| Ramble | Guthrie's Communications Limited |

Table 3 List of STV Licensees and Zones Served cont'd

| Zone | Licensee |
|----------------------|--|
| Davis Cove | Qes 46 Ltd. |
| Dias | Qes 46 Ltd. |
| | |
| <i>Westmoreland</i> | |
| Negril | Flow; Qes 46 Ltd. |
| Zone | Licensee |
| Little London | Cabletron Network Systems Ltd.; Qes 46 Ltd. |
| Locust Tree | Communicable Limited |
| Grange Hill | Cabletron Network Systems Ltd.; Communicable Ltd. |
| Frome | Cabletron Network Systems Ltd.; Communicable Ltd. |
| Dunbar Corner | Cabletron Network Systems Ltd.; Cornwall Communications Ltd. |
| Petersfield | Cabletron Network Systems Ltd. |
| Savanna-La-Mar | Cabletron Network Systems Ltd.; Cornwall Communications Ltd. |
| Ferris | Guthrie's Communications Limited |
| Darliston | Guthrie's Communications Limited |
| Lambs River | Guthrie's Communications Limited |
| Lenox Bigwoods | Guthrie's Communications Limited |
| Whitehouse | Guthrie's Communications Limited |
| Sheffield | Qes 46 Ltd. |
| | |
| <i>St. Elizabeth</i> | |
| Black River | Marimaxx Communications Ltd. |
| Southfield | McKoy Cable Television Company Ltd. |
| Junction | McKoy Cable Television Company Ltd. |
| Santa Cruz | Total Cable Ltd. |
| Balaclava | Tru Star Cable Ltd. |
| | |
| <i>Manchester</i> | |
| Christiana | Mega International Co. Jamaica Ltd.; Mars Cable Vision Ltd. |
| Mandeville East | Mega International Co. Jamaica Ltd.; Flow |
| Mandeville South | Mega International Co. Jamaica Ltd.; Flow |
| Mandeville North | Mega International Co. Jamaica Ltd.; Flow |

Table 3 List of STV Licensees and Zones Served cont'd

| Zone | Licensee |
|----------------------|--|
| Mandeville West | Mega International Co. Jamaica Ltd.; Flow |
| Porous | Mars Cable Vision Ltd. |
| Coleyville | Mars Cable Vision Ltd. |
| Spur Tree | Flow |
| Williamsfield | Mars Cable Vision Ltd.; Flow |
| Old England | Flow |
| | |
| Clarendon | |
| Lionel Town | Cable One Jamaica Ltd. |
| Rocky Point | Cable One Jamaica Ltd. |
| Palmer's Cross | General Satellite Network Ltd. |
| May Pen East | General Satellite Network Ltd. ; Flow |
| May Pen North | General Satellite Network Ltd.; Flow |
| May Pen South | General Satellite Network Ltd.; Flow |
| May Pen West | General Satellite Network Ltd.; Flow |
| Mason River | Venus Cable Service Ltd. |
| Kellits | Venus Cable Service Ltd. |
| Lluidas Vale | Venus Cable Service Ltd. |
| Sandy Bay | Combined Communications limited; Cable One Jamaica Limited; Flow |
| Toll Gate | Mike's Electronics & Cable Network Ltd; Flow |
| | |
| St. Catherine | |
| Bogwalk | Linscom Network Ltd. |
| Linstead | Linscom Network Ltd. |
| Ewarton | Linscom Network Ltd. |
| Gutters | Combined Communications Ltd.; Flow |
| Browns Hall | Direct Cable Ltd. |
| Red Ground | Direct Cable Ltd. |
| Old Harbour | Combined Communications Ltd.; Flow |
| Old Harbour Bay | Combined Communications Ltd.; Flow |
| Hellshire | Flow; Starcom Cablevision Ltd. |
| Bernard Lodge | Flow; Jamaica Cablevision |
| Horizon Park | Flow; Jamaica Cablevision |
| Willowdene | Flow; Jamaica Cablevision |
| Green Acres | Flow; Jamaica Cablevision |
| Winters Pen | Flow; Jamaica Cablevision |
| Eltham | Flow; Jamaica Cablevision |
| Ensom City | Flow; Jamaica Cablevision |

