

Caribbean Broadcasting Corporation

Financial Statements

December 31, 2009

(expressed in Barbados dollars)

INDEPENDENT AUDITORS' REPORT

To the Government of Barbados

We have audited the accompanying financial statements of **Caribbean Broadcasting Corporation**, which comprise the balance sheet as at December 31, 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement 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. This responsibility includes: designing, implementing and maintaining internal control 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.

Auditors' 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 whether 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Caribbean Broadcasting Corporation** as at December 31, 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which indicate that as of December 31, 2009 the Corporation has an accumulated deficit of \$73,417,499 and its total liabilities exceed its total assets by \$21,554,750. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Corporation's ability to continue as a going concern.



Chartered Accountants
October 12, 2010
Bridgetown, Barbados

Caribbean Broadcasting Corporation

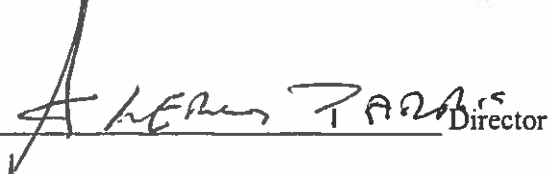
Balance Sheet

As at December 31, 2009

(expressed in Barbados dollars)

	2009	2008
	\$	\$
Assets		
Current assets		
Cash on hand and at bank (note 5)	820,948	1,333,041
Accounts receivable (note 6)	6,274,891	7,899,225
Inventories (note 7)	5,228,512	4,538,904
Prepaid expenses	179,093	134,381
	<u>12,503,444</u>	<u>13,905,551</u>
Property, plant and equipment (note 8)	35,216,732	27,225,343
Available-for-sale financial assets (note 9)	<u>26,287</u>	<u>26,287</u>
Total assets	<u>47,746,463</u>	<u>41,157,181</u>
Liabilities		
Current liabilities		
Bank overdraft (note 5)	4,752,311	2,938,095
Accounts payable and accrued liabilities (note 10)	14,206,808	15,579,526
Current portion of long term loans (note 11)	6,266,131	17,675,000
	<u>25,225,250</u>	<u>36,192,621</u>
Long term loans (note 11)	26,000,000	15,632,227
Pension fund obligation (note 12)	<u>18,075,963</u>	<u>22,110,140</u>
	<u>69,301,213</u>	<u>73,934,988</u>
Equity		
Capital contributed by Government of Barbados (note 13)	30,339,001	30,339,001
Revaluation surplus (note 14)	21,523,748	12,241,869
Accumulated deficit	<u>(73,417,499)</u>	<u>(75,358,677)</u>
	<u>(21,554,750)</u>	<u>(32,777,807)</u>
Total liabilities and equity	<u>47,746,463</u>	<u>41,157,181</u>

Approved by the Board of Directors on October 12, 2010 and signed on their behalf by:


Director


Director

Caribbean Broadcasting Corporation

Statement of Changes in Equity

For the year ended December 31, 2009

(expressed in Barbados dollars)

	Capital contributed by Government of Barbados \$	Revaluation surplus \$	Accumulated deficit \$	Total \$
Balance at December 31, 2007	30,339,001	12,241,869	(76,355,067)	(33,774,197)
Comprehensive income				
Income for the year	—	—	996,390	996,390
Other comprehensive income	—	—	—	—
Total comprehensive income for the year	—	—	996,390	996,390
Balance at December 31, 2008	30,339,001	12,241,869	(75,358,677)	(32,777,807)
Comprehensive income				
Income for the year	—	—	1,941,178	1,941,178
Other comprehensive income	—	9,281,879	—	9,281,879
Total comprehensive income for the year	—	9,281,879	1,941,178	11,223,057
Balance at December 31, 2009	30,339,001	21,523,748	(73,417,499)	(21,554,750)

Caribbean Broadcasting Corporation

Statement of Comprehensive Income For the year ended December 31, 2009

(expressed in Barbados dollars)

	2009	2008
	\$	\$
Operating revenue (note 15)	41,302,605	46,403,379
Government grant - GIS advertising	5,855,551	4,906,322
Government grant - Pension	6,063,217	-
Direct expenses (note 17)	(27,398,647)	(30,495,062)
Administrative expenses (note 17)	(20,097,881)	(17,844,114)
Operating surplus	5,724,845	2,970,525
Interest and finance charges	(3,783,667)	(1,974,135)
Income before taxation	1,941,178	996,390
Taxation (note 18)	-	-
Income for the year	1,941,178	996,390
Other comprehensive income		
Revaluation surplus on land and buildings (note 14)	9,281,879	-
Total comprehensive income for the year	11,223,057	996,390

Caribbean Broadcasting Corporation

Statement of Cash Flows

For the year ended December 31, 2009

(expressed in Barbados dollars)

