

ANNUAL REPORT 2016/17





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Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Stockholders of 1834 Investments Limited will be held at the registered office of the Company, 7 North Street, Kingston, Jamaica, on **Wednesday November 29, 2017 at 10:30 a.m.** for the following purposes:

1. To receive the Directors' Report, Auditors' Report and Audited Financial Statements for the twelve months ended March 31, 2017 and to consider, and if thought fit, pass the following resolution:-

Resolution 1

Resolved that the Directors' Report, Auditors' Report and the Audited Financial Statements for the twelve months ended 2017 March 31, be hereby approved and adopted.

2. To re-elect Directors who have retired from office in accordance with Article 93 of the Company's Articles of Incorporation. The Directors, who have retired from office in accordance with Article 93 aforementioned are Lisa G. Johnston, Joseph M. Matalon, CD and Hon. Douglas O. Orane, CD and all have offered themselves for re-election. To consider, and if thought fit, pass the following resolutions:-

Resolution 2

That Lisa G. Johnston be and is hereby re-elected a Director of the Company;

Resolution 3

That Joseph M. Matalon, CD be and is hereby re-elected a Director of the Company;

Resolution 4

That Hon. Douglas R. Orane, CD be and is hereby re-elected a Director of the Company.



3. To fix the remuneration of the Directors and to consider, and if thought fit, pass the following resolution:-

Resolution 5

Resolved that the Directors' fees agreed and payable for the year ending 2018 March 31, to all non-executive Directors of the Company be and are hereby approved.

4. To re-appoint the retiring auditors and to authorise the Directors to determine their remuneration and to consider, and if thought fit, pass the following resolution:

Resolution 6

Resolved that the retiring auditors, KPMG, Chartered Accountants, having expressed their willingness to continue as auditors of the Company until the conclusion of the next Annual General Meeting, be and are hereby re-appointed and the Directors be authorised to fix their remuneration.

5. To transact any other business which may be transacted at an Ordinary General Meeting.

By Order of the Board

Shena Stubbs-Gibson Company Secretary

October 20, 2017

Note: In accordance with Section 131 of the Companies Act, 2004, a member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him, and such proxy need not also be a member. A proxy form is included at page 79. When completed the form should be deposited with the Company Secretary at the registered office of the Company, 7 North Street, Kingston, Jamaica, not less than 48 hours before the time appointed for the meeting. The proxy form should bear stamp duty of \$100.00.

1834 INVESTMENTS LIMITED

COMPANY PROFILE

1834 Investments Limited (formerly The Gleaner Company Limited) is a locally incorporated and domiciled holding Company for a portfolio of domestic and international investment assets. The Company's main activity is the management of its income generating real estate, bond and equity investments, and the management of its joint venture and subsidiary companies. The shares of the Company are listed on the main market of the Jamaica Stock Exchange as **"1834"**.

COMPANY DATA

REGISTERED OFFICE

7 North Street Kingston, Jamaica

GENERAL MANAGER

Terry Peyrefitte (Acting)

AUDITORS

KPMG
Chartered Accountants
6 Duke Street, Kingston

ATTORNEYS

DUNNCOX 48 Duke Street Kingston

BANKERS

THE BANK OF NOVA SCOTIA (JAMAICA) LIMITED Scotia Bank Centre Kingston, Jamaica

UBS AG Zurich, Switzerland

COMPANY SECRETARY

Shena Stubbs-Gibson

REGISTRAR

SAGICOR BANK JAMAICA LIMITED 28-48 Barbados Avenue Kingston 5

PATTERSON MAIR HAMILTON 85 Hope Road

Kingston 6

THE BANK OF NOVA SCOTIA LIMITED

Toronto, Ontario, Canada

CHAIRMAN'S MESSAGE

Fellow shareholders,

The financial year 2016-2017 was a transitional one for your Company. In March of 2016 your Company completed the historic merger of its media businesses with Radio Jamaica Limited, and forged ahead with its remaining portfolio of diverse non-media investment assets. After more than 180 years in media, your Company was tasked with re-defining itself. I am proud to say that 1834 Investments Limited is today a lean investment operation solely focussed on the efficient management of your investments.

What we have been able to accomplish this past year would not have been possible without the depth of experience and flexibility of your Board of Directors. I would like to express my deep appreciation for their continued commitment to our Company and for their counsel through what was undoubtedly a transformational period for 1834.

Your Company's seamless transition was also made possible through the efforts of a small team of dedicated professionals led by Acting General Manager Terry Peyrefitte, who has anchored the Company's operations throughout and facilitated the Board's new order of business.

The local and international investment environments though dynamic, provided favourable conditions for the net growth of your investments this past year. In reassessing the investment mix we took strategic decisions to realize the gains on certain equities and real estate holdings with attractive market valuations, which yielded your Company over \$100 million in gains. We were faced however with some significant trailing expenses from the prior year's amalgamation with Radio Jamaica Limited which eroded much of this income. These expenses are non-recurring.

Your Board continues to give careful consideration to the future of your Company. With assets of over \$1.8 billion largely in the form of valuable real estate, high quality local and international bonds and equities, and with negligible long-term debt, your company is well positioned to take advantage of market opportunities which will drive shareholder value. In the coming year your Board will continue to assess the opportunities before it, and you can feel assured that the best possible



avenues for maximizing the returns on your Company's assets will continue to be selected.

On behalf of the Board of Directors, I would like to thank you our shareholders for your support during the year and I look forward to seeing you at the Company's Annual General Meeting in November.

Hon. Oliver F. Clarke, OJ, JP, BSc. (Econ.) FCA, Hon. LLD

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Directors' Profiles

Hon. Oliver F. Clarke, OJ, JP, BSc (Econ.) FCA, Hon. LLD-Chairman (since April 1979) and Managing Director (from May, 1976 - January 2011)

The Hon. Oliver F. Clarke is the Chairman and former Managing Director of The Gleaner Company Limited (now 1834 Investments Ltd), the Chairman of the Gleaner Company (Media) Limited and Deputy Chairman of the RJR-GLEANER Communications Group. He is also Chairman of the JN Group and the newly formed JN Bank and serves as a Director of several other companies.

Mr. Clarke was President of the Inter American Press Association (1997/1998) and the Private Sector Organization of Jamaica

(2002/2003). He was awarded three Honorary Degrees of Doctor of Laws in 2009 from the University of The West Indies and from the University of Technology as well as one from the Northern Caribbean University in 2013. Early in 2006 he received the American Friends of Jamaica Humanitarian Award. In 2004 he was made a Caribbean Luminary of the American Foundation for the University of the West Indies for his work both in the Caribbean and internationally. In 1997, he was inducted into the Hall of Fame of the Private Sector



Organization of Jamaica (PSOJ) and in 1990 he received the Americas Award. Oliver Clarke is a Chartered Accountant and a Justice of the Peace.



Mr. Joseph M. Matalon, CD, BSc (Econ.) (Hons)
Director (since October, 1987), Vice Chairman (since January 22, 2015)

Mr. Matalon is Chairman of ICD Group Holdings and a director of a number of its related companies including British Caribbean Insurance Company (BCIC) and West Indies Home Contractors (WIHCON).

Mr. Matalon served three terms as President of the Private Sector Organization of Jamaica (PSOJ); and also served as Chairman of the Development Bank of Jamaica (DBJ) between 2007 and 2016. In 2016 he was appointed Chairman of the Office of Utilities Regulation (OUR). In 2010, Mr. Matalon was appointed the Order of Distinction in the Rank of Commander (CD), in recognition of his contribution to the public and private sectors, and to community service.





Hon. Douglas R. Orane, CD, JP, BSc (Hons), MBA, Hon. LLD Director (since May, 1988)

Mr. Orane is former Chairman and Managing Director of GraceKennedy Limited, is currently a director of that company and a member of other boards. He served as President of the Private Sector Organization of Jamaica (PSOJ) from December 1992 to December 1994 and as Vice President

from December 2001 to February 2003. Mr. Orane served as an Independent Senator in the Senate from 1998 to 2002 and was appointed a member of the Privy Council in 2009. He is an Industrial Engineer and a Justice of the Peace (J.P.).

Mr. Morin M. Seymour, CD, JP, BSc, MBA, FLMI Director (since April, 2000)

He is former Executive Director of Kingston Restoration Company Limited and a director of Kingston Restoration Foundation, Mona Social Services Company, UWI, Mona Campus and a member of other Boards, including PALS Jamaica Limited. He is Chairman of Central Branch All Age School, the Rectoris Warden of the Kingston Parish Church and a Past President of the Jamaica American Friendship Association. In 1979, he obtained the designation of Fellow of the Life Management Institute from LOMA. USA; 1983, received a Certificate in Public Enterprise Policy for developcountries from Harvard University; 1995 designated an Eisenhower Fellow: 1999, received the Governor General's Achievement Award for Surrey, Jamaica; and in 2003, awarded the Prime Ministeris Appreciation Award for Community Development and appointed Honorary visiting Fellow Joseph C. Cornwall Centre for Metropolitan Studies at Rutgers, the State University of New Jersey. In 2004, he received the Prestigious Alumnus Award from the Graziadio School of Business



Management, Pepperdine University, California. In 2011, he received the national award of Commander of the Order of Distinction (CD).



Mrs. Lisa Johnston, BA, MA Director (since April, 2000)

Mrs. Johnston is the Corporate Affairs Manager at the Jamaica Producers Group Limited and is the Honorary Consul for the Republic of Costa Rica. She serves as Vice President of the Jamaica Exporters' Association, is a director of Radio Jamaica Limited and The Gleaner Company (Media) Limited and is a

member of the Jamaica Trade and Adjustment Team in the Ministry of Foreign Affairs and Foreign Trade. Mrs. Johnston was a former Galo Plaza Fellow at the Inter-American Dialogue in Washington D.C.



Carol D. Archer, BA, MA, MURP, MPhil, PhD. Director (since December, 2001)

Dr. Archer is currently Associate Professor and Projects Coordinator of the Faculty of the Built Environment at the University of Technology. Prior to her appointment as Associate Professor, she served as Dean of that faculty from 2006 to 2015 and as Head of School of Building and Land Management Tom July 2004 to 2005 and as Programme Director for the Urban and Regional Planning Programme from February 2000 to June 2004. Dr. Archer currently serves or had

served on boards including National Housing Trust Technical Sub Committee, Scotia Jamaica Building Society, University Council of Jamaica, Town & Country Planning Authority/Natural Resource Conservation Authority (Deputy Chair), Urban Development Corporation Subcommittee on Planning and Development, South East Regional Health Authority (Deputy Chair), National Chest Hospital (Chair), Council for the University of Technology - Jamaica,



National Investment Bank of Jamaica and Water Resources Authority.



Mr. Christopher N. Barnes, JP, BSc, MBA Director (since February, 2008) and Managing Director (from February 2011 - April 2016)

Mr. Barnes is the Chief Operating Officer of Radio Jamaica Limited, Managing Director of The Gleaner Company (Media) Limited since 2016, Chairman of Multi-Media Jamaica Limited and Gleaner Online Limited, and director of other group subsidiaries namely TVJ, RETV, JNN and IRC. Mr. Barnes also serves on external boards including JN Life Insurance Company Limited,

PanJam Investment Limited, PALS Jamaica Limited, Media Association Jamaica Limited (MAJ), Caribbean News Agency (CANA), Caribbean Media Corporation (CMC), and Inter American Press Association (IAPA). He has a Mechanical Engineering degree from Boston University and a graduate degree in Finance and International Business (MBA) from McGill University.

Ms. Elizabeth (Betty Ann) Jones, CD, FCA (Ja.), FCCA (UK), BSc Director (since November 2014)

Ms Jones is a retired Senior Partner of KPMG in Jamaica, former Head of the firm's Tax practice and past Chairman of KPMG CARICOM, a regional governance entity comprising KPMG member firms in Barbados, the Eastern Caribbean, Jamaica and Trinidad and Tobago. She has served on several tax reform committees and was seconded to the Ministry of Finance, between 1989 and 1992, as special advisor to the Minister. Ms Jones

also served as Chairman of the Trade Board and Fiscal Services Limited and on the Committee to Review and Eliminate Waste in the Public Sector.

She has served on a Committee to review the Government of Jamaica's Tax system, as a member of the Divestment Committee responsible for the divestment of Government-owned sugar factories, and as a member of the Tax Policy and Tax Administration Working



Group under the Partnership for Transformation Project in Jamaica.



HONORARY CHAIRMAN

Hon. John J. Issa, OJ, CD, JP, BSC, HON. LLD Director (February, 1975 - June, 2003), Vice Chairman (from July, 2003 -January 22, 2015) and Honorary Chairman (since January 23, 2015)

He serves as Chairman of SuperClubs International Limited and its subsidiaries. Mr. Issa is also trustee of the Bustamante Foundation. He served as a member of the Senate (1983-1989) and as Chairman of the Jamaica Tourist Board (1984 -1989). In 1999 and Honorary Degrees of Doctor of Consul of Serbia. Laws (Honoris Causa) from the

Northern Caribbean University and the University of the West Indies, respectively. In 2005, he received the Trail Blazer Award from the Jamaica Tourist Board and in 2007, the Lifetime Achievement Award in Travel and Tourism - Caribbean World Awards. Mr. Issa is also a 2009, Mr. Issa was awarded the Justice of the Peace and Honorary



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The following Management Discussion and Analysis (MD&A) is intended to help readers, shareholders and customers understand 1834 Investments Limited (formerly The Gleaner Company Limited), its operations and present business environment. The MD&A provides supplemental information to the Chairman's report and should be read in conjunction with the financial statements and accompanying notes contained therein.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS

The management of 1834 Investments Limited is responsible for the integrity and objectivity of the information contained in the MD&A. The information presented herein was reviewed by the Board of Directors. Management believes the information presented herein represents an objective review of the Group's performance over the past 12 months and short-term prospects.