Table 3 List of STV Licensees and Zones Served cont'd

| Zone | Licensee |
|----------------------|---|
| Spanish Town Central | Flow; Jamaica Cablevision |
| | |
| Greendale | Flow; Jamaica Cablevision |
| Central Village | Flow; Jamaica Cablevision |
| Caymanas Park | Flow; Oliver Electronics Engineering Ltd. |
| Independence City | Flow; Oliver Electronics Engineering Ltd. |
| Passage Fort | Flow; Oliver Electronics Engineering Ltd. |
| Edgewater | Flow; Oliver Electronics Engineering Ltd. |
| Naggo Head | Flow; Oliver Electronics Engineering Ltd. |
| Braeton | Flow; Starcom Cable Vision Ltd. |
| Greater Portmore 1 | Flow; Starcom Cable Vision Ltd. |
| Greater Portmore 2 | Flow; Starcom Cable Vision Ltd. |
| Greater Portmore 3 | Flow; Starcom Cable Vision Ltd. |
| Greater Portmore 4 | Flow; Starcom Cable Vision Ltd. |
| Greater Portmore 5 | Flow; Starcom Cable Vision Ltd. |
| Greater Portmore 6 | Flow; Starcom Cable Vision Ltd. |
| Island wide | Flow |
| Island wide | DMEL (wireless) |

NB Flow and DMEL both have island wide licences but are not serving the entire island

Appendix F – AUDITED FINANCIAL STATEMENTS (Attachment)

**BROADCASTING COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

**BROADCASTING COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

CONTENTS

| | Page(s) |
|-----------------------------------|----------------|
| Independent Auditor's Report | 1 - 2 |
| Statement of Financial Position | 3 |
| Statement of Comprehensive Income | 4 |
| Statement of Changes in Reserves | 5 |
| Statement of Cash Flows | 6 |
| Notes to the Financial Statements | 7-21 |

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the Broadcasting Commission (the "Commission"), which comprise the statement of financial position as at March 31, 2013, the statement of comprehensive income, the statement of changes in reserves, and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Broadcasting and Radio Re-Diffusion (Amendment) Act 1986 (the "Act"). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan, and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Cont. /2

Independent Auditor's Report

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Commission as at March 31, 2013, and of its financial performance, changes in reserves and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Act.

Report on other Legal and Regulatory Requirements

As required by the Broadcasting and Radio Re-Diffusion (Amendment) Act 1986, the Financial Administration Audit Act and the Public Bodies Management and Accountability Act (the "Acts"), we have obtained all the other 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 financial statements are in agreement therewith and give the information required by the Acts, in the manner so required.

Crichton Mullings & Assoc.
CrichtonMullings & Associates
Chartered Accountants

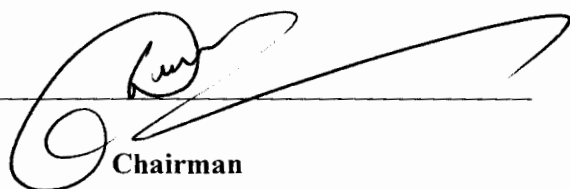
Kingston, Jamaica
June 24, 2013

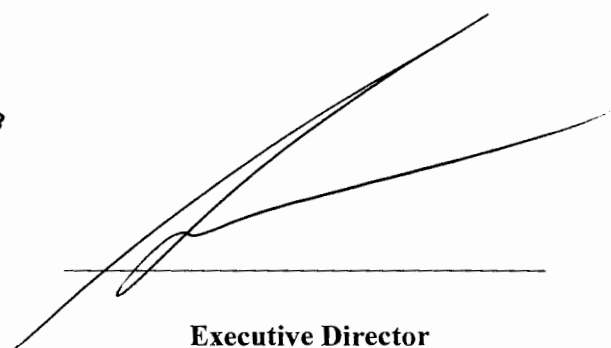
BROADCASTING COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2013