	2009	2008
	\$	\$
Operating activities		
Income before taxation	1,941,178	996,390
Adjustments for:		
Pension expense	2,894,012	2,220,464
Depreciation	5,537,079	6,393,489
Gain on disposal of property, plant and equipment	(1,300)	(22,377)
Interest and finance charges	3,783,667	1,974,135
	<hr/>	<hr/>
Operating profit before working capital changes	14,154,636	11,562,101
Decrease/(increase) in accounts receivable	1,624,334	(2,289,369)
(Increase)/decrease in prepaid expenses	(44,712)	792,233
Increase in inventories	(689,608)	(2,670,098)
Increase in accounts payable and accrued liabilities	1,791,555	1,050,437
	<hr/>	<hr/>
Cash generated from operations	16,836,205	8,445,304
Pension contributions paid	(6,928,189)	-
Interest and finance charges paid	(6,947,940)	(1,654,456)
	<hr/>	<hr/>
Net cash generated from operating activities	2,960,076	6,790,848
	<hr/>	<hr/>
Investing activities		
Purchase of property, plant and equipment	(4,246,589)	(3,404,291)
Proceeds from disposal of property, plant and equipment	1,300	22,377
	<hr/>	<hr/>
Net cash used in investing activities	(4,245,289)	(3,381,914)
	<hr/>	<hr/>
Financing activities		
Long term loan repayments	(18,741,096)	(2,814,761)
Proceeds from borrowings	17,700,000	-
	<hr/>	<hr/>
Net cash used in financing activities	(1,041,096)	(2,814,761)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(2,326,309)	594,173
	<hr/>	<hr/>
Cash and cash equivalents - beginning of year	(1,605,054)	(2,199,227)
	<hr/>	<hr/>
Cash and cash equivalents - end of year (note 5)	(3,931,363)	(1,605,054)

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

1 Incorporation and principal activity

The Caribbean Broadcasting Corporation ("the Corporation") is a statutory Corporation established under the provisions of the Caribbean Broadcasting Corporation Act, Cap. 276. Its principal activity is the provision of broadcasting services through radio and television. The principal place of business of the Corporation is at the Pine, St. Michael.

2 Going concern

These financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the payments of liabilities in the regular and ordinary course of business. In this regard the Corporation has an accumulated deficit of \$73,417,499 for the year ended December 31, 2009 and as at that date, total liabilities exceeded total assets by \$21,554,750. The ability of the corporation to continue as a going concern is dependent on the continued support of its shareholder.

3 Significant accounting policies

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

a) Basis of preparation

The financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Standards, interpretations and amendments to existing standards effective in the 2009 financial year

The following amendments are effective for the 2009 financial year.

IAS 1 (Revised), 'Presentation of financial statements'

The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. As the change in accounting policy only impacts presentation aspects, there is no impact on retained earnings.

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

3 Significant accounting policies ...continued

a) Basis of preparation ...continued

IFRS 7 (Amendments), 'Financial instruments' - Disclosures

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings.

IAS 23 'Borrowing costs'

A revised version of IAS 23 eliminates the option of immediate recognition of borrowing costs as an expense for assets that require a substantial period of time to get ready for intended use. The application of this standard does not have any effect on the financial statements.

New standards, amendments and interpretations to existing standards and interpretations effective in 2009, but not considered to be relevant by management:

- IFRS 1 (Amendment), First time adoption of IFRS
- IFRS 2 (Amendment) Share based payments
- IFRS 3 (Revised) Business combinations
- IFRS 5 (Amendment) Non-current assets held for sale and discontinued operations
- IFRS 8 Operating segments
- IAS 28 (Amendment) Investment in associates
- IAS 29 (Amendment) Financial reporting in hyper-inflationary economies
- IAS 32 (Amendment) Financial instruments - Presentation
- IAS 36 (Amendment) Impairment of assets
- IAS 38 (Amendment) Intangible assets
- IAS 39 (Amendment) Financial instruments: Recognition and measurement
- IFRIC 9 Reassessment of embedded derivatives owners
- IFRIC 15 Agreements for the construction of real estate

New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Corporation

Management has reviewed the new standards, amendments and interpretations to existing standards that are not yet effective and have determined that the following are relevant to the Corporation's operations. The Corporation has not early adopted the new standards, amendments and interpretations.

- IAS 1 (Amendment) Presentation of Financial Statements (effective on or after January 1, 2010);
- IAS 7 (Amendment) Statement of Cash Flows (effective on or after January 1, 2010);
- IAS 24 (Revised) Related Party Disclosures (effective on or after January 1, 2010);
- IAS 32 (Amendment) Financial Instruments: Presentation (effective on or after February 1, 2010);
- IAS 36 (Amendment) Impairment of Assets (effective on or after January 1, 2010);
- IAS 39 (Amendment) Financial Instruments: Recognition and Measurement (effective on or after July 1, 2010); and
- IFRS 9 Financial Instruments (effective on or after January 1, 2013).

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

3 Significant accounting policies ...continued

b) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, banks deposits with original maturities of less than ninety days and bank overdrafts.

c) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount. The amount of the provision is recognised in the statement of comprehensive income. When a trade receivable is uncollectible it is written off against the provision account and subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income in direct and administrative expenses.

d) Inventories

- i) Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis. Net realisable value is the price at which the inventory can be realised in the normal course of business. Provision is made for obsolete, slow moving and defective inventory.
- ii) Inventories of tools are valued using the base stock method. Additions are expensed in the year of purchase.

e) Financial assets

The company classifies its financial assets as available-for-sale and loan and receivables. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification at initial recognition.

Equity investments are classified as available-for-sale and included in non-current assets as they are not intended to be disposed of within 12 months of the balance sheet date. They are carried at cost as they are not quoted on any market and their fair value cannot be reliably measured. They are subject to review for impairment at the balance sheet date. If there is objective evidence of impairment they are written down to estimated recoverable amount and the impairment loss recognised in the statement of comprehensive income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than twelve months after the balance sheet date. The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet. (Refer to notes 2(b) and 2(c).

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

3 Significant accounting policies ...continued

f) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least every 3 - 5 years, valuation by external independent valuers less subsequent depreciation for buildings. Any accumulated depreciation is eliminated against gross carrying amount of the asset and the net amount is restated to the valued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation and any impairment in value.