THE BUSINESS

For the financial year under review, your Company generated revenue from its investments in securities, bonds, equities and real estate. Income was earned from interest and dividends paid on corporate bond and equity holdings, rent on commercial real estate assets, leases, loans and other income generating contracts.

THE ENVIRONMENT

Local and international investment conditions continue to be dynamic and have seen many factors at play over the last year, which by and large have been positive for your investments. The Jamaican economy grew almost 2% in 2016 and macroeconomic indicators have been stable and trending favourably. In November 2016 Moody's Rating Agency upgraded the country's long-term foreign currency rating from Caa2 to B3 with stable outlook, while Fitch Rating Agency reconfirmed a B rating with stable outlook in February of 2017. This confidence facilitated appreciation in your local equity and real estate portfolios and provided a stable platform for the continued growth of local Corporates in which your Company has various fixed income investments.

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1834 INVESTMENTS LIMITED

On the international front, financial markets were more volatile but largely encouraging. Overseas capital markets were sensitive to various geopolitical developments in the US and the UK, including the US elections and Brexit, and to concerns for the impact of rising US interest rates, global terrorism, oil price volatility and slower growth in China. Your Company engages various local and overseas based investment advisors to actively monitor the foreign markets and to make recommendations which ensure optimal risk/return. Your portfolio of foreign bonds and equities continued to enjoy healthy returns over the period and we consider the short to medium term prospects positive.

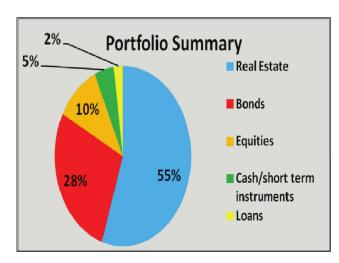
OPERATIONAL

1834 Investments Limited completed its first year of operation as a stand-alone investment entity in March of 2017, having divested its media portfolio to Radio Jamaica Limited ("RJR") the prior period.

INVESTMENTS

As at March 31, 2017 your Group held the following direct investments:

Portfolio	2017				
Summary	\$'000	%			
Real Estate	804,858	55%			
Bonds	405,479	28%			
Equities	153,170	10%			
Cash/short term instruments	66,962	5%			
Loans	32,055	2%			
Total	1,462,524	100%			



Investments of \$1,463 million (2016: \$1,675) were reduced year over year arising from the sale of certain local equities and from the early redemption of a Royal Bank of Scotland PLC investment note. Adjusted for these and other withdrawals or additions, the average return was 10.6% (excluding real estate) inclusive of asset appreciation, foreign exchange gains and reinvested investment income.



The bond portfolio contained a wide mix of local and foreign corporate issuers of notes with maturities 1-7 years out. Over one-half the bonds (by value) were investment grade issuers.

Equities were also widely diversified representing stocks of high quality local and overseas companies in North America, U.K., Europe and Asia.

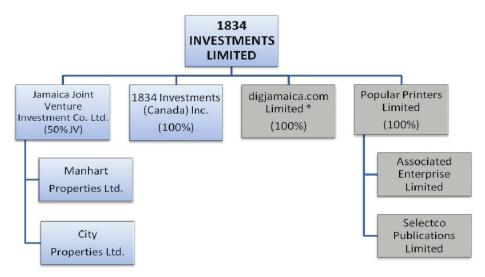
Portfolio adjustments over the period resulted in real estate assets shifting to >50% of the portfolio mix. The properties held were as follows:

Property Type	Location
Commercial offices	7 North Street, Kingston
Commercial offices	9 King Street, Montego Bay
Commercial lots	Newport West, Kingston
Commercial offices	4 Bradley Avenue, Kingston
Commercial offices	1390 Eglinton Avenue, Canada (sold subsequent to year-end)
Commercial warehouse	146 Harbour Street, Kingston
Commercial lots	101A, 103, 105 East Street & 66C, 66D John's Lane, Kingston

All properties (with the exception of #4 Bradley Avenue) are tenanted and generate rental income. Pursuant to the Scheme of Arrangement for Amalgamation, the land and building located at 7 North Street, as well as the five vacant lots situated at 101A, 103 & 105 East Street and 66C & 66D John's Lane which are utilised for parking are now subject to a fifteen year lease arrangement with Radio Jamaica Limited. This Lease was finalised subsequent to year-end. Portions of the commercial office space at 9 King Street, Montego Bay and at 1390 Eglinton Avenue in Canada are also subject to lease arrangements with Radio Jamaica Limited.

SUBSIDIARY AND ASSOCIATED COMPANIES

As at March 31, 2017, the Company's organisational structure was as follows:



^{*} digjamaica.com Limited is undergoing a name change to Compass Investments Jamaica Limited.

1834 Investments Limited has five subsidiaries and a joint venture associate. Four of the group's subsidiaries remained dormant during the year and are in the process of winding-up. The dormant companies are digjamaica.com Limited, Popular Printers Limited, Associated Enterprise Limited and Selectco Publications Limited. These subsidiaries formerly held media assets and operations which were divested in 2016 to Radio Jamaica Limited.

1834 Investments (Canada) Incorporated owned a 50% share of commercial property located in Toronto, Canada which was sold subsequent to year-end. This subsidiary is scheduled for winding-up within the next financial year.

Jamaica Joint Venture Investment Company Limited (JJVI) is the holding company for two commercial real estate investments at 34 and 40 Duke Street, Kingston. The properties are held by subsidiary companies City Properties Limited and Manhart Properties Limited and are fully tenanted. Your Company is a 50% joint venture partner in this real estate holding company.

FINANCIAL RESULTS:

The figures shown below are for the twelve month period to March 31, 2017. Prior period comparatives to March 31, 2016 represent a fifteen month period, arising from the change in financial year end from December 31 to March 31. This should be considered when evaluating the comparative financial information provided.

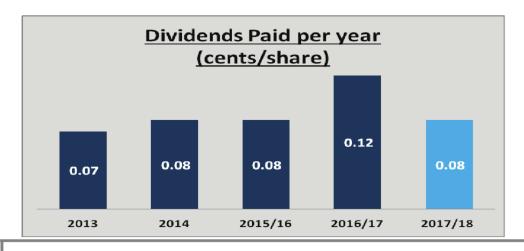
FINANCIAL HIGHLIGHTS:	2017	2016 (15 months)
Profit attributable to shareholders (\$ million)	\$12	\$7
Earnings per share (cents)	1.02	0.56
Total Revenue (\$million)	\$199	\$205
Total Equity (\$million)	\$1,777	\$1,815
Book value per share	\$1.47	\$1.50
Closing Share price (end of financial year/period)	\$1.55	\$2.00
Dividend per stock unit	\$0.12	\$0.08
Dividend yield	8%	4%

SHAREHOLDER RETURN

A first interim dividend of 8 cents per stock unit was paid on September 16, 2016 to shareholders on record at the close of business on August 22, 2016.

A second interim dividend of 4 cents per stock unit was paid on December 7, 2016 to shareholders on record at the close of business on November 18, 2016.

Taken together your Company paid a dividend of 12 cents (2016: 8 cents) per stock unit during the year at a cost of \$145 million (2016: \$97 million). This was a fifty percent increase over the previous period.



At the time of publication of this Annual Report, your Company had paid a first interim dividend of 8 cents per stock unit on May 30, 2017 to shareholders on record at the close of business on May 5, 2017.

INCOME STATEMENTS

1834 Investments Limited recorded group profits of \$12.3 million after tax for the 12 months to March 31, 2017, almost doubling the \$6.7 million recorded in the prior comparative period (which spanned fifteen months arising from the change of financial year end). These results represent the first full year of the company's investment operations, without the former media businesses (or "discontinued operations") which were sold to RJR on March 24, 2016 pursuant to a Scheme of Arrangement for Amalgamation.

REVENUE

Your Group generated revenues of \$199 million for the 12 months to March 31, 2017 compared with \$205 million for the fifteen months period before. Operating revenue was \$61 million (2016: \$197 million) comprised of interest income, rental income and dividends. Operating revenue reflected a sharp downward adjustment resulting from a reduction in the Group's investment base, associated with payments (merger costs and deferred taxes arising from the prior period amalgamation with RJR) which were largely settled from investments.

Over the period, the Group's investments were reassessed and the decision was taken to realize the gains on certain equities and real estate holdings in the portfolio with attractive market valuations. These gains contributed over \$100 million of the Group's \$138 million of Other Income (2016: \$8 million).

EXPENSES

Group expenses of \$104 million (2016: \$38 million) increased on account of several one-off charges which were incurred in connection with the prior period's media business disposal. The one-off charges (totalling approx. \$50 million) are comprised of trailing expenses and transactions pursuant to the Scheme of Arrangement for Amalgamation with Radio Jamaica Limited, as well as professional and legal fees incurred in the management of the new investment business.

TAXATION

Taxation charge for the year includes an amount of \$48 million not related to current year activities.

Your Company was assessed an additional \$63 million in PAYE and income taxes as a result of an audit for the year 2010. Your Company has filed an objection to this assessment with the Tax Administration Jamaica and has made no provision in its accounts for this assessment.

GROUP STATEMENT OF FINANCIAL POSITION

ASSETS

Total assets of \$1,876 million (2016: \$2,166 million) were less than the period before largely on account of cash used to settle various large expenses over the period, including tax obligations which had been deferred on pension fund assets. Certain real estate assets were also reclassified from "Investment Properties" to "Assets Held for Sale" in keeping with the decision to reposition some investments in the portfolio. Three commercial properties were listed for sale in the period, one of which was sold subsequent to year-end.

PENSION FUND RECEIVABLE

A receivable of \$90 million (2016: \$206 million) remains due to the Company arising from the discontinuation of the defined benefit pension fund. Over the period your Company continued to transfer assets out of the Fund to facilitate its final winding-up, which is expected before the end of the next financial year. At March 31, 2017 the Fund had three assets remaining, one of which was sold subsequent to year-end. There are no remaining members in the Fund.

LIABILITIES AND EQUITY

Total liabilities of \$99 million (2016: \$351 million) declined during the year as the Company liquidated its tax liabilities and reduced its accounts payable. Total equity

attributable to the equity holders of 1834 was \$1,777 million at year-end (2016: \$1,815 million).

RISK MANAGEMENT

Your Company is exposed to various business and financial risks including market risks such as interest rate risk, currency risk, credit risk and liquidity risk, as well as legal or regulatory risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risks.

Your Company manages the risk profile of its investments by conducting regular reviews of its investment portfolio to identify and quantify the various risks and to set appropriate limits and make ongoing adjustments as necessary. Your Company also reviews its operations not less than quarterly to assess other risks and to ensure policies to mitigate any adverse outcomes are in place and remain effective.

The Group has a well-established governance structure which satisfactorily protected against financial and operational risks during the period. The risk management framework and mitigation strategies employed during the year continue in effect.

Looking Forward

Your Board will continue to focus its efforts on maximizing the returns of the Company's diverse portfolio of assets, for the benefit of its many shareholders. With assets of over \$1.8 billion largely in the form of valuable real estate, high quality local and international bonds and equities, and with negligible debt, your Company continues to be well positioned to take advantage of market opportunities which further drive shareholder value.

CORPORATE GOVERNANCE

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

BOARD RESPONSIBILITIES:

The Board is responsible for:

- I. Providing leadership by setting the corporate policies and strategic aims of the Company and monitoring the achievement of same.
- II. Ensuring that the necessary financial and human resources are in place for the Company to meet its objectives.
- III. Setting the Company's values and standards and ensuring that its obligations to its shareholders and other stakeholders are understood and met.
- IV. Scrutinizing the performance of management with regards to meeting agreed goals and objectives, and monitoring the reporting of performance.
- V. Deciding on and approving matters to include:
 - Major funding proposals, investments, acquisitions and divestments including the group's commitments in terms of capital and other resources;
 - ii. Annual budgets and financial plans of the Company;
 - iii. Internal controls and risk management strategies and execution; and
 - iv. Appointment of directors including the Managing Director.

BOARD COMPOSITION

As at March 31, 2017, the Board was comprised of eight (8) Directors and chaired by The Hon. Oliver Clarke, OJ, a non-executive Chairperson. Four (4) of the eight (8) Directors were independent of the Company, its subsidiaries and affiliates.

In determining whether a Board member is independent, the Board considers whether there are circumstances which are likely to affect, or could appear to affect, the member's judgment and thereby independence. A Director is not considered independent if the Director:

- has been employed to the Company within the last three years;
- has, or has had, within the last three years, a material business relationship with the company either directly, or as a partner, major shareholder, Director or senior executive of a body that has had such a relationship with the Company;
- has direct family ties with any of the Company's directors, senior executive, or any of the Company's advisors;
- has participated or participates in the Company's share option, or any of the Company's performance-related pay schemes within the last three years;
- has received or receives from the Company, remuneration additional to a Director's fee; or
- represents a significant shareholder in the Company.

BOARD SUCCESSION

All Directors are subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals in keeping with the company's articles. Subject to re-election/election, directors appointed to the Board may serve on the Board until he or she attains the age of seventy-five (75) years.

BOARD COMPENSATION

The shareholders determine the remuneration of the non-executive Directors within the guidelines set out in the Articles of Incorporation. Executive Directors receive no remuneration.

The level of compensation of Directors aims to reflect the time, commitment and responsibilities of the role and consists of a package appropriate to attract, retain and motivate the directors of the quality required. The compensation is competitive and subject to regular review.

BOARD MEETINGS

Six directors' meetings were held from April 1, 2016 to March 31, 2017, as follows: 2016: April 14, May 12, July 14, September 26 and October 13. 2017: January 12.