| | Note | 2013 \$ | 2012 \$ |
|---|------|---------------------------|---------------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Property and equipment | 5 | <u>4,627,522</u> | <u>6,457,984</u> |
| Current Assets | | | |
| Licence fees and other receivables | 6 | <u>71,192,153</u> | <u>59,267,586</u> * |
| Taxation recoverable | | - | 3,560,235 |
| Cash and cash equivalents | 7 | <u>400,269,437</u> | <u>313,851,396</u> |
| | | <u>471,461,590</u> | <u>376,679,217</u> |
| TOTAL ASSETS | | <u>476,089,112</u> | <u>383,137,201</u> |
| EQUITY AND LIABILITIES | | | |
| Accumulated surplus | | <u>458,879,017</u> | <u>370,172,688</u> |
| Current Liabilities | | | |
| Accounts and other payables | 8 | <u>12,541,341</u> | <u>9,782,114</u> * |
| Contribution payable to the consolidated fund | 9 | <u>4,668,754</u> | <u>3,182,399</u> * |
| | | <u>17,210,095</u> | <u>12,964,513</u> |
| TOTAL RESERVE AND LIABILITIES | | <u>476,089,112</u> | <u>383,137,201</u> |

*-Restated (see note 15)

APPROVED, on behalf of the Board on *July 18, 2013*


Chairman


Executive Director

The accompanying notes form an integral part of the financial statements

BROADCASTING COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2013

| | Note | 2013 \$ | 2012 \$ | |
|---|-----------|--------------------------|--------------------|---|
| Revenues | 4 | 218,389,992 | 213,211,556 | |
| Administrative and general expenses | 10 | <u>147,143,150</u> | <u>113,110,932</u> | * |
| Operating surplus | | 71,246,842 | 100,100,623 | |
| Other operating income | 11 | <u>28,362,010</u> | <u>19,361,968</u> | * |
| | | 99,608,852 | 119,462,592 | |
| Finance and policy costs | 12 | <u>6,233,769</u> | <u>13,023,350</u> | * |
| Net surplus, being total comprehensive income for the year | | <u>93,375,083</u> | <u>106,439,242</u> | * |

* - Restated (see note 15)

The accompanying notes form an integral part of the financial statements

**BROADCASTING COMMISSION
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED MARCH 31, 2013**

| | Deferred Credit | Accumulated Surplus \$ | Total \$ |
|---|----------------------------|---------------------------------------|---------------------------|
| Balance at March 31, 2011 | 260,541 | 266,655,304 | 266,915,845 |
| Net surplus, being total comprehensive income for the year | - | 106,439,242 | 106,439,242 * |
| Contribution to the consolidated fund (see note 9) | - | (3,182,399) | (3,182,399) * |
| Transfer to retained earnings | <u>(260,541)</u> | <u>260,541</u> | <u>-</u> |
| Balance at March 31, 2012 | - | 370,172,688 | 370,172,688 |
| Net surplus, being total comprehensive income for the year | - | 93,375,083 | 93,375,083 |
| Contribution to the consolidated fund (see note 9) | <u>-</u> | <u>(4,668,754)</u> | <u>(4,668,754)</u> |
| Balance at March 31, 2013 | <u><u>-</u></u> | <u><u>458,879,017</u></u> | <u><u>458,879,017</u></u> |

*-Restated (see note 15)