Historical cost includes expenditures that are directly attributable to the acquisition on the items.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income in the statement of comprehensive income. Decreases that offset previous increases of the same asset are charged against other comprehensive income to the statement of comprehensive income.

Land is not depreciated. Depreciation is calculated on the straight-line basis, so as to allocate the cost or valuation of property, plant and equipment over their estimated useful lives as follows:

Buildings - permanent	2½%
- wooden	10%
Plant and equipment, including records and transcript	5% - 25%
Motor vehicles	20%
Furniture and equipment	10% - 25%

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

g) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Corporation has the unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

3 Significant accounting policies ...continued

h) Taxation

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Corporation's liability for current tax is calculated at tax rates that have been enacted at balance sheet date.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In the determination of deferred income tax, the Corporation uses the tax rate that is expected to apply when the asset is realized or liability settled.

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

i) Foreign currency

The financial statements are expressed in Barbados dollars which is also the Corporation's functional currency.

Assets and liabilities denominated in foreign currencies are translated to Barbados dollars at the rates of exchange ruling at the balance sheet date. Transactions arising during the year involving foreign currencies are translated and recorded at the rates of exchange prevailing on the dates of the transactions. Differences arising from fluctuations in exchange rates are included in the statement of comprehensive income.

j) Pension obligations

The Corporation maintains a non-contributory defined benefit pension plan for its employees. This plan is managed through the Statutory Corporations Pension Fund administered by the Insurance Corporation of Barbados Inc. Pension costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out full valuations of the plan every three years. The pension obligation is measured as the present value of the estimated future cash outflows using the interest rates of government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses are recognised at the rate of 20% of the balance brought forward.

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

3 Significant accounting policies ...continued

k) Government grants

Grants from Government are recognized at their fair value where there is reasonable assurance that the grant will be received and the company will comply with attached conditions, if any.

Revenue grants are recognised in the statement of comprehensive income over the period necessary to match them with the costs they are intended to compensate.

Grants received from Government for capital expenditure are deferred and amortised over the useful lives of the assets purchased with grant funds.

l) Revenue recognition

Revenue comprised the fair value of the consideration received or receivable for the provision of services in the ordinary course of business.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that economic benefits associated with the transaction will flow to the Corporation and when specific criteria have been met from each activity as described below.

Advertising revenue is recognised on an accrual basis and is stated net of agency and representative commissions. MCTV and other revenue is recognised on an accrual basis.

m) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets are reviewed by management at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

n) Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

o) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

4 Critical accounting estimates and judgements

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on reported assets, liabilities, revenues and expenses. The item which may have the most effect on the Corporation's financial statements is set out below:

Valuation of property

The Corporation utilises professional valuers to determine the fair value of its properties. Valuations are determined through the application of a variety of different valuation methods, which are all sensitive to the underlying assumptions chosen.

Pension benefits

The present value of pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. These assumptions are disclosed in note 12. Any changes in these assumptions will impact the carrying amount of pension obligations or assets.

5 Cash and cash equivalents

This is comprised of:

	2009 \$	2008 \$
Cash on hand and at bank	820,948	1,333,041
Bank overdraft	<u>(4,752,311)</u>	<u>(2,938,095)</u>
	<u>(3,931,363)</u>	<u>(1,605,054)</u>

The Government of Barbados has provided a letter of comfort in support of the bank overdraft facility. Interest is charged on the overdraft at the rate of 9.5% (2008 - 11.00%) per annum.

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

6 Accounts receivable

	2009 \$	2008 \$
Trade receivables	7,641,449	10,933,242
Less: Provision for impairment	<u>(2,173,231)</u>	<u>(3,408,016)</u>
	5,468,218	7,525,226
Other receivables	<u>806,673</u>	<u>373,999</u>
	<u>6,274,891</u>	<u>7,899,225</u>

The carrying value of accounts receivable is considered to approximate fair value because of its short term maturity.

As at December 31, 2009, receivables of \$4,377,695 (2008 - \$6,685,296) were fully performing. Receivables that are less than 4 months past due are not considered impaired. As at December 31, 2009 receivables of \$1,090,523 (2008 - \$660,341) were past due but not impaired. These relate to customers for whom there is no history of default. The ageing analysis of receivables is as follows:

	2009 \$	2008 \$
Under 4 months	4,377,695	6,685,296
4 to 6 months	1,090,523	660,341
Over 12 months	<u>806,673</u>	<u>553,588</u>
	<u>6,274,891</u>	<u>7,899,225</u>

As at year end, trade receivables of \$2,173,231 (2008 - \$3,408,016) were impaired and provided for. The aging of these trade receivables is as follows:

	2009 \$	2008 \$
Over 12 months	<u>2,173,231</u>	<u>3,408,016</u>

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

6 Accounts receivable ...continued

The movement in the provision for impairment is as follows:

	2009	2008
	\$	\$
Balance - beginning of year	3,408,016	2,864,167
Impairment charge	275,595	543,849
Bad debts written off	<u>(1,510,380)</u>	-
Balance - end of year	<u>2,173,231</u>	<u>3,408,016</u>

The creation and release of provision for impairment of trade receivables is included in direct expenses in the statement of income. Amounts charged to the provision for impairment of receivables are written off when there is no expectation of receiving additional cash.

The maximum exposure to credit risk on receivables is the carrying value disclosed above. The Corporation does not hold any collateral security on these receivables.

No provision for impairment was required for other receivables in 2009 or 2008.