The meeting attendance by the Directors is reflected in the Table below.

ATTENDANCE RECORD FOR DIRECTORS 1834 BOARD MEETINGS April 2016 to March 2017 (6 Meetings)

Name of Directors	Total
Hon. Oliver F. Clarke, OJ (Chairman)	6
Hon. John Issa, OJ (Honorary Chairman)	5
Joseph M. Matalon, CD (Vice-Chairman)	3
Morin Seymour, CD	5
Christopher Barnes	5
Hon. Douglas Orane, CD	3
Carol Archer	4
Lisa Johnston	6
Betty Ann Jones, CD	6

COMMITTEES OF THE BOARD

To ensure that specific issues are subject to in-depth and timely review, certain functions have been delegated to various Board committees, which would submit their recommendations or decisions to the Board. The Board committees constituted by the Board are: Corporate Governance and Nomination Committee, Audit Committee and Compensation Committee. The first two are described briefly below:

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE

The purpose of this committee is to strive to achieve global corporate governance best practice standards.

The Members of the committee as at March 31, 2017 were:

Hon. Douglas R. Orane (Chairman/Non Executive Director) Lisa Johnston (Non Executive Director) Carol D. Archer (Non Executive Director)

The committee assists the Board with:

- Organizing and executing the annual review of the Board's performance and the performance of individual directors.
- Establishing, monitoring, reviewing and recommending to the Board, the corporate governance policies and procedures by which the Company and the Board shall be guided.
- The promotion of high standards of corporate governance based on the principles of openness, integrity and accountability, taking into account any existing legal and regulatory framework to which the Company may be accountable.
- Keeping up to date on corporate governance developments so as to ensure the Group's governance practices are in line with best practices.

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- Monitoring and reviewing issues regarding the Company's conduct of its business as a responsible corporate citizen and to this end to review and revise (and where necessary, create) existing ethical standards, rules, codes of the Company for compliance with best practices, for the approval of the Board.
- Reviewing the composition, operation and effectiveness of the Board committees and to this end make recommendations to the Board to enhance performance and effectiveness.
- Seeing to the development and implementation of a Board induction process which includes ensuring the orientation of new Directors and appropriate training for all Directors.
- Ensuring systems are in place to bring possible conflicts of interest of Directors and related party transactions to the attention of the Board, and in addition, to make relevant proposals to the Board in accordance with the Company's corporate governance code.
- The nomination of new Directors and review of the existing Directors.
- Reviewing, at regular intervals and at least once a year, the Company's succession plan in respect of senior executive positions within the Group.

CORPORATE GOVERNANCE CODE

The Company's first Corporate Governance Code was approved by the Jamaica Stock Exchange in 2014. The Code was reviewed during the period and can be found on the Company's website at:

http://1834investments.com/pdf/1834investments-corporate-governance-code.pdf

AUDIT COMMITTEE

The Audit Committee of the board reviews financial performance and budgets, assesses operational risk and mitigation plans, and makes recommendations to the board for decision.

The Members of the committee as at March 31, 2017 were:

Elizabeth (Betty Ann) Jones, (Chairman/Non Executive Director)
Joseph M. Matalon, (Non Executive Director)
Lisa Johnston (Non Executive Director)
Hon. Douglas Orane (Non Executive Director)

The roles and responsibilities of the Audit Committee include:

- Monitoring the financial objectives of the Company and Company's financial performance.
- Ensuring that the Company is compliant with the relevant reporting standards.
- Making formal financial announcements relating to the Company's financial performance.
- Reviewing and monitoring the external auditors' independence, objectivity and effectiveness of the audit process, taking into account relevant Jamaican professional and regulatory requirements.
- Monitoring and reviewing the effectiveness of the Company's internal audit functions.
- Considering, approving and recommending to the Board, the Group's annual operating and capital budgets.



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INDEPENDENT AUDITORS' REPORT

To the Members of 1834 Investments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 1834 Investments Limited ("the company") comprising the separate financial statements of the company and the consolidated financial statements of the company and its subsidiaries ("the group"), set out on pages 33 to 75 which comprise the group's and company's statement of financial position as at March 31, 2017, the group's and company's income statements, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at March 31, 2017, and of the group's and company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

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

R. Tarun Handa Cynthia L. Lawrence Rajan Trehan Norman O. Rainford Nigel R. Chambers

W. Gihan C. De Mel Nyssa A. Johnson Wilbert A. Spence Rochelle N. Stephenson



To the Members of 1834 Investments Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

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

Key audit matters and how they were addressed in our audit

1. Valuation of investment properties

The valuation of the group's investment properties requires significant estimation, which is impacted by uncertainty of market factors, pricing assumptions and general business and economic conditions.

Our audit procedures in this area included the following:

- Evaluating the director's valuation to determine that the valuation was free of management bias;
- Involving valuation specialists to review the underlying assumptions utilised to value the properties and performed a search for similar transactions and listings;
- Inspecting a sample of investment properties to evaluate their physical condition and considered evidence of damage or impairment that might affect the fair value measurements; and
- Assessing the adequacy and appropriateness of the group's investment property disclosures, including the valuation techniques and significant unobservable inputs in accordance with IFRS 13, Fair Value Measurement.



To the Members of 1834 Investments Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

2. Valuation of investments

The group's investments measured at fair value include corporate and municipal bonds classified as available-for-sale and categorized as Level 2 in the fair value hierarchy, as no quoted prices are available for these instruments. Valuation of these instruments although based on observable inputs, involves the exercise of judgement and the use of assumptions. Management used valuation techniques which required inputs such as market yields obtained from established yield curves. The risk is that these valuations may be misstated.

Our audit procedures in this area included the following:

- Challenging the reasonableness of yield/prices by comparison to independent third party pricing sources;
- Assessing the reasonableness of significant assumptions used by such third-party pricing sources;
- Involving our own valuation specialists to determine/obtain yields/prices of specific securities and comparing these to those used by management; and
- Assessing the adequacy of disclosures including the degree of estimation involved in determining fair values.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended March 31, 2017 but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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



To the Members of 1834 Investments Limited

Report on the Audit of the Financial Statements (continued)

Other Information (continued)

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



To the Members of 1834 Investments Limited

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 31 to 32, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

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

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

The engagement partner on the audit resulting in this independent auditors' report is Rochelle Stephenson.

Chartered Accountants Kingston, Jamaica

July 14, 2017

KPMG



To the Members of 1834 Investments Limited

Appendix to the Independent Auditors' report

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

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



To the Members of 1834 Investments Limited

Appendix to the Independent Auditors' report (continued)

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

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

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

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

1834 INVESTMENTS LIMITED MARCH 31, 2017

Statements of Financial Position

	NOTES	NOTES GROUP		COMPANY		
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	
Assets						
Property, plant and equipment	4	15,644	20,923	15,641	20,920	
Investment properties	5	569,239	810,787	569,239	757,326	
Long-term receivables	6	32,055	52,780	32,055	52,780	
Interest in subsidiaries	7	-	-	1,413	1,413	
Interest in associate	8	245,079	235,035	53,235	53,235	
Investments	9	575,033	775,328	508,701	723,881	
Pension fund receivable	10	-	26,040		26,040	
Deferred tax assets	11	618	618			
Total non-current assets		1,437,668	1,921,511	1,180,284	1,635,595	
Cash and cash equivalents	12	7,678	27,386	3,479	18,445	
Securities purchased under resale agreements	13	42,900	8,930	42,900	8,930	
Trade and other receivables	14	52,775	18,414	121,555	55,918	
Taxation recoverable		9,616	9,616	-	-	
Assets held for sale	5,15	235,619	-	179,242		
Current portion of pension fund receivable	10	89,794	179,938	89,794	179,938	
Total current assets		438,382	244,284	436,970	263,231	
Total assets		1,876,050	2,165,795	1,617,254	1,898,826	
Equity						
Share capital	16	605,622	605,622	605,622	605,622	
Reserves	17	1,171,724	1,209,113	900,220	944,173	
Total equity attributable to equity holders						
of parent		1,777,346	1,814,735	1,505,842	1,549,795	
Liabilities						
Deferred tax liabilities	11	29,400	165,706	23,136	_145,180	
Total non-current liabilities		29,400	165,706	23,136	145,180	
Accounts payable	18	51,094	95,033	70,066	113,530	
Taxation payable		18,210	90,321	18,210	90,321	
Total current liabilities		69,304	185,354	88,276	203,851	
Total liabilities		98,704	351,060	111,412	349,031	
Total equity and liabilities		1,876,050	2,165,795	1,617,254	1,898,826	

The financial statements on pages 33 to 75 were approved for issue by the Board of Directors on July 14, 2017 and signed on its behalf

Hon. O. F. Clarke, O.J

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

1834 INVESTMENTS LIMITED MARCH 31, 2017

(Twelve month period with fifteen month comparatives)

Income Statements

	NOTES	GROUP		NOTES GROUP		COMPANY	
		2017 S'000	2016 S'000	2017 S'000	2016 \$'000		
		3 000	3 000	3 000	3 000		
Revenue	19(a)	60,784	196,518	58,940	196,518		
Operating income Other income	19(a) 19(b)	138,240	8,217	172,036	8,217		
		199,024	204,735	230,976	204,735		
Administration expenses		(19,092)	(5,303)	(19,092)	(5,303)		
Other operating expenses		(85,037)	(33,171)	(_80,670)	(_33,171)		
	20	(<u>104,129</u>)	(38,474)	(99,762)	(_38,474)		
Profit from operations		94,895	166,261	131,214	166,261		
Finance costs		(_2,707)	(2,931)	(_2,707)	(_2,904)		
Profit from operations before other income		92,188	163,330	128,507	163,357		
Gain on the disposal of subsidiary		-	54,729	-	-		
Share of profit from interest in associate, net of tax		10,044	45,611				
Profit from operations before taxation		102,232	263,670	128,507	163,357		
Taxation (charge)/credit	21	(<u>89,885</u>)	18,494	(<u>89,885</u>)	18,494		
Profit for the year/period from operations		12,347	282,164	38,622	181,851		
(Loss)/profit for the year/period from discontinued operations, net of tax	26(iii)		(_275,428)		30,193		
Profit for the year/period		12,347	6,736	38,622	212,044		
Dealt with in the financial statements of:							
Parent company		38,622	212,044				
Subsidiaries Associate	8	(36,319) _10,044	(250,919) 45,611				
		12,347	6,736				
Earnings per stock unit:							
Based on stock units in issue	22	1.02¢	0.56¢				
Excluding stock units in GCLEIT	22	1.05¢					

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

1834 INVESTMENTS LIMITED MARCH 31, 2017

(Twelve month period with fifteen month comparatives)

Statements of Profit or Loss and Other Comprehensive Income

	NOTES	GR	GROUP		COMPANY	
		2017 \$'000	<u>2016</u> S'000	2017 \$'000	2016 \$'000	
Profit for the year/period		12,347	6,736	38.622	212,044	
Other comprehensive income: Items that will never be reclassified to profit or loss			(2(020)		(100.010)	
Revaluation of land and buildings Remeasurement of employee benefits obligation Transferred on amalgamation		-	(26,932) (1,500) 1,500	-	(109,018) (1,500) 1,500	
Related tax on revaluation and remeasurement	21(c)	140,876	6,735	<u>126,614</u>	27,257	
Items that may be reclassified to profit or loss Fair value adjustments on available-for-sale investments Currency translation differences on foreign subsidiaries		140,876 (48,955) (532) (49,487)	83,267 - 83,267	126.614 (63,839) —- (63,839)	31,832 - 31,832	
Other comprehensive income/(loss) for the year/period, net of taxation		91,389	63,070	62,775	(49,929)	
Total comprehensive income for the year/period		<u>103,736</u>	<u>69,806</u>	<u>101,397</u>	<u>162,115</u>	
Dealt with in the financial statements of: The company Subsidiaries Associate	8	101,397 (7,705) _10,044 	162,115 (137,920) _45,611 _69,806			

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



1834 INVESTMENTS LIMITED

MARCH 31, 2017

(Twelve month period with fifteen month comparatives)

Group Statement of Changes in Equity

	Share capital \$'000	Capital reserves \$'000	Fair value reserves \$'000	Reserve for own shares \$'000	Retained profits \$'000	Total equity \$'000	
Balances as at December 31.2014	605.622	1.032.426	57.173	(156.338)	1.134.142	2.673.025	
Total comprehensive income for the period:							
Profit for the period					6,736	6.736	
Caret Comprehensive monte (1988). Fair value adjustments on available-for-sale investments	•		83,267			83,267	
Revaluation of land and buildings Deferred tax on revalued assets		(26,932) 6,735				(26,932) 6,735	
Other comprehensive income for the year, net of taxation		(20,197)	83,267		1	63,070	
Total comprehensive income for the period		(20,197)	83,267		6,736	908'69	
Transactions with owners, recorded directly in equity:							
Dividends (note 23) Share-based payment transactions (note 24)			7.7		(94,067) 136	(94,067) 136	
Own shares purchased by Gleaner Company Limited Damployee Investment Trast (GCLET) Net assets transferred on annigannation [note 26(vii)]		56.779	(1369)	7,181	(95/2968)	7,181	
Total contributions by and distributions to owners		56,779	(1369)	7,181	(_990,687)	(958,096)	
Balances as at March 31, 2016	605,622	1.069,008	139,071	(149,157)	150,191	1.814,735	
Total comprehensive income for the year:							
Profit for the year Other commencement for the user			-		12,347	12,347	
Fair value adjustments on available-for-sale investments Currency translation differences on foreign subsidiaries		. 532)	(48,955)			(48,955) (532)	
Deferred tax on revalued assets		140,876				140,876	
Other comprehensive income for the year, net of taxation		140,344	(48,955)			91,389	
Total comprehensive income for the year, net of taxation		140,344	(48,955)		12,347	103,736	
Transactions with owners, recorded directly in equity:							
Dividends (note 23), being total contributions by and distributions to owners	-		-		(_141,125)	(_141,125)	
Balances at March 31, 2017	605,622	1,209,352	90,116	(149,157)	21,413	1,777,346	