The accompanying notes form an integral part of the financial statements

**BROADCASTING COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2013**

| | 2013 \$ | 2012 \$ |
|--|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net surplus | 93,375,083 | 106,439,242 |
| Adjustments for items not affecting cash resources: | | |
| Depreciation | 3,049,370 | 3,936,507 |
| (Gain) / loss on disposal of property and equipment | (22,943) | 21,893 |
| | 96,401,510 | 110,397,641 |
| (Increase) / decrease in operating assets: | | |
| Licence fees and other receivables | (11,924,568) | (12,877,073) |
| Taxation recoverable | 3,560,235 | 714,710 |
| Increase / (decrease) in operating liabilities: | | |
| Accounts and other payables | 2,759,227 | (1,466,402) |
| Contribution paid to the consolidated fund | (3,182,399) | - |
| Net cash provided by operating activities | 87,614,005 | 96,768,876 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property and equipment | (1,218,907) | (1,371,073) |
| Proceeds from sale of property and equipment | 22,943 | 11,400 |
| Net cash used in investing activities | (1,195,964) | (1,359,673) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 86,418,041 | 95,409,203 |
| CASH AND CASH EQUIVALENTS - Beginning of the year | 313,851,396 | 218,442,193 |
| CASH AND CASH EQUIVALENTS - End of the year | 400,269,437 | 313,851,396 |
| REPRESENTED BY: | | |
| Cash and cash equivalents | 400,269,437 | 313,851,396 |
| | 400,269,437 | 313,851,396 |

The accompanying notes form an integral part of the financial statements

BROADCASTING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

1. IDENTIFICATION

The Broadcasting Commission (the "Commission") was established under the Broadcasting and Radio Re-Diffusion (Amendment) Act of 1986.

The Commission is domiciled in Jamaica, with its registered office at 53 Knutsford Boulevard, Kingston 5.

The main function of the Commission is to monitor and regulate the electronic media, broadcast radio and television, as well as subscriber television through the balancing of the interests of consumers, the industries and the creative community in implementing public policy and law.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of Compliance

The Commission's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and the relevant requirements of the Broadcasting and Radio Re-Diffusion (Amendment) Act 1986, the Financial Administration Audit Act and the Public Bodies Management and Accountability Act (the "Acts").

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, unless otherwise indicated.

The preparation of financial statements in conformity with IFRS and the Acts requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

There are no significant assumptions and judgments applied in these financial statements that carry a risk of material adjustment in the next financial year.

(b) Changes in accounting standards and interpretations:

i) Current year changes:

Certain new or amended International Financial Reporting Standards and Interpretations (IFRIC) became effective as of 1 January 2012.

The revisions, amendments and new standards and interpretations that became effective during the year but are not considered relevant to the Commission's operations are:

- *IAS 1 'Presentation of Items of Other Comprehensive Income -Amendment', issued June 2011.*
Effective for periods commencing on or after 1 July 2012
- *IFRS 1 'Severe Hyperinflation and Removal of Fixed Dates for First - time Adopters -Amendment', issued September 2010.*
Effective for periods commencing on or after 1 July 2011

BROADCASTING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(b) Changes in accounting standards and interpretations (cont'd):

i) Current year changes (cont'd):

Management anticipates that the adoption of the following new or revised International Financial Reporting Standards and Interpretations (IFRIC) could have a material impact on the Commission's financial statements:

- *IAS 1 'Presentation of Financial Statements - Amendments'*
issued June 2011
Effective for annual periods commencing on or after July 1, 2012
- *IAS 12 'Income Taxes - Amendments', issued December 2010*
Effective for periods commencing on or after 1 January 2012
- *IAS 12 'Deferred Tax: Recovery of Underlying Assets -Amendment', issued December 2010.*
Effective for periods commencing on or after 1 January 2012
- *IFRS 7 'Financial Instruments: Disclosures -Amendment', issued October 2010.*
Effective for periods commencing on or after 1 July 2011

Additionally, the IASB issued "Improvements to IFRSs", as part of its annual improvements project, and a vehicle for making non-urgent but necessary amendments to various IFRSs. These amendments primarily become effective for annual periods beginning on or after 1 January 2012. Management has concluded that these amendments will not have a significant impact on the Commission's operations or financial position.

ii) Future Changes

The Commission has identified the following revised or new International Financial Reporting Standards or Interpretations which have been issued but are not yet effective, and which have not been adopted early. Those that are not considered relevant to the Commission's operations are:

- *IAS 27 'Separate Financial Statements', issued May 2011*
Effective for periods commencing on or after 1 January 2013
- *IAS 28 'Investments in Associates and Joint Ventures', issued May 2011*
Effective for periods commencing on or after 1 January 2013
- *IFRS 10 'Consolidated Financial Statements', issued May 2011*
Effective for periods commencing on or after 1 January 2013
- *IFRS 13 'Fair Value Measurement', issued May 2011.*
Effective for periods commencing on or after 1 January 2013
- *IFRS 7 'Disclosures - Offsetting Financial Assets and Financial Liabilities Amendment', issued December 2011.*
Effective for periods commencing on or after 1 January 2013

**BROADCASTING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(b) Changes in accounting standards and interpretations (cont'd):

ii) Future Changes (cont'd):

Those which may be relevant to the Commission's operations are as follows:

- *IFRS 9 'Financial Instruments', issued November 2010*
Effective for periods commencing on or after 1 January 2015
- *IAS 19 'Employee Benefits -Amendment', issued June 2011.*
Effective for periods commencing on or after 1 January 2013
- *IFRS 9 'Financial Instruments Classification and Measurement',*
issued in November, 2009
Effective for periods commencing on or after 1 January 2013
- *IFRS 12 'Disclosure of Interests in Other Entities', issued*
May 2011.
Effective for periods commencing on or after 1 January 2013

(c) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS and the Act requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the period then ended. Actual amounts could differ from these estimates.

The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

(i) Critical judgments in applying the Commission's accounting policies:

Critical judgments used in applying the Commission's accounting policies that have a significant risk of material adjustment in the next financial year relate to the estimated useful lives and residual values of property, plant and equipment and pension and other post-employment benefits.

The residual values and the useful life of each asset are renewed at each financial year-end, and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The useful life of an asset is defined in terms of the asset's expected utility to the Commission.

BROADCASTING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Property and equipment

All property and equipment held for administrative purposes are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Commission and its cost can be reliably measured.

The cost of day-to-day servicing of property, plant and equipment is recognized in the statement of comprehensive income as incurred.

Depreciation is calculated on the straight line basis over the estimated useful lives of such assets. The rates of depreciation in use are:

| | |
|---------------------------------|-----------|
| Leasehold Improvements | 20% |
| Furniture, fixtures & equipment | 10% - 20% |
| Computer equipment | 33 1/3 % |
| Motor vehicles | 20% |

(b) License fees and other receivables

License fees and other receivables are stated at amortized cost.

(c) Accounts and other payables

Accounts and other payables are stated at amortized cost.

(d) Cash and cash equivalents

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(e) Taxation recoverable

Taxation recoverable represents tax withheld on short term deposits held with financial institutions.

BROADCASTING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Related party identification

A party is related to the Commission if:

- (i) directly or indirectly the party:
 - controls, is controlled by, or is under common control with the Commission;
 - has an interest in the Commission that gives it significant influence over the Commission; or
 - has joint control over the Commission.
- (ii) the party is an associate of the Commission;
- (iii) the party is a joint venture in which the Commission is a venturer;
- (iv) the party is a member of the key management personnel of the Commission;
- (v) the party is a close member of the family of an individual referred to in (i) or (iv) above;
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant costing power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v) above.
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Commission, or of any company that is a related party of the Commission.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(g) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the Commission operates (its functional currency).

In preparing the financial statements of the Commission, transactions in currencies other than the Commission's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items, is included in the statement of comprehensive income for the period.

**BROADCASTING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for licenses, annual and application fees and other services provided.

Revenue is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer, receipt of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing involvement with the goods.

(i) Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the terms of the relevant lease.

(j) Provisions

Provisions are recognized when the Commission has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the material.

(k) Comparative information

Where necessary, comparative figures have been reclassified and or restated to conform to changes in the current year.

**BROADCASTING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment

At each reporting date, the Commission reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Commission estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

(m) Financial instruments

Financial instruments include transactions that give rise to both financial assets and financial liabilities. Financial assets and liabilities are recognized on the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments issued by the Commission are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Commission after deducting all of its liabilities.

Financial assets include cash and bank deposits, accounts receivable, long-term receivables and other current assets except inventories and any prepayments.

Financial liabilities include current liabilities except accruals and income tax payable. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

The fair values of the financial instruments are discussed in Note 15.