7 Inventories

	2009	2008
	\$	\$
MCTV boxes, antennae and installation materials	5,073,058	4,266,008
Other	<u>155,454</u>	<u>272,896</u>
	<u>5,228,512</u>	<u>4,538,904</u>

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

8 Property, plant and equipment

	Land and buildings \$	Plant and equipment \$	Motor vehicles \$	Furniture and equipment \$	Total \$
As at December 31, 2007					
Cost/valuation	19,381,593	76,865,758	1,862,489	11,040,875	109,150,716
Accumulated depreciation	(1,245,093)	(66,922,012)	(1,809,521)	(8,959,549)	(78,936,175)
Net book value	18,136,500	9,943,746	52,968	2,081,326	30,214,541
Year ended December 31, 2008					
Opening net book value	18,136,500	9,943,746	52,968	2,081,326	30,214,541
Additions	–	2,651,499	–	752,792	3,404,291
Depreciation	(339,886)	(4,960,456)	(13,067)	(1,080,080)	(6,393,489)
Closing net book value	17,796,614	7,634,789	39,901	1,754,038	27,225,343
As at December 31, 2008					
Cost/valuation	19,381,594	79,517,257	1,862,489	11,793,667	112,555,007
Accumulated depreciation	(1,584,978)	(71,882,468)	(1,822,589)	(10,039,629)	(85,329,664)
Net book value	17,796,616	7,634,789	39,900	1,754,038	27,225,343
Year ended December 31, 2009					
Opening net book value	17,796,616	7,634,789	39,900	1,754,038	27,225,343
Additions	96,894	2,715,184	228,124	1,206,387	4,246,589
Revaluation of land and buildings	9,281,879	–	–	–	9,281,879
Depreciation	(455,925)	(4,176,003)	(58,692)	(846,459)	(5,537,079)
Closing net book value	26,719,464	6,173,970	209,332	2,113,966	35,216,732
As at December 31, 2009					
Cost/valuation	27,197,712	82,232,441	2,090,614	13,000,055	124,520,821
Accumulated depreciation	(478,249)	(76,058,472)	(1,881,281)	(10,886,088)	(89,304,089)
Net book value	26,719,463	6,173,969	209,333	2,113,967	35,216,732

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

8 Property, plant and equipment ...continued

The Corporation's buildings at Black Rock, St. Michael with a carrying value of \$1,385,085 (2008 - \$130,554) are constructed on land owned by the Government of Barbados.

If land and buildings were stated on the historical cost basis the amounts would be as follows:

	2009 \$	2008 \$
Cost	10,961,425	10,864,531
Accumulated depreciation	(5,858,793)	(4,973,250)
Net book value	<u>5,102,632</u>	<u>5,891,281</u>

9 Available-for-sale financial assets

	2009 \$	2008 \$
CANA - 696 shares	6,960	6,960
CCTA - 1,000 shares	5,097	5,097
NSR Ltd - 14,230 preference shares	14,230	14,230
	<u>26,287</u>	<u>26,287</u>

10 Accounts payable and accrued liabilities

	2009 \$	2008 \$
Trade payables	6,097,241	6,106,844
NIS and other taxes	6,731,492	4,334,844
Accrued expenses	1,378,075	5,137,838
	<u>14,206,808</u>	<u>15,579,526</u>

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

11 Long term loans

	2009 \$	2008 \$
(i) National Insurance Board loan repayable in semi-annual instalments of \$750,000 over 10½ years commencing from the third year of the agreement. Interest is charged at 6.25% per annum. This was paid in full on November 9, 2009.	–	12,000,000
(ii) Bank of Nova Scotia loan repayable in quarterly instalments of principal of \$215,000 which commenced on October 31, 2007. Interest is charged at 11.25% per annum.	1,895,000	2,755,000
(iii) Government of Barbados loan repayable over a period of 20 years in semi-annual instalments of blended principal and interest commencing October, 2003. Interest at 7.25% per annum plus 1% annual charge on the outstanding balance.	3,566,131	8,652,227
(iv) Bank loan for a total sum of \$15.5 million of which \$10,500,000 was drawn at year end. Repayable in quarterly instalments of \$175,000 which commenced March 23, 2009. The balance of the loan, accrued interest and all other amounts outstanding under the loan shall be paid on or before the 20 th quarter from the aforementioned date. The term of the loan is 5 years and the amortization 15 years. Interest is currently 8.00% per annum.	9,800,000	9,900,000
(v) Bank loan for a total sum of \$17.1 million drawn at year end. Repayable in monthly instalments of \$95,000 which commenced November 6, 2009. The balance of the loan, accrued interest and all other amounts outstanding under the loan shall be paid on or before the 60 th quarter from the date of the initial advance. The term of the loan is 5 years and the amortization 15 years. Interest is currently charged at 8.00% per annum.	17,005,000	–
	<u>32,266,131</u>	<u>33,307,227</u>
Less: Current portion	<u>(6,266,131)</u>	<u>(17,675,000)</u>
Long term portion	<u>26,000,000</u>	<u>15,632,227</u>

Effective January 1, 2007, the Government of Barbados took the decision that all payments due to the Corporation for broadcasting of Government Programmes, will be deducted from the loan and any interest accrued in respect of (iii) above. The deduction for the year was \$4,099,098 (2008 - \$1,930,684) plus interest of \$428,425 (2008 - \$797,281).

The Government of Barbados has provided a Comfort Letter in respect of all loans and any interest accrued thereon in respect of (i), (ii) and (iv) above. In respect of (v) above, the loan is guaranteed by the Government of Barbados.