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

1834 INVESTMENTS LIMITED

MARCH 31, 2017 (Twelve month period with fifteen month comparatives)

Company Statement of Changes in Equity

	Share capital \$'000	Capital reserves \$'000	Fair value reserves \$'000	Retained profits \$'000	Total equity S'000
Balance at December 31, 2014	605,622	<u>791,235</u>	_55,804	1,048,577	2,501,238
Total comprehensive income for the period					
Profit for the period Other comprehensive income:				212,044	212,044
Fair value adjustments on available-for-sale investments	-	- (100.010)	31,832	-	31,832
Revaluation of land and buildings Deferred taxation revalued assets	-	(109,018) 27,257	-	-	(109,018) 27,257
Total other comprehensive income, net of taxation		(81,761)	31,832		(49,929)
Total comprehensive income for the period		(<u>81,761</u>)	31,832	212,044	162,115
Transactions with owners, recorded directly in equity Dividends (note 23) Share-based payment transactions (note 24) Transferred on amalgamation	- - - 	- - - -		(96,900) 136 (1,016,794) (1,113,558)	(96,900) 136 (1,016,794) (1,113,558)
Balances as at March 31, 2016	605,622	709,474	87,636	147,063	1,549,795
Total comprehensive income for the year Profit for the year Other comprehensive income: Fair value adjustments on available-for-sale investments Deferred taxation on revalued assets	<u></u>	<u>-</u> - 126,614	(63,839)	38,622	38,622 (63,839) _126,614
Total other comprehensive income for the year, net of taxation		126,614	(<u>63,839</u>)		62,775
Total comprehensive income for the year		126,614	(<u>63,839</u>)	38,622	101,397
Transactions with owners, recorded directly in equity Dividends (note 23)				(_145,350)	(_145,350)
Balances at March 31, 2017	605,622	836,088	23,797	40,335	1,505,842

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

1834 INVESTMENTS LIMITED MARCH 31, 2017

(Twelve month period with fifteen month comparatives)

Statements of Cash Flows

	NOTES	Gr	oup	Company		
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	
Cash flows from operating activities						
Profit for the year/period		12,347	6,736	38,622	212,044	
Adjustments to reconcile profit to net cash provided						
by operating activities:						
Depreciation	4(a),(b)	5,448	98,466	5,448	58,597	
Amortisation		-	3,495	-	3,495	
Gain on disposal of subsidiary Current income tax	21(a)	85,315	(54,729) 176,972	85,315	178,362	
Deferred taxation	21(a) 21(a)	4,570	(195,902)	4,570	(196,856)	
Employee benefits obligation	21(a)	4,570	12,415	4,570	(190,830)	
Gain on disposal of property, plant and equipment			(2,764)		(2,227)	
Equity settled share-based payment transactions	24	_	136	-	136	
Interest income	19(a)	(45,850)	(196,518)	(46,058)	(196,518)	
Interest expense	15 (4)	2,707	2,931	2,707	18,665	
Decrease in fair value of investment properties		5,929	-	8,845	-	
Impairment loss	20	9,974	-	9,974	-	
Share of profit of associate, net of tax	8	(10,044)	(45,611)	-	-	
(Gain)/loss on disposal of investments		(104,531)	7,181	(104,531)	-	
Loss on sale of finance lease		25,361	-	25,361	-	
Translation adjustment		(8,774)	$(\underline{3})$ (187,195)	30,253	75,698	
Tax paid		(157,426)	(109,699)	(157,426)	(100,010)	
Interest paid		(2,707)	(2,931)	(2,707)	(18,665)	
Trade and other receivables		(37,274)	(35,051)	(65,641)	(99,731)	
Inventories and goods-in-transit		-	61,518	-	82,225	
Securities purchased under agreements for resale		(33,970)	(135,734)	(33,970)	(7,188)	
Accounts payable		(43,355)	123,642	(43,463)	(48,747)	
Deferred income		-	(10,274)	-	3,023	
Employee benefits obligation payments		-	(4,900)	-	(2,925)	
Pension fimd receivable		116,184	258,080	<u>116,184</u>	70,748	
Net cash used by operating activities		(167,322)	(_42,544)	(<u>156,770</u>)	(45,572)	
Cash flows from investing activities						
Interest received		45,706	195,917	45,914	195,917	
Acquisition of investment in associate	44 > 0 >	- 1.60	(53,085)	- 1600	(53,085)	
Additions to property, plant and equipment	4(a),(b)	(169)	(41,924)	(169)	(12,739)	
Proceeds from sale of property, plant and equipment Cash and cash equivalents disposed of		-	8,333	-	4,454	
Proceeds from sale of finance lease		25,361	(6,227)	25,361	-	
Effects of amalgamation		25,501	(38,338)	23,301	_	
Investments, net		247,838	(19,264)	246,045	(14,151)	
Long-term receivable		(29,997)	24,315	(29,997)	18,665	
Acquisition of intangible assets		-	(<u>6,421</u>)	-	-	
Net cash provided by investing activities		288,739	63,306	287,154	139,061	
Cash flows from financing activities						
Long-term liabilities		-	47,152	-	(7,865)	
Dividends paid	23	(141,125)	(<u>94,067</u>)	(145,350)	(<u>96,900</u>)	
Net cash used by financing activities		(141,125)	(46,915)	(145,350)	(104,765)	
Net decrease in cash and cash equivalents		(19,708)	(26,153)	(14,966)	(11,276)	
Cash and cash equivalents at beginning of the year		27,386	53,539	18,445	29,721	
Cash and cash equivalents at end of the year		7,678	27,386	3,479	18,445	
and the square of the join						

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

1834 INVESTMENTS LIMITED

Notes to the Financial Statements March 31, 2017

(Twelve month period with fifteen month comparatives)

1. Identification

1834 Investments Limited, formerly The Gleaner Company Limited ("company" or "parent company"), is incorporated under the laws of, and is domiciled in Jamaica. The company is listed on the Jamaica Stock Exchange and has its registered office at 7 North Street, Kingston.

The group's principal activities are the management of real estate and other investments.

These financial statements present the twelve month results of the operations and the financial position of the company and its subsidiaries, which are collectively referred to as "the group". The prior year comparative information presented herein is representative of a fifteen month period arising from the company's change in financial year end from December 31 to March 31, which became effective in 2016.

The company completed the transfer of its media operations pursuant to an amalgamation agreement with Radio Jamaica Limited (RJR) in March 2016. The company no longer engages in any form of media business and is precluded from doing so for a period of twenty-four months from the effective date of the amalgamation agreement.

0.1.11	Principal Activity	% Ownership by Group
Subsidiaries 1834 Investments (Canada) Inc.	Real Estate Investment	100%
digjamaica.com Limited	Dormant	100%
Popular Printers Limited	Dormant	100%
Selectco Publications Limited	Dormant	100%
Associated Enterprise Limited	Dormant	100%
Joint Venture Jamaica Joint Venture Investment Company Limited (JJVI)	Real Estate Investment	50% Joint Venture

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act (Act).

(b) Basis of measurement:

The financial statements are prepared on the historical cost basis, except for investment properties (note 5) and available-for-sale investments (note 9), which are measured at fair value.

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars, which is the company's functional currency. Financial information presented is shown in thousands of Jamaica dollars, unless otherwise stated.



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

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

(d) Use of estimates and judgements:

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

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

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next financial year are discussed below:

(i) Allowance for impairment losses on receivables

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables, as well as timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

(ii) Determination of fair values

The group measures fair values using the following fair value hierarchy which reflects the significance of the inputs used in making the measurements.

- Level 1 Inputs that are quoted market price (unadjusted) in an active market for an identical
 assets or liability.
- Level 2 Inputs other quoted prices included within level 1 that are observable inputs, either
 directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes
 instruments valued using: quoted market prices in active markets for similar instruments;
 quoted prices for identical or similar instruments in markets that are considered less than
 active; or other valuation techniques where all significant inputs are directly or indirectly
 observable from market data.
- Level 3 Inputs that are unobservable. This category includes all instruments where the
 valuation technique includes inputs not based on observable data and the unobservable inputs
 have a significant effect on the instrument's valuation. This category includes instruments that
 are valued based on quoted prices for similar instruments where significant unobservable
 adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

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

- (d) Use of estimates and judgements (continued):
 - (ii) Determination of fair values (continued)

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

(iii) Investment properties

Investment properties reflect fair value amounts, based on market information, including valuations done by directors in the current year and external independent valuators in the prior period. On the instructions of management, the valuators have used valuation techniques such as the direct sales comparison approach, income approach and cost approach to determine fair value as detailed in note 5.

Motor

3. Roles of auditors

The external auditors have been appointed by the shareholders pursuant to the Articles of Incorporation and the Act to conduct an independent and objective audit of the financial statements of the group and the company and in accordance with International Standards on Auditing, and report thereon to the shareholders. The auditors' report outlines the scope of their audit and their opinion.

4. Property, plant and equipment

(a) Group

	Freehold land and <u>Buildings</u> \$'000	Machinery and equipment \$'000	Fixtures and <u>fittings</u> \$'000	vehicles and computer equipment S'000	<u>Press</u> \$'000	Typesetting equipment \$'000	Leased assets \$'000	Total \$'000
Cost	1050050	202.500	54.425	250 255	210.011	4.000	54.407	0.000.450
Balances at December 31, 2014 Additions	1,059,253	303,590	54,435	350,966	210,911	4,890	54,407	2,038,452
	(2,728)	1,234 (34)	897	37,020	-	-	2,773	41,924
Disposals Revaluation	(143,320)	(34)	(1,301)	(6,396)	-	-	-	(10,459) (143,320)
Transferred to investment	(143,520)	-	-	-	-	-	-	(143,320)
properties (note 5)	(810,787)	_	_	_	_	_	_	(810,787)
Transferred on amalgamation	(102,421)	(245,693)	(54,031)	(381,587)	(210,911)	(4,890)	(57,180)	(1,056,713)
Translation adjustments	3	2	-	-	-	- (1,050)	-	5
Balances at March 31, 2016		59,099		3				59,102
Additions		169						169
Balances at March 31, 2017		59,268		3				59,271
Depreciation								
Balances at December 31, 2014	98,447	185,077	48,683	340,680	156,365	4,890	11,710	845,852
Revaluation adjustment	(116,388)	-	_	_	_	-	´-	(116,388)
Charge for the year	29,093	25,934	1,801	16,261	5,056	-	20,321	98,466
Eliminated on disposals	(1,557)	(33)	(373)	(2,927)	-	-	-	(4,890)
Reclassification	-	-	-	(8,727)	-	-	8,727	-
Transferred on amalgamation	(9,595)	(172,801)	(50,111)	(345,287)	(161,421)	(4,890)	(40,758)	(784,863)
Translation adjustments		2						2
Balances at March 31, 2016	-	38,179	-	-	-	-		38,179
Charge for the year		5,448						5,448
Balances at March 31, 2017		43,627						43,627
Carrying amounts March 31, 2017		15,641		3				15,644
March 31, 2016		20,920		3				20,923



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued) March 31, 2017

(Twelve month period with fifteen month comparatives)

4. Property, plant and equipment (continued)

(b) Company

Company	Freehold land and building \$'000	Machinery and equipment \$'000	Fixtures and fittings \$'000	Motor vehicles and computer equipment \$'000	<u>Press</u> \$'000	Typesetting equipment \$'000	Leased assets \$'000	Total \$'000
Cost								
Balances at December 31, 2014	969,469	174,401	44,863	257,968	210,910	4,890	51,054	1,713,555
Additions	-	1,007	46	9,949	-	-	1,737	12,739
Disposals	(202142)	-	-	(6,396)	-	-	-	(6,396)
Revaluation	(203,143)	-	-	-	-	-	-	(203,143)
Transferred to investment	(7.57.00.0)							/
Properties	(757,326)	-	-	-	-	-	-	(757,326)
Transferred on amalgamation	(<u>9,000</u>)	(<u>116,309</u>)	(<u>44,909</u>)	(261,521)	(210,910)	(<u>4,890</u>)	(52,791)	(700,330)
Balances at March 31, 2016	-	59,099	-	-	-	-	-	59,099
Additions		169						169
Balances at March 31, 2017		59,268						59,268
Depreciation								
Balances at December 31, 2014	68,429	115,374	40,811	254,035	156,365	4,890	8,356	648,260
Charge for the year	25,696	8,679	845	3,933	3,087	-	16,357	58,597
Reclassification	-	-	-	(8,727)	-	-	8,727	-
Revaluation	(94,125)	-	-	-	-	-	-	(94,125)
Eliminated on disposal	-		-	(4,169)	-		-	(4,169)
Transferred on amalgamation		(<u>85,874</u>)	(<u>41,656</u>)	(<u>245,072</u>)	(<u>159,452</u>)	(<u>4,890</u>)	(<u>33,440</u>)	(<u>570,384</u>)
Balances at March 31, 2016	-	38,179	-	-	-	-	-	38,179
Charge for the year		5,448						5,448
Balances at March 31, 2017		43,627						43,627
Carrying amounts								
March 31, 2017		15,641						15,641
March 31, 2016		20,920						20,920

5. Investment properties

	G	roup	Com	pany
	2017	2016	2017	2016
	8,000	\$'000	\$'000	\$'000
Balance at beginning of year	810,787	-	757,326	-
Decrease in fair value	(5,929)	-	(8,845)	-
Reclassification from property, plant and				
equipment (note 4)	-	810,787	-	757,326
Reclassification to assets held for sale (note 15)	(<u>235,619</u>)		(<u>179,242</u>)	
	569,239	810,787	569,239	<u>757,326</u>

The properties have been reclassified to assets held for sale at fair value less costs to sell, as efforts to dispose of them have commenced.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

5. Investment properties (continued)

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

	\$\frac{2017}{\\$'000}	2016 \$'000
Income earned from investments properties	8,627	5,947
Expenses incurred on investment properties	<u>798</u>	650

Investment properties were revalued during the year ended March 31, 2017 on a fair market value basis by the Directors, and in the prior period by Property Consultants Limited and Municipal Property Assessment Corporation.