BROADCASTING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Employee benefits

Employee benefits are all forms of consideration given by the Commission in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory contributions, vacation leave, non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognized in the following manner:

- Short-term employee benefits are recognized as a liability, net of payments made, and charged to expense. The expected cost of vacation leave that accumulates is recognized when the employee becomes entitled to the leave.
- Post-employment benefits are accounted for as described below.

Pension obligations

The Commission operates a defined contribution pension plan. The plan is funded by contributions from employees and employer. The employees contribute at the rate of 5% of pensionable salaries (with the option of contributing an additional 5%). The Commission's rate of contribution to the pension plan is 5% of pensionable salaries for the year.

The cost of providing pension benefits is equivalent to the total contribution obligations for the year; and is charged to expense in that year.

BROADCASTING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

4. REVENUES

Revenues represent the monies earned from the granting and renewal of licenses, as well as annual licenses' fees, for the operation of broadcast radio and television as well as subscriber television services.

5. PROPERTY AND EQUIPMENT

| | <u>Leasehold Improvement</u> | <u>Furniture, Fixtures and Equipment</u> | <u>Computers</u> | <u>Motor Vehicles</u> | <u>Total</u> |
|-------------------------------------|---|---|-------------------------|----------------------------------|---------------------|
| At Cost/Valuation | | | | | |
| Beginning of year | 3,618,835 | 11,162,190 | 8,417,379 | 4,077,571 | 27,275,975 |
| Additions | 111,850 | 786,755 | 320,302 | - | 1,218,907 |
| Disposals | - | (31,580) | - | - | (31,580) |
| End of year | <u>3,730,685</u> | <u>11,917,365</u> | <u>8,737,681</u> | <u>4,077,571</u> | <u>28,463,302</u> |
| Accumulated Depreciation | | | | | |
| Beginning of year | 2,392,964 | 7,502,978 | 7,559,602 | 3,362,447 | 20,817,991 |
| Charge for year | 635,306 | 1,136,890 | 588,660 | 688,514 | 3,049,370 |
| Eliminated on disposal | - | (31,580) | - | - | (31,580) |
| End of year | <u>3,028,270</u> | <u>8,608,288</u> | <u>8,148,262</u> | <u>4,050,961</u> | <u>23,835,780</u> |
| Net Book Value | | | | | |
| End of year | <u>702,415</u> | <u>3,309,077</u> | <u>589,419</u> | <u>26,610</u> | <u>4,627,522</u> |
| End of prior year | <u>1,225,871</u> | <u>3,659,212</u> | <u>857,776</u> | <u>715,124</u> | <u>6,457,984</u> |

BROADCASTING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

6. LICENCE FEES AND OTHER RECEIVABLES

| | 2013 | 2012 |
|------------------------------------|--------------------------|--------------------------|
| | \$ | \$ |
| License fees receivable | 80,643,479 | 67,053,484 |
| Less: Provision for doubtful debts | <u>(11,892,225)</u> | <u>(8,895,574)</u> |
| | 68,751,254 | 58,157,910 |
| Advances and staff receivable | 684,380 | 482,222 |
| Interest receivable | 1,481,665 | 466,918 |
| Deposits | 154,541 | 154,541 * |
| Other receivables | <u>120,313</u> | <u>5,995</u> |
| | <u><u>71,192,153</u></u> | <u><u>59,267,586</u></u> |

*-Restated

7. CASH AND CASH EQUIVALENTS

| | 2013 | 2012 |
|---------------------|---------------------------|---------------------------|
| | \$ | \$ |
| Short term deposits | 397,214,374 | 311,471,574 |
| Cash in bank | 3,035,063 | 2,359,822 |
| Petty cash | <u>20,000</u> | <u>20,000</u> |
| | <u><u>400,269,437</u></u> | <u><u>313,851,396</u></u> |

8. ACCOUNTS AND OTHER PAYABLES

| | 2013 | 2012 |
|---------------------|--------------------------|-------------------------|
| | \$ | \$ |
| Accounts payable | 4,606,861 | 714,300 |
| Payroll liabilities | 7,043,130 | 6,528,251 |
| Accrued expenses | <u>891,350</u> | <u>2,539,563</u> |
| | <u><u>12,541,341</u></u> | <u><u>9,872,114</u></u> |