The National Insurance Board loan was repaid during the year.

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

12 Pension fund obligation

The Corporation's defined benefit pension plan is managed through the Statutory Corporations Pension Fund administered by the Insurance Corporation of Barbados Inc. An actuarial valuation is carried out every three years. The most recent valuation was carried out as at January 1, 2009. An interim valuation was carried out at December 31, 2009.

The amounts recognised in the balance sheet are as follows:

	2009 \$	2008 \$
Present value of funded obligation	(26,850,182)	(24,054,830)
Fair value of plan assets	6,666,868	263,741
	<u>(20,183,314)</u>	<u>(23,791,089)</u>
Unrecognised actuarial losses	2,107,351	1,680,949
Pension fund obligation	<u>(18,075,963)</u>	<u>(22,110,140)</u>

Movement in pension fund obligation recognised in the balance sheet is as follows:

	2009 \$	2008 \$
Net liability at beginning of year	(22,110,140)	(19,889,676)
Contributions paid during year	6,928,189	—
Net expense recognised in the statement of comprehensive income	<u>(2,894,012)</u>	<u>(2,220,464)</u>
Net liability at end of year	<u>(18,075,963)</u>	<u>(22,110,140)</u>

The amount recognised in the statement of comprehensive income is as follows:

	2009 \$	2008 \$
Current service costs	814,500	582,014
Interest costs	1,805,388	1,534,154
Actuarial gains	336,190	(173,551)
Past service cost	154,878	309,216
Expected return on plan assets	<u>(216,944)</u>	<u>(31,369)</u>
Net pension expense included in staff costs (note 17)	<u>2,894,012</u>	<u>2,220,464</u>
Actual return on plan assets	<u>255,407</u>	<u>23,943</u>

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

12 Pension fund obligation ...continued

The movement in the defined obligation is as follows:

	2009	2008
	\$	\$
Present value of obligation - beginning of year	24,054,830	19,747,333
Interest cost	1,805,388	1,534,154
Current service cost	814,500	582,014
Past service cost - vested benefits	154,878	309,216
Benefits paid	(780,469)	(485,614)
Actuarial loss on obligation	801,055	2,367,727
	<hr/>	<hr/>
Present value of obligation - end of year	26,850,182	24,054,830

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

	2009	2008
	\$	\$
Fair value of plan assets - beginning of year	263,741	725,412
Expected return on plan assets	216,944	31,369
Contributions - total	6,928,189	-
Benefits paid	(780,469)	(485,614)
Actuarial gain/(loss) on plan assets	38,463	(7,426)
	<hr/>	<hr/>
	6,666,868	263,741

The assets of the plan are invested in a deposit administration contract with Insurance Corporation of Barbados Limited.

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

12 Pension fund obligation ...continued

Expected contributions for the year ending December 31, 2010 are \$6,990,479. The next full triennial valuation is due on January 1, 2012.

	2009 \$	2008 \$	2007 \$	2006 \$
Present value of obligation	(26,850,182)	(24,054,830)	(19,747,333)	(17,818,807)
Fair value of plan assets	6,666,868	263,741	725,412	1,048,112
	<u>(20,183,314)</u>	<u>(23,791,089)</u>	<u>(19,021,921)</u>	<u>(16,770,695)</u>
Unrecognised actuarial gains	2,107,351	1,680,949	867,755	1,700,096
Deficit	<u>(18,075,963)</u>	<u>(22,110,140)</u>	<u>(18,154,166)</u>	<u>(15,070,599)</u>
Experience adjustments on plan liabilities	897,048	(1,595,407)	126,685	(1,245,391)
Experience adjustments on plan asset	<u>38,463</u>	<u>(7,426)</u>	<u>(7,778)</u>	<u>(22,130)</u>

The principal actuarial assumptions used for accounting purposes were as follows:

	2009	2008
Discount rate at end of year	7.0%	7.5%
Expected return on assets at end of year	6.5%	6.5%
Future salary increases	2.0%	2.0%
Future pension increases	0.0%	0.0%
Future changes in NIS ceiling	3.5%	3.5%
Percentage of employees opting for early retirement	10.0%	10.0%
Mortality	GAM 94	GAM 94

13 Capital contributed by Government

This represents the accumulated capital contributions received from the Government of Barbados either by way of cash transfers, loan conversions or transfer of assets to the Corporation.

	2009 \$	2008 \$
Balance - beginning and end of year	<u>30,339,001</u>	<u>30,339,001</u>

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

14 Revaluation surplus

The Corporation's land and buildings at the Pine, St. Michael, Black Rock and Sturges, St. Thomas were revalued by independent real estate valuers in 2009. Valuations were done on the basis of fair market value. The excess of the revaluation over the carrying value of land and buildings has been credited to revaluation surplus.