The fair value of land and buildings is categorised as level 3 in the fair value hierarchy. The following table shows the valuation technique used in measuring fair value as well as the significant unobservable inputs used.

Valuation techniques

Market based approach: The approach is based on the principle of substitution whereby the purchaser with perfect knowledge of the property market pays no more for the subject property than the cost of acquiring an existing comparable assuming no cost delay in making the substitution.

The approach requires comparison of the subject property with others of similar design and utility, inter alia, which were sold in the recent past.

However as no two properties are exactly alike, adjustment is made for the difference between the property subject to valuation and comparable properties.

Significant unobservable inputs

- Details of the sales of comparable properties.
- Conditions influencing the sale of the comparable properties.
- Comparability adjustment.

Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase/(decrease) if:

- Sale value of comparable properties were higher/(lower).
- Comparability adjustment were higher/(lower).



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

6. Long-term receivables

	Group and	d Company_
	2017 \$'000	2016 \$'000
Loan receivable [see (i) below] Amounts receivable under finance lease	32,055	-
[see (ii) below] Other long-term receivable	<u>2,341</u>	50,722
Less current portion [see Trade and	34,396	53,722
other receivables (note 14)]	(<u>2,341</u>) 32,055	(<u>942</u>) 52,780

- (i) Loan receivable represents the balance on a loan granted in the sum of US\$250,000 which bears interest at a rate of 4% per annum and is secured by real estate. The principal is recoverable over 5 years. Under the loan arrangement the final payment is due in August 2021.
- (ii) In the prior year, this represented amounts receivable under a finance lease arrangement with a former subsidiary, Independent Radio Company Limited. The finance lease arrangement was sold to Radio Jamaica Limited during the year.
 Group and Company

	Group and	<u> Company</u>
	2017	2016
	\$'000	\$'000
Gross investment in finance lease receivable:		
Less than one year	-	4,463
Between two and five years	-	17,850
More than five years		83,982
	-	106,295
Less unearned income		(<u>55,573</u>)
Net investment in finance lease		50,722
The net investment in finance lease receivable comprises:		
Current portion	-	942
Non-current portion		49,780
		50,722

7. Interest in subsidiaries

	Comp	any
	2017	<u>2016</u>
	\$'000	\$'000
Shares at cost, less impairment losses:		
digjamaica.com Limited	300	300
Popular Printers Limited	426	426
1834 Investments (Canada) Inc.	687	<u>687</u>
	<u>1,413</u>	<u>1,413</u>

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

8. Interest in associate

The Group has a 50% interest in the real estate investment company, Jamaica Joint Venture Investment Company Limited. The 50% share of profit which is recognised in the current period is based on the Associate's latest available audited financial statements for the period ended December 31, 2015.

	Gro	Group		ipany
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Share at cost Additional shares acquired	150 53,085	150 53,085	150 53,085	150 53,085
Group's share of reserves	<u>191,844</u>	<u>181,800</u>		
	<u>245,079</u>	<u>235,035</u>	<u>53,235</u>	<u>53,235</u>

The following table summarises the financial information of the associate (JJVI), as included in its own financial statements, after elimination of differences in accounting policies and intercompany transactions.

	Gr	oup
	<u>2017</u>	<u>2016</u>
Percentage ownership interest	50%	50%
	\$'000	\$'000
Non-current assets	469,204	467,639
Current assets	111,593	91,075
Non-current liabilities	(746)	(1,746)
Current liabilities	(<u>13,110</u>)	(<u>11,115</u>)
Net assets (100%)	<u>566,941</u>	545,853
Group's share of net assets being carrying amount of interest in associate	<u>245,079</u>	<u>235,035</u>
Revenue from operations, being total revenue	87,399	257,409
Depreciation and amortisation	(770)	(1,647)
Administrative expense	(56,538)	(107,886)
Interest expense	(3,062)	(579)
Income tax charge	(_6,941)	(_10,463)
Profit and total comprehensive income (100%)	20,088	136,834
Group's share of profit and total comprehensive income	10,044	45,611
Group's share of profit recognised in profit		
Balance as at March 1	181,800	136,189
Group's share of current year profit	10,044	45,611
Balance as at March 31	191,844	181,800

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

9. Investments

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Available-for-sale financial assets:				
Quoted equities	147,117	205,642	80,785	155,747
Unquoted equities	6,053	28,618	6,053	28,618
Corporate bonds	183,477	214,387	183,477	214,387
9.50% Royal Bank of Scotland PLC investment note	-	41,525	-	41,525
6.75% Lloyds TSB PLC investment note	173,954	178,151	173,954	178,151
10.179% Barclays Bank PLC investment note	48,048	55,368	48,048	55,368
Units in unit trust	4,403	-	4,403	-
Loans and receivables:				
Certificates of deposit	11,378	46,028	11,378	46,028
Debentures	603	5,609	603	4,057
	<u>575,033</u>	775,328	<u>508,701</u>	723,881

10. Pension fund receivable

The amount represents surplus due to the company arising from the discontinuation of the defined-benefit pension fund on July 15, 2010. Of the total outstanding, \$Nil (2016: \$26,040,000) is expected to be received after more than one year from the reporting date.

,	Group and	l Company
	<u>2017</u> \$'000	<u>2016</u> \$'000
Balance at beginning of year	205,978	942,226
Net received during the year	(120,909)	(873,086)
Income earned during the year	<u>4,725</u>	<u>136,838</u>
Balance at end of year	89,794	205,978
Due within 1 year	89,794	179,938
Due after 1 year		26,040
	89,794	205,978

Assets held by the pension fund to honour the receivable include Government of Jamaica securities and real estate.

During the year the real estate held by the pension fund became available for sale and as such the carrying value of \$22,295,000 is shown as a current receivable, amounts due within one year. In the prior year, the real estate was disclosed as long-term receivable with a carrying value of \$26,040,000.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

11. Deferred taxation

Deferred taxation is attributable to the following:

(a) Group:

	Ass	ets	Liabilities		Net	
	\$'000	2016 \$'000	2017 \$'000	2016 S'000	\$'000	2016 \$'000
Investments	-	-	2,374	-	2,374	-
Inventories	-	-	(4)	(4)	(4)	(4)
Property, plant and equipment	618	618	(3,257)	(100,344)	(2,639)	(99,726)
Pension fund receivable	-	-	(22,449)	(51,495)	(22,449)	(51,495)
Trade and other receivables			(<u>6.064</u>)	(13,863)	(6,064)	(13,863)
Net assets/(liabilities)	618	618	(29,400)	(<u>165,706</u>)	(<u>28,782</u>)	(<u>165,088</u>)

(i) Net deferred tax is recognised in the group statement of financial position, as follows:

	2017 \$'000	2016 \$'000
Deferred tax liability in company Deferred tax liability in subsidiaries	(23,136) (<u>6,264</u>)	(145,180) (<u>20,526</u>)
Deferred tax asset in certain subsidiaries	(29,400) 618	(165,706) 618
Net deferred tax liabilities	(28,782)	(<u>165,088</u>)

(ii) Movement in net temporary differences during the year/period are as follows:

	2017			
	Balance at April 1 \$'000	Recognised in profit/loss \$'000	Recognised in comprehensive income S'000	Balance at March 31 S'000
Inventories	(4)	-	-	(4)
Investments	-	2,374	-	2,374
Property, plant and equipment	(99,726)	(43,789)	140,876	(2,639)
Trade and other receivables	(13,863)	7,799	-	(6,064)
Pension fund receivable	(<u>51,495</u>)	29,046		(<u>22,449</u>)
	(<u>165,088</u>)	(<u>4,570</u>)	<u>140,876</u>	(<u>28,782</u>)

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued) March 31, 2017

(Twelve month period with fifteen month comparatives)

11. Deferred taxation (continued)

(a) Group (continued):

(ii) Movement in net temporary differences during the year/period are as follows (continued):

				2016	
				Recognised in other	
		Balance at	Recognised	comprehensive	Balance at
		<u>January 1</u> \$'000	in profit/loss \$'000	income \$'000	March 31 S'000
	Inventories	(28)	24	-	(4)
	Property, plant and equipment	(109,272)	2,811	6,735	(99,726)
	Intangible asset	(4,437)	4,437	-	-
	Trade and other receivables	(11,893)	(1,970)	-	(13,863)
	Accounts payables	15,546	(15,546)	-	-
	Finance lease	(6,475)	6,475	-	-
	Tax losses	1,829	(1,829)	-	-
	Employee benefits obligation	21,750	(21,750)	-	-
	Pension fund receivable	(235,557)	<u>184,062</u>		(<u>51,495</u>)
		(<u>328,537</u>)	<u>156,714</u>	6,735	(<u>165,088</u>)
(b)	Company:				
	1 7			<u>2017</u> S' 00 0	<u>2016</u> S'000
	Investments			2,374	_
	Property, plant and equipment			3,003	(79,822)
	Trade and other receivables			(6,064)	(13,863)
	Pension fund receivable			(22,449)	(<u>51,495</u>)
	Net liabilities			(<u>23,136</u>)	(<u>145,180</u>)

(i) Movement in net temporary differences during the year/period are as follows:

	2017				
	•		Recognised in other	_	
	Balance at <u>April 1</u> \$'000	Recognised in profit/loss \$'000	comprehensive income \$'000	Balance at March 31 \$'000	
Investments	-	2,374	-	2,374	
Property, plant and equipment	(79,822)	(43,789)	126,614	3,003	
Trade and other receivables	(13,863)	7,799	-	(6,064)	
Pension fund receivable	(_51,495)	<u>29,046</u>		(22,449)	
	(<u>145,180</u>)	(<u>4,570</u>)	<u>126,614</u>	(<u>23,136</u>)	



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

11. Deferred taxation (continued)

(b) Company (continued):

(i) Movement in net temporary differences during the year/period are as follows (continued):

		2016					
	Balance at <u>January 1</u> \$'000	Recognised in profit/loss \$'000	Recognised in other comprehensive income \$'000	Balance at December 31 \$'000			
Inventories	(24)	24	-	-			
Property, plant and equipment	(104,002)	(3,077)	27,257	(79,822)			
Intangible asset	(4,437)	4,437	-	-			
Trade and other receivables	(11,888)	(1,975)	-	(13,863)			
Accounts payable	7,601	(7,601)	-	-			
Finance lease	(6,475)	6,475	-	-			
Employee benefits obligation	21,750	(21,750)	Ξ	-			
Pension fund receivable	(<u>235,557</u>)	184,062		(<u>51,495</u>)			
	(333,032)	160,595	27,257	(145,180)			

12. Cash and cash equivalents

	Gr	Group		1pany
	<u>2017</u>	2016	2017	2016
	\$'00 0	\$'000	\$'000	\$'000
Bank and cash balances	<u>7,678</u>	27,386	3,479	<u>18,445</u>

The company has a credit facility with The Bank of Nova Scotia in the form of a Letter of Guarantee to Jamaica Customs, in the amount of \$2,000,000. This is however secured by a deposit of a former related entity. This was cancelled subsequent to the year end.

13. Securities purchased under resale agreements

The group and the company invest in securities purchased under resale agreements.

At the reporting date, the fair value of the underlying securities held as collateral for the resale agreements was \$47,277,000 (2016: \$9,400,000).

14. Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Trade and other receivables due from related parties	-	-	74,195	75,620
Trade receivable due from former related parties	-	61,885	-	61,685
Other receivables [see (a) below]	50,434	15,006	45,019	12,711
Current portion of long term receivable				
(see note 6)	2,341	942	2,341	942
	52,775	77,833	121,555	150,958
Less: allowance for doubtful debts [see (b) below]		(<u>59,419</u>)		(<u>95,040</u>)
	52,775	18,414	121,555	55,918



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

14. Trade and other receivables (continued)

(a) Other receivables is comprised as follows:

	Gro	<u>oup</u>	Com	pany
	2017 \$'000	2016 \$'000	2017 \$'000	2016 8'000
General Consumption Tax (GCT) recoverable	4,823	1,138	4,823	1,138
Interest receivable	5,815	5,671	5,815	5,671
Other receivables and prepayments	<u>39,796</u>	8,197	<u>34,381</u>	5,902
	<u>50,434</u>	<u>15,006</u>	<u>45,019</u>	<u>12,711</u>

- (b) Allowance for doubtful debts:
 - (i) Allowance for doubtful debts is comprised as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$ '000
Trade receivables due from related				
parties [see (ii) below]	-	-	-	35,621
Trade receivables due from former related				
parties		<u>59,419</u>		<u>59,419</u>
		<u>59,419</u>		<u>95,040</u>

(ii) The movement in the allowance for doubtful debt in respect of receivables due from related parties is as follows:

	Con	pany	
	2017	2016	
	\$'000	\$'000	
Balance as at beginning of the year	35,621	154,749	
Transferred to trade receivables due from			
former related parties	-	(59,419)	
Amount provided for during the year	-	-	
Amounts written-off, net of recoveries			
and transfers	(<u>35,621</u>)	(<u>59,709</u>)	
Balance as at end of the year		35,621	

15. Assets held for sale

Management commenced the process to sell some of its investment properties during the year. Accordingly, the properties (see note 5) are presented as assets held for sale. Completion of the sales are expected within the next twelve (12) months.