9. CONTRIBUTION PAYABLE TO THE CONSOLIDATED FUND

| | 2013 | 2012 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Provision for contribution to the consolidated fund | <u><u>4,668,754</u></u> | <u><u>3,182,399</u></u> |

It is stipulated by the Public Bodies Management and Accountability (Amendment) Act 2011 and the accompanying Public Bodies (Financial Distribution) Regulations 2012, that a self financing public body allocates a minimum of 5% of its audited after-tax net profit or surplus for the financial year for transfer to the consolidated fund through the Accountant General, no later than six months after the financial year.

BROADCASTING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

10. ADMINISTRATIVE AND GENERAL EXPENSES

| | 2013 | 2012 | |
|---|--------------------|--------------------|---|
| | \$ | \$ | |
| Advertising and promotion | 791,659 | 625,822 | * |
| Application evaluation costs | 210,500 | 251,000 | * |
| Audit fees | 550,000 | 400,000 | |
| Commissioners' fees | 1,140,000 | 1,070,000 | |
| General office expenses | 360,842 | 303,038 | * |
| Gifts and donations | 214,665 | 182,978 | |
| Insurance | 204,846 | 204,029 | * |
| Janitorial expenses | 112,359 | 489,908 | |
| Medical supplies | 20,188 | 16,991 | * |
| Meetings, conference and seminars | 1,804,352 | 1,279,356 | * |
| Monitoring and enforcements | 2,107,274 | 2,125,760 | |
| Motor vehicle expense | 324,627 | 663,348 | * |
| Other personnel costs (see note 13) | 5,450,847 | 4,509,189 | |
| Employer's pension contribution (see note 13) | 3,394,895 | 3,314,711 | |
| Postage and delivery | 630,700 | 205,916 | |
| Printing and stationery | 804,746 | 889,366 | |
| Legal, professional and consultancy fees | 5,154,491 | 4,268,411 | * |
| Public relations and education | 41,390,911 | 15,550,451 | * |
| Refreshments | 506,876 | 442,192 | |
| Remote data storage | 225,672 | 135,035 | |
| Rental and maintenance of property | 13,572,053 | 13,302,218 | |
| Repairs and maintenance | 725,495 | 854,554 | * |
| Salaries and wages (see note 13) | 57,213,067 | 54,821,052 | |
| Security | 254,536 | 261,894 | |
| Statutory contributions (see note 13) | 2,380,102 | 2,293,435 | |
| Subscription and membership fees | 839,098 | 537,597 | |
| Reference material | 33,294 | 163,343 | |
| Training and staff welfare | 3,514,877 | 1,240,212 | |
| Travel | 455,639 | 172,781 | * |
| Telephone and internet charges | 2,754,539 | 2,536,345 | |
| | <u>147,143,150</u> | <u>113,110,932</u> | |
| | | *-Restated | |

11. OPERATING INCOME

| | 2013 | 2012 |
|-----------------------|-------------------|-------------------|
| | \$ | \$ |
| Interest income | 22,266,352 | 15,979,145 |
| Foreign exchange gain | 466,878 | 56,250 |
| Other income | 5,628,780 | 3,326,574 |
| | <u>28,362,010</u> | <u>19,361,968</u> |

BROADCASTING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

12. FINANCE AND POLICY COSTS

| | 2013 | 2012 |
|--------------|------------------|-------------------|
| | \$ | \$ |
| Bank charges | 187,748 | 191,269 |
| Bad debt | 2,996,651 | 8,895,574 |
| Depreciation | 3,049,370 | 3,936,507 |
| | <u>6,233,769</u> | <u>13,023,350</u> |

13. STAFF COSTS

The number of employees at the end of the year was as follows:

| | 2013 | 2012 |
|-----------|-----------|-----------|
| | | |
| Permanent | <u>26</u> | <u>27</u> |