	2009 \$	2008 \$
Balance - beginning of year	12,241,869	12,241,869
Surplus	9,281,879	-
Balance - end of year	<u>21,523,748</u>	<u>12,241,869</u>

15 Revenue

	Television \$	Radio \$	STV & MCTV operations \$	Other \$	2009 \$	2008 \$
Advertising	3,762,921	3,897,923	-	2,473	7,663,317	12,304,676
Agency and representative commission	(357,551)	(224,029)	-	-	(581,580)	(1,384,874)
Net advertising revenue	3,405,370	3,673,894	-	2,473	7,081,737	10,919,802
Subscriptions	-	-	32,935,091	-	32,935,091	33,956,344
Other revenue (note 16)	291,274	24,758	893,753	75,992	1,285,777	1,527,233
Operating revenue	<u>3,696,644</u>	<u>3,698,652</u>	<u>33,828,844</u>	<u>78,465</u>	<u>41,302,605</u>	<u>46,403,379</u>

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

16 Other revenue

	Television \$	Radio \$	STV & MCTV operations \$	Other \$	2009 \$	2008 \$
Installations and reconnections	—	—	460,593	—	460,593	661,439
Commercial productions and programme materials	32,517	21,258	—	—	53,775	41,887
Gain on disposal of property, plant and equipment	—	—	—	1,300	1,300	22,377
Pay per view	—	—	220,048	—	220,048	205,077
Miscellaneous	258,757	3,500	213,112	74,692	550,061	596,453
	<u>291,274</u>	<u>24,758</u>	<u>893,753</u>	<u>75,992</u>	<u>1,285,777</u>	<u>1,527,233</u>

17 Expenses by nature

	2009 \$	2008 \$
Advertising	965,535	604,836
Staff costs	20,097,881	17,844,114
Depreciation	5,537,079	6,393,489
Charge for impairment of receivables	275,595	543,849
Local and imported programmes	11,911,620	13,574,951
Royalties and rights	487,667	688,428
Other expenses	8,221,151	8,689,509
Total direct and administrative expenses	<u>47,496,528</u>	<u>48,339,176</u>
Staff costs		
Salaries, wages and allowances	15,105,812	13,733,062
National insurance	1,272,361	1,112,510
Pension costs	2,894,012	2,220,464
Other	825,696	778,078
	<u>20,097,881</u>	<u>17,844,114</u>
Number of persons employed	<u>288</u>	<u>260</u>

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

18 Taxation

The tax on deficit before taxation differs from the theoretical amount that would arise using the basic rate of corporation tax for the following reasons:

	2009 \$	2008 \$
Profit before taxation	1,941,178	996,390
Tax calculated at tax rate of 25% (2008 - 25%)	485,295	249,098
Expenses not deductible for tax purposes	113,981	84,972
(Decrease)/increase in deferred tax asset not recognised	(549,276)	(284,047)
Tax effect of commercial building allowance	(50,000)	(50,000)
Prior year over provision - deferred tax	-	(23)
	-	-

The potential deferred tax asset that has not been recognized is comprised of the following:

	2009 \$	2008 \$
Delayed tax depreciation	45,973,767	40,892,614
Unutilized tax losses (note 19)	8,516,520	10,525,815
Taxed provisions	2,173,231	3,408,016
Pension liability	18,075,963	22,110,140
	74,739,481	76,936,585
Deferred tax asset at 25% (2008 - 25%)	18,684,870	19,234,146

19 Tax losses

The following tax losses are available for set off in the future against otherwise taxable income for corporation tax purposes. They have to date not been confirmed nor disputed by the Commissioner of Inland Revenue.

Income year	Losses b/forward \$	Utilised \$	Losses c/forward \$	Expiry date
2003	2,594,932	(2,009,295)	585,637	2012
2004	3,075,054	-	3,075,054	2013
2005	610,525	-	610,525	2014
2006	477,631	-	477,631	2015
2008	3,767,673	-	3,767,673	2017
	10,525,815	(2,009,295)	8,516,520	

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

20 Commitments and contingencies

a) Commitments

At December 31, 2009 the Corporation was committed to the rental of television programmes and broadcast rights in the amount of \$1,314,242 (2008 - \$3,472,531).

b) Contingencies

- i) There are pending litigations against the Corporation arising in the normal course of business. No assessment of the likely outcome or estimates of settlement have been made, but it is not anticipated that any material liabilities will arise from these contingencies.
- ii) There are guarantees held by the Bank of Nova Scotia for US\$500,000 (2008 - US\$300,000) on behalf of Nagravisio for the supply of set top boxes.

21 Related party transactions

Key management compensation

Key management comprises directors and senior management of the Corporation. Compensation for these was as follows:

	2009	2008
	\$	\$
Salaries and other short term benefits	1,361,839	1,249,705
Post employment benefits	114,503	91,450
Directors' fees	27,620	15,400
	<u>1,503,962</u>	<u>1,356,555</u>

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

22 Financial risk management

The Corporation's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, interest rate risk and liquidity risk. The Corporation's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Corporation's financial performance.

The Corporation's exposure and approach to its key risks are as follows:

a) Foreign exchange risk

This is the potential adverse impact on the corporation's earnings and economic value due to movements in exchange rates.

The Corporation's transactions in foreign currencies are mainly for purchases of equipment and programme materials. These transactions are denominated mainly in United States dollars. Since there is fixed exchange rate between the Barbados dollar and the United States dollar there is no significant exposure to foreign exchange risk.

b) Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Corporation. Credit risk arises from cash and cash equivalents, as well as credit exposures to advertising agencies and domestic customers including outstanding receivables and committed transactions with cash and cash equivalents are placed with financial institutions with high credit ratings.

The maximum exposure is as follows:

	2009	2008
	\$	\$
Cash and cash equivalents	820,948	1,333,041
Accounts receivable	6,274,891	7,899,225
	<u>7,095,839</u>	<u>9,232,266</u>

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

22 Financial risk management ...continued

c) Interest rate risk

The Corporation has no interest bearing assets. Interest rate risk arises from borrowings at variable interest rates which exposes the Corporation to cash flow risk. The Corporation is exposed to fair value interest rate risk on the fixed interest loans from Government.

The interest rates on the bank overdraft and loans payable are disclosed in Notes 5 and 11.