16. Share capital

	Group and	l Company
	2017 \$'000	2016 \$'000
Share capital issued and fully paid:		
1,211,243,827 stock units of no par value	<u>605,622</u>	<u>605,622</u>

At March 31, 2017, the authorised share capital comprised 1,216,000,000 ordinary stock units (2016: 1,216,000,000). All issued stock units are fully paid. The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per stock unit at meetings of the company.



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

17. Reserves

	Gr	C	Company		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
	\$'000	\$'000	\$'000	\$' 00 0	
Capital					
Realised:					
Share premium (i)	4,353	4,353	4,353	4,353	
Other	5,830	5,830	-	-	
Gain on sale of loan	24,608	24,608	1,334	1,334	
Gain on disposal of property, plant					
and equipment	13,725	13,725			
	48,516	48,516	5,687	5,687	
Unrealised:					
Revaluation of land and buildings	992,158	992,158	830,401	830,401	
Deferred taxation on revalued land and					
buildings	(6,264)	(151,469)	-	(126,614)	
Reserve arising from consolidation of					
of subsidiaries (net of goodwill) and debt	93,496	93,496	-	-	
Exchange difference on translation of					
overseas subsidiaries	81,446	86,307			
	<u>1,160,836</u>	1,020,492	830,401	703,787	
Total capital reserves	1,209,352	1,069,008	836,088	709,474	
Reserve for own shares (ii)	(149,157)	(149,157)	_		
Fair value reserve (iii)	90,116	139,071	23,797	87,636	
Revenue					
Retained profits	21,413	<u> 150,191</u>	40,335	147,063	
-	1,171,724	1,209,113	900,220	944,173	

- Share premium is retained in accordance with the provisions of Section 39(7) of the Jamaican Companies Act.
- (ii) Reserve for own shares is included in the financial statements by consolidation of The Gleaner Company Limited Employee Investment Trust (GCLEIT) as it is regarded as a special purpose entity and is required to be consolidated under IFRS 10. The reserve comprises the cost of the company's shares held by the group through the GCLEIT. At March 31, 2017, GCLEIT held 34,175,094 (2016: 34,175,094) of the company's shares (note 22).
- (iii) Fair value reserve represents unrealised gains arising on changes in fair value of available-for-sale investments.

18. Accounts payable

• •	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Due to related party	-	-	25,715	24,577
Due to former related party	10,920	20,328	10,920	20,328
Unclaimed dividends	27,231	34,714	27,231	34,714
Other payables	12,943	<u>39,991</u>	6,200	33,911
	<u>51,094</u>	<u>95,033</u>	<u>70,066</u>	<u>113,530</u>

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued) March 31, 2017

(Twelve month period with fifteen month comparatives)

19. Revenue

(a) Operating income:

	G	<u> Company </u>		
	2017	<u>2016</u>	<u>2017</u>	<u>2016</u>
	\$'000	\$'000	\$'000	\$'000
Interest income	45,850	196,518	46,058	196,518
Rental income	<u>14,934</u>		<u>12,882</u>	
	<u>60,784</u>	<u>196,518</u>	<u>58,940</u>	196,518

(b) Other income:

	Gr	Group		Company	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
	\$'000	\$'000	\$'000	\$'000	
Gains on disposal of investments	104,531	-	104,531	-	
Dividends received	5,853	4,080	5,145	4,080	
Write-off of balances due to former related entit	ies 1,345	-	41,511	-	
Unrealised foreign exchange gains	18,793	-	18,793	-	
Other	<u>7,718</u>	4,137	<u>2,056</u>	4,137	
	138,240	8,217	172,036	8,217	

20. Administration and other operating expenses

realistication and other operating expenses			-		
	<u>Group</u>		<u>Company</u>		
	2017	2016	2017	2016	
	\$'000	\$'000	\$'000	\$'000	
Directors' emoluments:					
Fees	2,627	-	2,627	-	
Management remuneration	15,535	5,303	15,535	5,303	
Other staff costs	232	-	232	-	
Auditors' remuneration	2,884	3,996	2,300	3,996	
Transportation cost	2,274	-	2,274	-	
Depreciation	5,448	-	5,448	-	
Loss on sale of finance lease	25,361	-	25,361	-	
Insurance	1,552	3,600	1,552	3,600	
Professional and legal fees	22,415	25,575	21,883	25,575	
Utilities and telephone	1,449	-	1,449	-	
Office expenses	2,433	-	2,433	-	
Building maintenance	4,070	-	798	-	
Registrar services	2,838	-	2,838	-	
Impairment loss	9,974	-	9,974	-	
Other expenses	5,037		5,058		
	104,129	<u>38,474</u>	99,762	<u>38,474</u>	

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued) March 31, 2017

(Twelve month period with fifteen month comparatives)

21. Taxation

(a) Taxation is based on the profit for the year as adjusted for tax purposes and is made up as follows:

		Group		Con	Company	
		<u>2017</u>	2016	2017	2016	
		\$'000	\$'000	\$'000	\$'000	
(i)	Current tax expense:					
	Income tax at 25%	37,080	176,972	37,080	178,362	
	Prior year under provision	48,235		48,235		
		85,315	176,972	85,315	178,362	
(ii)	Deferred tax expense/(credit):					
	Restructuring adjustment	-	(38,752)	-	(36,261)	
	Origination and reversal of timing					
	differences [note 11(a)(ii) and 11(b)(i)]	_4,570	(<u>156,714</u>)	4,570	(<u>160,595</u>)	
		4,570	(<u>195,466</u>)	4,570	(<u>196,856</u>)	
	Total taxation charge/(credit) recognised	<u>89,885</u>	(<u>18,494</u>)	<u>89,885</u>	(<u>18,494</u>)	

(b) The tax effect of differences between treatment of items for financial statements and taxation purposes are as follows:

	Group		Company	
	<u>2017</u>	<u>2016</u>	2017	<u>2016</u>
	\$'000	\$'000	\$'000	\$'000
Profit from operations before taxation	102,232	<u>263,670</u>	128,507	163,357
Income tax at 25%	25,558	65,918	32,127	40,839
Difference between depreciation and tax				
capital allowance	42,175	26,456	42,715	7,465
Finance lease payments	-	(7,696)	-	(1,550)
Employment tax credit	-	(54,591)	-	(54,591)
Tax effect of share of profit from interest in associate	(2,511)	(8,003)	-	-
Tax losses	-	9,580	-	-
Disallowed expenses and other capital				
adjustment, net	(<u>23,572</u>)	(<u>50,158</u>)	(<u>33,192</u>)	(<u>10,657</u>)
Actual tax charge/(credit)	41,650	(18,494)	41,650	(18,494)
Prior year under provision	48,235		48,235	
Actual tax charge/(credit)	89,885	(<u>18,494</u>)	<u>89,885</u>	(<u>18,494</u>)

(c) Taxation recognised in other comprehensive income:

		Group					
		2017			2016		
	Before tax \$'000	Tax benefit \$'000	Net of tax S'000	Before <u>tax</u> \$'000	Tax benefit \$'000	Net of tax \$'000	
Deferred tax on revaluation surplus		(<u>140,876</u>)	(<u>140,876</u>)		(<u>6,735</u>)	(<u>6,735</u>)	

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

21. Taxation (continued)

(c) Taxation recognised in other comprehensive income (continued):

_		Company			
	2017			2016	
Before tax \$'000	Tax <u>benefit</u> \$'000	Net of tax S'000	Before tax \$'000	Tax benefit \$'000	Net of <u>tax</u> \$'000
	(<u>126,614</u>)	(<u>126,614</u>)		(<u>27,257</u>)	(<u>27,257</u>)

Deferred tax on revaluation surplus

22. Earnings per stock unit

The calculation of earnings per stock unit is arrived at by dividing profit after taxation attributable to stockholders of the company of \$12,347,000 (2016: \$6,736,000) by 1,211,243,827 being the number of stock units in issue at March 31, 2017 (2016: 1,211,243,827) as well as by 1,177,068,733 (2016: 1,177,068,733), being stock units less those held by the GCLEIT [see note 17(ii)].

23. Dividends paid (gross)

An interim revenue distribution of 8.0 cents (2016: 4.0 cents) per stock unit was paid on September 16, 2016, to shareholders on record at close of business on August 22, 2016.

A second interim revenue distribution of 4.0 cents (2016: 4.0 cents) per stock unit was paid on December 7, 2016, to shareholders on record at the close of business on November 18, 2016.

	Gr	oup	Cor	Company	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
	\$'000	\$'000	S'000	\$'000	
Ordinary dividends:					
First interim paid in respect of					
2017: 8¢ (2016: 4¢) per stock unit - gross	96,900	48,450	96,900	48,450	
Second interim paid in respect of					
2017: 4¢ (2016: 4¢) per stock unit - gross	48,450	48,450	48,450	48,450	
	145,350	96,900	145,350	96,900	
Dividends paid to GCLEIT	(4,225)	(2,833)			
Dividence para to Collect	((<u>D(055</u>)			
	<u>141,125</u>	<u>94,067</u>	<u>145,350</u>	<u>96,900</u>	

24. Share-based payment arrangement

A share option scheme was operated by the company in previous years. Share options were granted to management and employees of the company with more than three years of service. Options were granted at the market price of the shares on the date of the grant and are exercisable at that price. Options were exercisable beginning one month from the date of grant and have a contractual option payment term of up to three years.

The expense recognised in equity in respect of share-based payment awards as at March 31, 2017 amounted to \$Nil (2016: \$136,000).

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

25. Financial risk management

The group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, 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 group's activities.

The Group Audit Committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Group Audit Committee undertakes both regular and *ad hoc* reviews of risk management controls and procedures.

(a) Credit risk:

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from investments, pension receivable, securities purchased under resale agreements and cash and cash equivalents.

Investments, cash and cash equivalents and securities purchased under agreement for resale

The group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that are licensed under the Financial Institutions Act and Financial Services Commission. The group's investment portfolio consists of Government of Jamaica instruments. The group holds collateral for securities purchased under resale agreements. Management does not expect any counterparty to fail to meet its obligations.

There were no changes to the group's approach to managing credit risk during the year.

(b) Liquidity risk:

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Typically, the group ensures that it has sufficient cash on demand and marketable securities to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The group's financial liabilities comprises accounts payable that are repayable within one year at the carrying amount reflected on the statement of financial position.

There were no changes to the group's approach to liquidity risk management during year.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

25. Financial risk management (continued)

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. There has been no change to the group's exposure to market risk or the manner in which it measures and manages this risk.

(i) Currency risk

The group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the group. The main currencies are the United States dollar (US\$) and Canadian dollar (Can \$).

The group ensures that the risk is kept to an acceptable level by monitoring its risk exposure and by maintaining funds in US dollars as a hedge against adverse fluctuations in exchange rates.

The group's investment in its overseas subsidiary is not hedged, as the currency positions is considered to be long-term in nature.

The group's and the company's exposure to foreign currency risk are as follows:

	Group					
		2017				
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	3,510	-	-	4,187	-	-
Cash and cash equivalents	6	-	17	33	170	58
Securities purchased under resale agreements	314	-	-	73	-	-
Trade and other receivables	250	-	40	-	-	-
Accounts payable			(<u>11</u>)			(<u>2</u>)
Net exposure	4,080	<u> </u>	<u>46</u>	<u>4,293</u>	<u>170</u>	56
			Com	pany		
		2017			2016	
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	3,510	-	-	4,187	-	-
Cash and cash equivalents	6	-	-	33	170	-
Securities purchased under resale agreements	314	-	-	73	-	-
Trade and other receivables	250	-	-	-	-	-
Accounts payable						
p.,						

Sensitivity analysis

A strengthening/weakening of the Jamaican dollar against the following currencies at March 31 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2016.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued) March 31, 2017

(Twelve month period with fifteen month comparatives)

25. Financial risk management (continued)

- (c) Market risk (continued):
 - (i) Currency risk (continued)

Sensitivity analysis (continued)

				oup 017		
		Inc	crease	-	De	ecrease
Currency	% weakening	Effect on equity \$'000	Effect on profit/loss \$'000	% strengthening	Effect on equity \$'000	Effect on profit/loss \$'000
USD CAD	6 6		31,387 266	1 1		(4,911) (<u>44</u>)

			Gr	oup		
			20	016		
		Inc	crease		D	ecrease
Currency	% weakening	Effect on equity \$'000	Effect on profit/loss \$'000	% strengthening	Effect on equity \$'000	Effect on profit/loss \$'000
USD	10	-	52,247	1	-	(5,225)
GBP	10	-	2,936	1	-	(294)
CAD	10	512	1,715	1		(<u>51</u>)

	Company								
			2	017					
Currency	% weakening	Increase/e Effect on equity \$'000	(Decrease) Effect on profit/loss \$'000	% strengthening	Increase Effect on equity \$'000	e/(Decrease) Effect on profit/loss \$'000			
USD	6		<u>31,387</u>	1		(<u>4,911</u>)			

			Com	npany		
			20)16		
Currency	% weakening	Increase/(Effect on equity \$'000	Decrease) Effect on profit/loss \$'000	% strengthening	Increase Effect on equity \$'000	Effect on profit/loss S'000
USD GBP	10 10		52,247 2,936	1 1	<u>.</u>	(5,225) (<u>294</u>)

(ii) Interest rate risk

The group minimizes interest rate risk by investing mainly in fixed rate government securities and contracting liabilities at fixed rates, where possible.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

25. Financial risk management (continued)

- (c) Market risk (continued):
 - (ii) Interest rate risk (continued)

Profile

At the reporting date, the interest rate profile of the group's interest-bearing financial instruments was:

	Grou	<u>ıp</u>	Co	Company		
	<u>2017</u> \$ '000	<u>2016</u> \$'000	<u>2017</u> \$'000	<u>2016</u> S'000		
Fixed rate instruments Financial assets	<u>416,857</u>	<u>760,808</u>	<u>416,857</u>	710,913		

Fair value sensitivity analysis for fixed rate instruments

The group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss

An increase of 100 or decrease of 100 (2016: An increase of 100 or decrease of 100) basis points in interest rates at the reporting date would have increased equity by \$4,168,000 or decrease equity by \$4,168,000 for group and company (2016: increase of \$7,608,000 or a decrease of \$7,608,000 for the group and increase of \$7,109,000 or a decrease of \$7,109,000 for the company). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

Equity price risk

The Board monitors the mix of debt and equity securities in its investment portfolio based on market expectations. This risk is managed by the monitoring of the market value of the securities on the Jamaica Stock Exchange (JSE) and other foreign stock exchanges and the companies' quarterly financial performance.