The aggregate payroll costs for these persons were as follows:

| | 2013 | 2012 |
|----------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Salaries and other related costs | 66,058,809 | 62,644,952 |
| Statutory payroll contributions | 2,380,102 | 2,293,435 |
| | <u>68,438,910</u> | <u>64,938,387</u> |

14. RELATED PARTIES

The Commission's statement of comprehensive income includes the following transactions, undertaken with related parties in the ordinary course of business:

| | 2013 | 2012 |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| Key management personnel compensation | 7,217,022 | 7,672,563 |
| | <u>7,217,022</u> | <u>7,672,563</u> |

15. PRIOR PERIOD ADJUSTMENT

During the prior period ended March 31, 2012, the provision for contribution to the consolidated fund was included as administrative and general expense and in the amount for accounts and other payables. At the reporting date ended March 31, 2013, the amount was reclassified from expenses to reserves as the amount represents an allocation from net surplus for the year. Also, the provision for contribution to the consolidated fund was shown separately on the statement of financial position, see details of restatement below:

| | As previously reported | Re-statements | Restated as at March 31, 2013 |
|---|---------------------------|---------------|-------------------------------------|
| | \$ | \$ | \$ |
| Total expenses | 129,316,681 | (3,182,399) | 126,134,282 |
| Net surplus for the year | 103,256,843 | 3,182,399 | 106,439,242 |
| Accounts and other payables | 12,964,513 | (3,182,399) | 9,782,114 |
| Contribution payable to the consolidated fund | - | 3,182,399 | 3,182,399 |

**BROADCASTING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

16. FINANCIAL INSTRUMENTS

(a) Fair Value

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. A market price, where an active market (such as a recognized stock exchange) exists, is the best evidence of the fair value of a financial instrument. Market prices are not available for some of the financial assets and liabilities of the Commission. Fair values in the financial statements have therefore been presented using various estimation techniques based on market conditions existing at reporting date.

Generally, considerable judgment is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Commission would realize in a current market exchange.

The following methods and assumptions have been used are as follows:

The amounts included in the financial statements for cash and bank deposits, receivable and payables reflect the approximate fair values because of short-term maturity of these instruments.

(b) Financial risk management

The Commission has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Cash flow risk

The Commission directors, together with senior management has overall responsibility for the establishment and oversight of the Commission's risk management framework.

The Commission's risk management policies are established to identify and analyze the risks faced by the Commission in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Commission's activities.

BROADCASTING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

16. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd):

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission's principal financial assets are investments held with various financial institutions, cash and bank deposits; and receivables and prepayments.

Cash and cash equivalents

The credit risk on cash and bank deposits is limited as they are held with financial institutions with high credit rating.

At reporting date, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

| | 2013 | 2012 |
|---------------------|--------------------|--------------------|
| | \$ | \$ |
| Short term deposits | <u>397,214,374</u> | <u>311,471,574</u> |
| Cash at bank | <u>3,055,063</u> | <u>2,379,822</u> |

(ii) Liquidity risk

Liquidity risk is the risk that the Commission will not meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Commission. Management aims at maintaining sufficient cash and the availability of funding through an amount of committed facilities. The management maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

| | Carrying amount | Contractual cash flow | Less than 1 year |
|-----------------------------|--------------------|--------------------------|---------------------|
| March 31, 2013: | | | |
| Accounts and other payables | <u>17,210,095</u> | <u>17,210,095</u> | <u>17,210,095</u> |
| March 31, 2012: | | | |
| Accounts and other payables | <u>12,964,513</u> | <u>12,964,513</u> | <u>12,964,513</u> |

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Commission's income or the value of its holding of financial instruments. The objective of market is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**BROADCASTING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

16. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd):

(iii) Market risk (cont'd)

Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Commission materially contracts financial liabilities at fixed interest rates for the duration of the term. When utilized, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender. At March 31, 2013 and 2012, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets comprises of bank deposits, which have been contracted at fixed interest rates for the duration of their terms.

Fair value sensitivity analysis for fixed rate instruments

The Commission does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or equity.