At the reporting date, the interest profile of the Corporation's interest bearing financial instruments was:

	2009 \$	2008 \$
Fixed rate instruments		
Financial liabilities	<u>3,566,131</u>	<u>20,652,227</u>
Variable rate instruments		
Financial liabilities	<u>28,700,000</u>	<u>12,655,000</u>

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

22 Financial risk management ...continued

d) Liquidity risk

Liquidity risk refers to the risk that the Corporation will not be able to meet its financial obligations as they fall due.

The Corporation currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Corporation collecting its accounts receivable in a timely manner and maintaining sufficient cash and cash equivalents in excess of anticipated funds. To support the cash flow position, the Corporation has in place a planning and budgeting process to help determine the funds required to support the Corporation normal operating requirements and capital requirements.

The below table is an analysis of the Corporation's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Balances due within 12 months equal their carrying balances. The amounts included in the table below for borrowings and trade and other payables will not reconcile to the balance sheet as they are the contractual cash flows.

	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total \$
At December 31, 2009					
Bank overdraft	4,752,311	–	–	–	4,752,311
Secured bank loans and other loans	8,852,751	4,970,000	12,924,288	23,886,598	50,634,437
Accounts payable and accrued liabilities	7,475,316	–	–	–	7,475,316
Total liabilities (contractual maturity dates)	21,080,378	4,970,000	12,924,288	23,886,598	62,862,064
Cash on hand and at bank	820,948	–	–	–	820,948
Accounts receivable	6,274,891	–	–	–	6,274,891
Assets held for managing liquidity (contractual maturity)	7,095,839	–	–	–	7,095,839

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

22 Financial risk management ...continued

d) Liquidity risk...continued

The table below analyses the Corporation's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total \$
At December 31, 2008					
Bank overdraft	2,938,095	—	—	—	2,938,095
Borrowings	23,172,413	9,586,989	10,194,940	5,598,094	48,552,435
Accounts payable and accrued liabilities	8,080,409	—	—	—	8,080,409
Total liabilities (contractual maturity dates)	34,190,917	9,586,989	10,194,940	5,598,094	59,570,939
Cash and cash equivalents	1,333,041	—	—	—	1,333,041
Accounts receivable	7,899,225	—	—	—	7,899,225
Assets held for managing liquidity (contractual maturity)	9,232,266	—	—	—	9,232,266

e) Fair values

Fair value amounts represents estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists. The fair value of the Corporation's cash and bank balances, accounts receivable and accounts payable are not considered to be materially different from their carrying values, due to the short term nature of these items. The Corporation has no significant available-for-sale financial assets.

The fair value of the long-term liabilities is not considered to be significantly different from their carrying values as the current interest rates on these debts are similar to market rates existing at the balance sheet date.

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

22 Financial risk management ...continued

f) Capital risk management

The Corporation's objective is to provide returns to its shareholder and benefits to other stakeholders and to reduce the cost of capital.

The Corporation uses the gearing ratio to monitor capital. This ratio is calculated as net debt divided by total capital. Net debt is current and long term borrowings less cash. Total capital is shareholder's equity plus net debt.

g) Fair value of financial assets

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no obligation to act and is best evidenced by a quoted market price, if one exists. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value of cash, short term deposits, trade receivables and payables less impairment provision are assumed to approximate their fair values due to their short term nature.

The Corporation adopted amendments to IFRS 7, Financial Instruments - Disclosures for the period ended December 31, 2009, which require all financial instruments measured at fair value to be classified into one of three levels that distinguish fair value measurements by the significance of the inputs used for valuation. Fair value is determined based on the price that would be received for an asset or paid to transfer a liability in the most advantageous market, utilizing a hierarchy of three different valuation techniques, based on the lowest level input that is significant to the fair value measurement in its entirety.

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable or corroborated by observable market data; and
- Level 3 - Unobservable inputs that are supported by little or no market activity

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Corporation considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the Corporation does not consider the instrument to be traded in an active market. The quoted market price used for financial asset held by the Corporation is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments classified as available-for-sale.

Caribbean Broadcasting Corporation

Notes to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

22 Financial risk management ...continued

g) Fair value of financial assets ...continued

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximises the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following table shows financial assets carried at fair value by level of the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Available-for-sale financial assets	-	-	26,287	26,287
Total assets	-	-	26,287	26,287

Specific valuation technique used to value financial instruments is quoted market prices or dealer quotes for similar instruments. Unquoted equity instruments for which fair values cannot be measured reliably are recognised at cost less impairment.

Caribbean Broadcasting Corporation

Additional Information to Financial Statements

December 31, 2009

(expressed in Barbados dollars)

Caribbean Broadcasting Corporation

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For the year ended December 31, 2009

(expressed in Barbados dollars)

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Caribbean Broadcasting Corporation

Statement of Revenue

For the year ended December 31, 2009

(expressed in Barbados dollars)

	2009	2008
	\$	\$
Revenue		
Radio	3,695,152	3,860,358
MCTV	33,615,733	34,822,860
Television	3,437,887	7,099,675
Administration	2,472	1,656
	<u>40,751,244</u>	<u>45,784,549</u>
Other income		
Gain on disposal of asset	1,300	22,377
Other income	<u>550,061</u>	<u>596,453</u>
	<u>551,361</u>	<u>618,830</u>
	<u>41,302,605</u>	<u>46,403,379</u>

Caribbean Broadcasting Corporation

Statement of Income and Expenditure - STV/MCTV Department

For the year ended December 31, 2009

(expressed in Barbados dollars)