Sensitivity analysis - equity price risk

Most of the group's equity investments are listed on the Jamaica Stock Exchange (JSE) and other foreign stock exchanges. A 10% (2016: 10%) increase or decline in the JSE All Jamaica Composite index at the reporting date would have increased/decreased equity by \$14,712,000 for the group and \$8,078,500 for the company (2016: 23,426,000 for the group and \$18,436,500 for the company).

There would be no impact on profit or loss at the reporting date as there were no investments designated as fair value through profit or loss.



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

25. Financial risk management (continued)

(d) Fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is best evidenced by a quoted market price, if one exists.

The fair value of financial instruments is based on their quoted market price at the reporting date without any deduction for transaction costs. Where a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flows or a generally accepted alternative method.

Available-for-sale financial assets include Government of Jamaica instruments, quoted equities and unquoted equities.

The fair values of current financial assets and liabilities are assumed to approximate to their carrying amounts shown in the statement of financial position due to their short term nature.

The fair value of non-current receivables and liabilities are assumed to approximate to their carrying values as no loss on realisation or discount on settlement are anticipated.

Basis for determining fair values

Quoted equities are valued using the quoted market bid prices listed on the Jamaica Stock Exchange and other foreign stock exchanges at the reporting date.

Government of Jamaica securities and the investment notes are valued using a pricing input and yields from an acceptable broker yield curve.

The fair value of investments, pension fund receivable, cash and cash equivalent, securities purchased under resale agreements, trade and other receivable and trade payables are assessed to approximate their carrying values due to their relatively short-term nature.

No items were reclassified from one level to another.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Group						
	-			20	<u> 17 </u>			
		Carrying	g amounts			Fair v	values	
			Other					
	Loan and	Available	financia1					
	receivables	for-sale	<u>liabilities</u>	<u>Total</u>	Level 1	Level 2	Level 3	<u>Total</u>
	\$'000	\$,000	\$,000	\$,000	\$,000	\$'000	\$'000	\$3000
Financial assets measured at fair value:	d							
Investments		<u>563,052</u>		<u>563,052</u>	<u>147,117</u>	415,935		<u>563,0529</u>

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued) March 31, 2017

(Twelve month period with fifteen month comparatives)

25. Financial risk management (continued)

(d) Fair values (continued):

Accounting classifications and fair values (continued)

		Group						
				201	6			
		Carrying	amounts			Fair v	/alues	
			Other					
	Loan and	Available	financia1					
	receivables	for-sale	liabilities	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured								
at fair value:								
Investments		701 072		701,073	211 642	490 421		701 072
mvesiments		<u>701,073</u>		701,073	<u>Z11,04Z</u>	<u>489,431</u>		<u>701,073</u>
				Comp	anv			
		2017						
		Carrying	amounts			Fair v	alues	
			Other					
	Loan and	Available	financial					
	receivables	for-sale	liabilities	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$*000	\$*000	\$'000	\$*000	\$'000
Financial assets measured								
at fair value:								
		107.700		106 700	20.705	415.025		106 700
Investments		<u>496,720</u>		496,720	<u>80,785</u>	<u>415,935</u>		<u>496,720</u>
				Comp	any			
				201	6			
		Carrying amounts Fair values						
	Other							
	Loan and	Available	financia1					
	receivables	for-sale	liabilities	Total	Level 1	Level 2	Level 3	Tota1
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured								
at fair value:								
Investments		651,178		651,178	161 747	489,431		651,178
HIVESHIEHUS		0.51,176		031,178	101,747	409,431		031,178

(e) Capital management:

The group's objective is to maintain a strong capital base so as to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Board of Directors monitors the return on capital which the company defines as share capital, capital reserves, fair value reserves and retained profits. The group may adjust or maintain the capital structure by adjusting the amount of dividends paid to shareholders.



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

25. Financial risk management (continued)

(e) Capital management (continued):

There were no changes in the group's approach to capital management during the year.

26. Subsidiaries

During the period ended March 31, 2017, the company was the holding company of the following subsidiaries:

Subsidiary Company	Note	Subsidiary of:	Country of incorporation	Percentage ownership 2017	Percentage ownership 2016	Nature of business
Popular Printers Limited	(i)	Parent Company	Jamaica	100	100	Dormant
Selecteo Publications Limited	(i)	Popular Printers Ltd.	Jamaica	100	100	Dormant
Associated Enterprise Limited	(i)	Popular Printers Ltd.	Jamaica	100	100	Dormant
digjamaica.com Limited	(i)	Associated Enterprises Limited Parent Company	Jamaica	100	100	Dormant
1834 Investments (Canada) Inc		Parent Company	Canada	100	100	Real Estate Investment
Jamaica Joint Venture Investment Company (JJVI) Limited	(ii)	Parent Company	Jamaica	50	50	Real Estate Investment

Notes:

- (i) digjamaica.com Limited and Popular Printers Limited (together with its wholly owned subsidiaries, Selecto Publications Limited and Associated Enterprise Limited) are 100% owned subsidiaries of the parent company, 1834 Investments Limited. The media related businesses of these subsidiaries were subsumed by RJR in the March 2016 amalgamation and these companies are now dormant.
- (ii) 1834 Investments Limited has a 50% interest in Jamaica Joint Venture Investment Company Limited (JJVI) which is a real estate investment company. JJVI has a 100% shareholding in Manhart Properties Limited and City Properties Limited which own commercial properties at 34 and 40 Duke Street respectively.
- (iii) The net assets transferred to GCML in the prior period amounted to \$841,346,000. The related (loss)/profit generated by the discontinued media operation for the period amounted to (\$275,428,000) for the group and \$30,193,000 for the company.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

27. Related parties

(a) Identity of related party:

The group has a related party relationship with its subsidiaries, associates and with its directors and executive officers in the ordinary course of business.

(b) Transactions with key management personnel:

In addition to salaries, the group provides non-cash benefits to executive officers.

The key management personnel compensation is as follows:

	Group		Company	
	\$\frac{2017}{\\$'000}	2016 \$'000	\$\frac{2017}{\\$'000}	2016 \$'000
Short-term benefits	21,155	73,991	21,155	73,991
Post-employment benefits		4,713		4,713
	<u>21,155</u>	<u>78,704</u>	<u>21,155</u>	<u>78,704</u>

(c) The statement of financial position includes balances, arising in the ordinary course of business, with subsidiaries and associated companies as follows:

		ошрану
	2017 \$'000	2016 \$'000
Trade and other receivables: Subsidiaries, net of provision Associated companies	33,633 401	39,999 401
Accounts payable: Subsidiaries Associated companies	21,452 _4,263	20,313

28. Operating leases

Pursuant to the March 24, 2016 scheme of arrangement, the building at 7 North Street and parking lots at East Street and John's Lane, being investment properties, were leased to RJR.

(a) Future minimum lease payments:

At March 31, 2017

At Malon 31, 2017	\$'000
Less than one year	100,000
Between one and five years	500,000
More than five years	800,000

(b) All property rental and maintenance expenses are borne by the lessee.



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

29. Contingent liabilities

- (a) As a condition to the sale of its shares in GV Media Limited on January 12, 2016, the company may be liable if a tax warranty is received within six (6) years after the disposal of the subsidiary and if amount is equal to or exceeds £10,000 or its equivalent in any other currency.
- (b) Pursuant to the March 24, 2016 scheme of arrangement with RJR, the company has an obligation to provide office accommodation to The Gleaner Company (Media) Limited for a maximum period of fifteen years. Should the company enter into any arrangement for the sale of its investment properties located in Montego Bay and Canada, it will be obliged to provide comparable office accommodation or reach an agreement in lieu of. As at March 31, 2017 amounts to be expended, if any, in respect of the subsequent sale of the property in Canada were yet to be determined.
- (c) The company received an income tax and PAYE assessment from Tax Administration of Jamaica (TAJ) for the 2010 year of assessment amounting to \$62,807,000. An objection has been filed with the TAJ.

30. Subsequent event

On February 27 2017, 1834 Investments (Canada) Inc. entered into an agreement for the sale of its 50% interest in a commercial property located in Toronto, Canada. The property was transferred from investment properties and classified as asset held for sale. The sale was completed on April 28, 2017.

31. Changes in accounting policies

Except for the changes below, the group has consistently applied the accounting policies set out in note 42 to all periods presented in these consolidated financial statements.

The group has assessed them and has adopted those which are relevant to its consolidated financial statements.

The details, nature and effects of the changes are explained below:

New, revised and amended standards that became effective during the year:

Certain amended standards came into effect during the current financial year. The group has adopted those which are relevant to its operation, but there adoption did not result in any changes to amounts recognised or disclosed in those financial statements.

32. Significant accounting policies

The significant accounting policies set out below have been applied consistently in the consolidated financial statements and by group entities.

- (a) Basis of consolidation:
 - (i) Business combinations

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

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

- (a) Basis of consolidation (continued):
 - (i) Business combinations (continued)

The group measures goodwill at the acquisition date as:

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

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date.

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

(ii) Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through it power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

These consolidated financial statements comprise the financial results of the company and its subsidiaries. The principal operating subsidiaries are listed in note 36 and are referred to as "subsidiaries" or "subsidiary". The company and its subsidiaries are collectively referred to as the "group".

(iii) Loss of control

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



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1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

- (a) Basis of consolidation (continued):
 - (iv) Associate

The group's interest in equity-accounted investees comprise interest in associate.

An associate is an entity in which the group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20% and 50% of the voting power of the entity.

Interest in associate is accounted for using the equity method. It is initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss of the associate, until the date on which significant influence or joint control ceases. In the previous years, the company did not adopt the equity method of accounting as the directors did not consider that they exercised significant influence over the financial or operating policy of the associate. Based on management's reassessment during 2014 of its influence, the application of the equity method is now considered appropriate. The change was accounted for prospectively as the impact on the prior periods is not considered material (see note 9).

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transaction, are eliminated. Unrealised gains arising from transaction with equity-accounted investee are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. The group applies book value (carry-over basis) accounting for business combinations for entities under common control in the consolidated financial statements on the basis that the investment has been moved from one part of the group to another.

(b) Property, plant and equipment:

(i) Owned assets

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets.

The cost of self-constructed assets includes the cost of materials and direct labour, plus related borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied with the part will flow to the group and its costs can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

- (b) Property, plant and equipment (continued):
 - (ii) Leased assets

Leases, under the terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leasing arrangements are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and any impairment losses.

(iii) Depreciation

Property, plant and equipment are depreciated on both the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Machinery & equipment - 10%, 12½%, 20% and 25%

Motor vehicles & computer equipment - 20% and 25%

The depreciation methods, useful lives and residual values are reassessed at each reporting date.

(c) Share-based payment transactions:

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of the awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no "true-up" for differences between expected and actual outcomes.

(d) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, trade and other receivables, and investments. Financial liabilities include bank overdraft and accounts payable.

(i) Classification of investments

Management determines the classification of investments at the time of purchase and takes account of the purpose for which the investments are made. Investments are classified as loans and receivables and available-for-sale.

Investments with fixed or determinable payments and which are not quoted in an active market are classified as loans and receivables and are stated at amortised cost, less impairment losses. Other investments held by the group are classified as available-for-sale and are stated at fair value. Available-for-sale investments include certain debt and equity securities.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

(d) Financial instruments:

(ii) Measurement

Financial instruments are measured initially at cost, including transaction costs.

Subsequent to initial recognition, all available-for-sale investments are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably determined, is stated at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities and loans and receivables are measured at amortised cost, less impairment losses. Amortised cost is calculated on the effective interest method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

- [i] Sovereign bonds, including corporate securities are classified as available-for-sale and measured at fair value.
- [ii] Other interest-bearing deposits are stated at amortised cost, less impairment losses.
- [iii] Interest in subsidiaries for the company is stated at cost, less impairment losses.

(iii) Gains and losses on subsequent measurement

Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are recognised in other comprehensive income. When the financial assets are impaired, sold, collected or otherwise disposed of, the cumulative gain or loss recognised in other comprehensive income are transferred to profit or loss.

(iv) Derecognition

A financial asset is derecognised when the company loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished.

Available-for-sale assets that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the company commits to sell the assets.

Loans and receivables are derecognised on the day they are transferred by the company.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

(e) Cash and cash equivalents:

Cash and cash equivalents, which comprise cash and bank balances and include short-term deposits, with maturities ranging between one and three months of acquisition date, are measured at cost. For the purpose of the statement of cash flows, bank overdraft is included as a component of cash and cash equivalents.

(f) Resale agreements:

Securities purchased under resale agreements ("reverse repurchase or resale agreements") are accounted for as short-term collateralised lending, and are classified as loans and receivables.