	2009	2008
	\$	\$
Income		
Installations	313,533	456,513
Other income	213,112	201,966
Pay per view	220,048	205,077
Reconnections	147,060	204,926
Subscriptions	32,935,091	33,956,344
	<u>33,828,844</u>	<u>35,024,826</u>
Expenses		
Advertising	10,941	4,842
Bad debt expense	98,069	385,501
Circuitry	32,785	21,884
Depreciation	3,626,300	4,392,723
Installation expenses	(265,479)	679,105
General expenses	1,974	1,652
Insurance	—	800
Local travel and entertainment	34	4,036
Membership dues	3,366	1,103
Office expenses	541,906	412,431
Overseas travel and conferences	7,103	—
Performers' (Freelance and Talent) fees	900	44,117
Professional services	388,420	351,967
Programming costs	10,361,370	9,938,115
Rent and accommodation	119,229	110,558
Repairs and maintenance	233,495	44,278
Royalties and rights	52,836	—
Staff costs	2,568,706	2,377,248
Training	2,574	—
Utilities	270,052	336,661
Vehicle expenses	84,565	61,369
	<u>16,139,146</u>	<u>19,168,390</u>
Operating surplus for the year	<u>15,689,698</u>	<u>15,856,436</u>

Caribbean Broadcasting Corporation
Statement of Income and Expenditure - Television Department
For the year ended December 31, 2009

(expressed in Barbados dollars)

	2009 \$	2008 \$
Revenue		
Airtime	3,762,921	8,055,830
Commercial production	29,865	5,454
Miscellaneous	258,757	149,303
Programme material	2,652	1,519
	<u>4,054,195</u>	<u>8,212,106</u>
Less: Agency and Rep. Comm.	357,551	963,128
	<u>3,696,644</u>	<u>7,248,978</u>
Expenses		
Advertising	946,822	558,933
Bad debt expense	54,791	112,610
Circuitry	836	743
Depreciation	474,418	502,202
General expenses	9,196	3,733
Local travel and entertainment	17,548	30,076
Membership dues	13,337	21,508
Office expenses	153,402	129,565
Overseas travel and conferences	71,903	136,493
Performers' (Freelance and Talent) fees	516,294	538,401
Professional services	272,269	209,871
Programming costs	1,314,242	3,472,531
Rent and accommodation	36,877	69,624
Repairs and maintenance	596,196	278,246
Royalties and rights	261,188	566,330
Security	-	6,428
Staff costs	9,147,194	8,108,386
Training	9,024	13,963
Utilities	175,332	173,391
Vehicle expenses	75,956	37,638
	<u>14,146,825</u>	<u>14,970,672</u>
Operating deficit for the year	<u>(10,450,181)</u>	<u>(7,721,694)</u>

Caribbean Broadcasting Corporation

Statement of Income and Expenditure - Radio Department For the year ended December 31, 2009

(expressed in Barbados dollars)

	2009 \$	2008 \$
Revenue		
Airtime	2,965,941	3,340,432
Commercial production	21,258	17,930
Miscellaneous	3,500	4,404
Programme material	—	16,984
Obituaries	931,982	906,758
	<u>3,922,681</u>	<u>4,286,508</u>
Less: Agency and Rep. Comm.	224,029	421,746
	<u>3,698,652</u>	<u>3,864,762</u>
Expenses		
Bad debt expense	84,719	40,747
Circuitry	8,482	7,768
Depreciation	88,721	137,301
General expenses	113	32
Local travel and entertainment	19	3,190
Membership dues	9,372	10,353
Office expenses	2,052	12,599
Overseas travel and conferences	—	18,264
Performers' (Freelance & talent) fees	93,890	66,088
Professional fees	72,158	53,286
Programming costs	236,008	164,305
Rent and accommodation	1,842	1,706
Repairs and maintenance	36,571	16,884
Royalties and rights	173,643	122,098
Staff costs	1,264,648	1,375,874
Training	—	1,550
Utilities	29,482	31,794
Vehicle expenses	2,821	2,889
	<u>2,104,541</u>	<u>2,066,728</u>
Operating surplus for the year	<u>1,594,111</u>	<u>1,798,034</u>

Caribbean Broadcasting Corporation

Statement of Income and Expenditure - Administration Department

For the year ended December 31, 2009

(expressed in Barbados dollars)

	2009 \$	2008 \$
Income		
Airtime	2,473	1,656
Miscellaneous	75,992	263,157
	<u>78,465</u>	<u>264,813</u>
Expenses		
Advertising	7,772	41,061
Bad debts	38,016	4,991
Board fees	27,620	15,290
Circuitry	1,091	1,462
Depreciation	1,347,641	1,361,263
Foreign exchange gain	98	(8,680)
General expenses	516,994	349,716
Insurance	750,131	744,106
Land tax	138,489	149,096
Local travel and entertainment	25,334	67,307
Membership dues	35,807	8,874
Office expenses	496,511	522,040
Overseas travel and conferences	25,077	36,096
Performers' (Freelance and Talent) fees	176,675	208,300
Professional services	355,740	395,162
Rent and accommodation	96,723	127,729
Repairs and maintenance	384,067	256,010
Security	371,406	450,138
Staff costs	7,117,333	5,982,606
Training	59,812	29,109
Utilities	1,063,227	1,311,904
Vehicle expenses	70,456	79,806
	<u>13,106,020</u>	<u>12,133,386</u>
Operating deficit for the year	<u>(13,027,555)</u>	<u>(11,868,573)</u>