On initial recognition they are measured at amortised cost. The difference between the purchase cost and the resale consideration is recognised in profit or loss as interest income over the life of the contract using the effective interest method.

(g) Trade and other receivables:

These are measured at amortised cost, less impairment losses.

(h) Taxation:

(i) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case, it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset in respect of tax losses carried forward is recognised only to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

Accounts payables and provisions:

Accounts payable, including provisions, are measured at amortised cost. A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Finance leases:

Leases, the terms under which the company transfers substantially all the risks and rewards of ownership to a third party, are classified as finance leases. They are measured at fair value which is determined as the present value of the expected future cash flows from the leases. Income from these leases is recognised over the term of the lease on the straight-line basis.

(k) Revenue recognition:

(i) Interest income

Interest income is recognised on the accrual basis, taking into account the effective yield on the asset.

ii) Dividend income

Dividend income is recognised on the date the group's right to receive payment is established.

(1) Expenses:

(i) Lease payments

Payments made under operating leases are recognised in profit or loss on the straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(m) Foreign currencies:

Foreign currency balances outstanding at the reporting date are translated at the rates of exchange ruling on that date [US\$1 = J\$128.22 £1= J\$158.72; Can\$1 = J\$96.45]. Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions.

Gains and losses arising from fluctuations in exchange rates are included in profit or loss. For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss are treated as cash items and included in cash flows from operating or financing activities along with movements in the principal balances.



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

32 Significant accounting policies (continued)

(m) Foreign currencies (continued):

The reporting currencies of the foreign subsidiaries (note 26) are also the currencies in which their economic decisions are formulated. For the purpose of the financial statements, revenues, expenses, gains and losses have been translated at the average rates of exchange for the year; assets and liabilities have been translated at exchange rates ruling at the reporting date.

Unrealised gains and losses arising on translation of net stockholders' equity in foreign subsidiaries are recognised in other comprehensive income.

(n) Impairment of assets:

(i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Objective evidence that financial assets are impaired can include default or delinquency by a customer or counterparty, indications that the customer or counterparty will enter bankruptcy or a significant or prolonged decline in fair value in respect of quoted equities.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an impaired available-for-sale financial asset recognised previously in other comprehensive income is transferred to profit or loss.

An impairment loss is reversed, if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss

(ii) Non-financial assets

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised, if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

- (n) Impairment of assets (continued):
 - (ii) Non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value, less costs to sell. 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed, if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

(o) Investment properties:

Investment properties, comprising principally land and buildings, are held for long-term rental yields and capital appreciation and are treated as long-term investments. They are measured initially at cost, including related transaction costs and are subsequently carried at fair value.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Fair value is determined annually by an independent registered valuer. Fair value is based on current prices in an active market for similar properties in the same location and condition.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to income during the financial period in which they are incurred.

(p) Assets held for sale:

Non-current assets are classified as held for sale if it is highly probable they will be recovered primarily through sale, rather than continuing use. Such assets are generally measured at the lower of their carrying amount and fair values less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

(q) New, revised and amended standards and interpretations not yet effective:

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to the Group's operations and has determined that the following are likely to have an effect on the consolidated financial statements.

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1834 INVESTMENTS LIMITED

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

- (q) New, revised and amended standards and interpretations not yet effective (continued):
 - Amendments to IAS 7, Statement of Cash Flows, effective for accounting periods beginning
 on or after January 1, 2017, requires an entity to provide disclosures that enable users of
 financial statements to evaluate changes in liabilities arising from financing activities,
 including both changes arising from cash flows and non-cash flows.

The group is assessing the impact that this amendment will have on its 2018 financial statements.

- Amendments to IAS 12, *Income Taxes*, effective for accounting periods beginning on or after January 1, 2017, clarifies the following:
 - The existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.
 - The existence of a deductible temporary difference depends solely on a comparison of
 the carrying amount of an asset and its tax base at the end of the reporting period, and is
 not affected by possible future changes in the carrying amount or expected manner of
 recovery of the asset.
 - A deferred tax asset can be recognised if the future bottom line of the tax return is expected to be a loss, if certain conditions are met.
 - Future taxable profits used to establish whether a deferred tax can be recognised should be the amount calculated before the effect of reversing temporary differences.
 - An entity can assume that it will recover an asset for more than its carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.
 - Deductible temporary differences related to unrealised losses should be assessed on a combined basis for recognition unless a tax law restricts the use of losses to deductions against income of a specific type.

The group is assessing the impact that this amendment will have on its 2018 financial statements.

• IFRS 15, Revenue From Contracts With Customers, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfer of Assets from Customers and SIC-31 Revenue — Barter Transactions Involving Advertising Services. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

The group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

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1834 INVESTMENTS LIMITED

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

- (q) New, revised and amended standards and interpretations not yet effective (continued):
 - IFRS 15, Revenue From Contracts With Customers (continued)

There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The group is assessing the impact that the standard will have on its 2019 financial statements.

• IFRS 9, Financial Instruments, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets — amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

The group is assessing the impact that the standard will have on its 2019 financial statements.

• IFRS 16, Leases, which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Entities will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of USS5,000 or less.

Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

Early adoption is permitted if IFRS 15, Revenue from Contracts with Customers is also adopted.

The group is assessing the impact that the standard will have on its 2020 financial statements.

Amendments to IAS 40, Transfers of Investment Property, effective for annual reporting
periods beginning on or after January 1, 2018, clarifies when an entity should transfer a
property asset to, or from, investment property. A transfer is made when and only when there
is an actual change in use – i.e. an asset meets or cease to meet the definition of investment
property and there is evidence of the change in use.



1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

- (q) New, revised and amended standards and interpretations not yet effective (continued):
 - Amendments to IAS 40, Transfers of Investment Property (continued)

The entity has a choice on transition to apply the prospective approach – i.e. apply the amendments to transfers that occur after the date of initial application – and also reassess the classification of property assets held at that date; or apply the amendments retrospectively in accordance with IAS 8, but only if it does not involve the use of hindsight.

The group is assessing the impact that the standard will have on its 2019 financial statements.

• IFRIC 22, Foreign Currency Transactions and Advance Consideration, effective for annual reporting periods beginning on or after January 1, 2018, addresses how to determine the transaction date when an entity recognises a non-monetary asset or liability (e.g. non-refundable advance consideration in a foreign currency) before recognising the related asset, expense or income. It is not applicable when an entity measures the related asset, expense or income or initial recognition at fair value or at the fair value of the consideration paid or received at the date of initial recognition of the non-monetary asset or liability.

An entity is not required to apply this interpretation to income taxes or insurance contracts that it issues or reinsurance contracts held.

The interpretation clarifies that the transaction date is the date on which the company initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date.

The group is assessing the impact that this interpretation will have on its 2019 financial statements.

- Improvements to IFRSs 2014-2016 contain amendments to certain standards applicable to the Group as follows:
 - IFRS 12, *Disclosure of Interests in Other Entities*, effective retrospectively for annual reporting periods beginning on or after January 1, 2017, has been amended to clarify that the disclosure requirements for interests in other entities also apply to interests that are classified as held for sale or distribution.
 - IAS 28, Investments in Associates and Joint Ventures, effective retrospectively for annual reporting periods beginning on or after January 1, 2018, has been amended to clarify or state the following:
 - A venture capital organisation, or other qualifying entity, may elect to measure its investments in an associate or joint venture at fair value through profit or loss. This election can be made on an investment-by-investment basis.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

March 31, 2017

(Twelve month period with fifteen month comparatives)

32. Significant accounting policies (continued)

- (q) New, revised and amended standards and interpretations not yet effective (continued):
 - Improvements to IFRSs 2014-2016 (continued)
 - IAS 28, Investments in Associates and Joint Ventures (continued)
 - (ii) A non-investment entity investor may elect to retain the fair value accounting applied by an investment entity associate or investment entity joint venture to its subsidiaries. This election can be made separately for each investment entity associate or joint venture.

The group is assessing the impact that this amendment will have on its 2019 financial statements.

5 YEAR FINANCIAL SUMMARY

1834 INVESTMENTS LIMITED

Financial Summary 2012 – 2017

	2017 \$'000	2016* \$'000	<u>2014</u> \$'000	2013 \$'000	<u>2012</u> S'000
Turnover	199,024	3,963,896	3,320,245	3,338,219	3,194,665
Group profit before taxation Taxation (charge)/credit	102,232 (<u>89,885</u>)	(12,194) 	224,725 (<u>43,578</u>)	91,458 (<u>5,616</u>)	86,885 46,647
Profit attributable to Gleaner's stockholders	<u>12,347</u>	<u>6,736</u>	<u> 181,147</u>	85,842	133,532
Ordinary stockholders' funds: Share capital Reserves	605,622 1.171,724 1,777,346	605,622 1,209,113 1,814,735	605,622 2,067,403 2,673,025	605,622 1,988,079 2,593,701	605,622 1,765,148 2,370,770
Long-term liabilities Employee benefits obligation Deferred tax liabilities	- - 29,400		65,926 87,000 333,036	93,534 66,300 338,906	99,001 118,300 _317,275
Total funds employed	<u>1,806,746</u>	<u>1,980,441</u>	<u>3,158,987</u>	<u>3,092,441</u>	2,905,346
Represented by: Long-term receivable Other non-current assets and investments Working capital	32,055 1,405,613 369,078	52,780 1,868,731 58,930	10,327 2,053,178 1,095,482	6,317 1,922,464 <u>1,163,660</u>	4,735 1,566,031 1,334,580
	<u>1,806,746</u>	<u>1,980,441</u>	<u>3,158,987</u>	<u>3,092,441</u>	<u>2,905,346</u>
Stock units in issue at year end ('000)	1,211,244	1,211,244	1,211,244	1,211,244	1,211,244
Earnings per stock unit [see note (i) below]	1.02¢	0.56¢	14.96¢	7.09¢	11.02¢
Stockholders' fund per stock unit [see note (i) below]	146.73¢	154.74¢	228.38¢	212.87¢	194.58¢
Dividends per stock unit [see note (ii) below]	11.99¢	8.04¢	8.04¢	7.17¢	8.34¢
Exchange rates ruling at the reporting date were: UK 1£ to J\$1 US\$1 to J\$1 Can\$1 to J\$1	158.72 128.22 96.45	172.73 121.70 91.46	175.97 114.12 96.34	173.56 105.72 98.99	152.64 92.14 93.01

⁽i) The calculation of earnings per stock unit and stockholders' funds per stock unit is based on profit after taxation attributable to Gleaner's stockholders and ordinary stockholders funds, respectively, divided by the stock units in issue at year-end.

⁽ii) The calculation of dividends per ordinary stock unit is based on the actual dividends for each year divided by the stock units in issue, less stock units held by GCLEIT. The number of units at the end of the reporting year/period was 1,177,069,000 (2016: 1,177,069,000).

^{*} Represents fifteen month period from January 1, 2015 to March 31, 2016 and includes the financial performance of the media business for the period then ended.

SHAREHOLDINGS OF NOTE

DECLARATION OF NUMBER OF STOCK UNITS OWNED BY DIRECTORS, OFFICERS & CONNECTED PERSONS AS AT MARCH 31, 2017:

NAMES	PERSONAL SHAREHOLDINGS	SHAREHOLDINGS OF CONNECTED PARTIES
DIRECTORS		
Oliver F. Clarke - Chairman	65,317,720	369,239,880
Joseph M. Matalon - Vice Chairman	23,572,020	70,056,104
Carol D. Archer	58,320	-
Christopher N. Barnes	5,308,834	-
Elizabeth A. Jones	_	-
Lisa G. Johnston	3,732	-
Douglas R. Orane	823,381	230,172
Morin M. Seymour	50,000	-
John J. Issa - Honorary Chairman	-	23,374,832
SENIOR MANAGERS		
Terry A. Peyrefitte	1,834	-

SHAREHOLDINGS OF NOTE (cont'd)

LIST OF (10) LARGEST BLOCKS OF STOCK UNITS AS AT MARCH 31, 2017:

1.	Financial and Advisory Services Limited	369,239,880
2.	Pan Caribbean Financial Services A/C 1388842	108,385,283
3.	Kaytak Investments Limited	68,669,862
4.	Oliver F. Clarke	65,317,720
5.	Jamaica National Building Society	46,425,529
6.	P.A.M. Ltd. – JPS Employees Superann. Fund	35,896,469
7.	Gleaner Co. Ltd. Employee Investment Trust	35,207,342
8.	National Insurance Fund	30,883,010
9.	JN Fund Managers Limited – Investment Managers	30,000,000
10.	Sagicor Pooled Equity Fund	25,000,000

1834 INVESTMENTS LIMITED

(FORMERLY THE GLEANER COMPANY LIMITED)

FORM OF PROXY

I/We	
of	
in the	e parish of
bein	g a member/members of the above-named company, hereby appoint
	of
or fa	iling him
Com	by/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the pany to be held on the 29th day of November 2017 at 10:30 a.m. at the registered of the Company, 7 North Street, Kingston, and at any adjournment thereof.
Sign	ature(s)
Sign	ed this2017
NOT	ES:
(1)	A Proxy need not be a member of the Company.
(2)	If the appointee is a Corporation this form must be under its Common Seal or under the hand of an officer of the Corporation duly authorised on its behalf.
(3)	In the case of joint holders the vote of the senior shall be accepted to the exclusion of the votes of the joint holders. Seniority shall be determined by the order in which the names stand in the register of members.
(4)	To be valid this form must be completed and deposited with the Secretary, 1834 Investments Limited, 7 North Street, Kingston at least 48 hours before the time appointed for the meeting or adjourned meeting.
(5)	An adhesive stamp of \$100.00 must be affixed to the form and cancelled

NOTES:



1834 INVESTMENTS LIMITED P.O. Box 40, 7 North Street Kingston, Jamaica (876) 922-1834