1834 INVESTMENTS LIMITED

ANNUAL REPORT

2018/2019

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Notice of Annual General Meeting

7 North Street
P.O. Box 40
Kingston
Phone: (876) 922-1834
Email: roxann.smith@gleanerjm.com
Fax: (876) 922-6297

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 **October 30, 2019 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, 2019 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 March 31, 2019, 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 Dr. Carol Archer, Mr. Joseph M. Matalon, and Mr. Morin Seymour, and all have offered themselves for re-election. To consider, and if thought fit, pass the following resolutions:-

   Resolution 2

   That Dr. Carol Archer be and is hereby re-elected a Director of the Company;

   Resolution 3

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

   Resolution 4

   That Morin Seymour 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 March 31, 2019 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

August 9, 2019

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 107. 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.

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)

COMPANY SECRETARY
Shena Stubbs-Gibson

REGISTRAR
SAGICOR BANK JAMAICA LIMITED
28-48 Barbados Avenue
Kingston 5

AUDITORS
KPMG
Chartered Accountants
6 Duke Street, Kingston

ATTORNEYS
PHILLIPSON PARTNERS
48 Constant Spring Road
Kingston 10

PATTERSON MAIR HAMILTON
85 Hope Road, Kingston 6

BANKERS & INVESTMENT COMPANIES
THE BANK OF NOVA SCOTIA
(JAMAICA) LIMITED
Scotia Bank Centre
Kingston, Jamaica

THE BANK OF NOVA SCOTIA LIMITED
Toronto, Ontario, Canada

JN BANK
2-4 Constant Spring Road
Kingston 10

JN FUND MANAGERS
2 Belmont Road, Kingston 10

NCB CAPITAL MARKETS
The Atrium, 32 Trafalgar Road
Kingston 10

UBS AG
Zurich, Switzerland

CHAIRMAN'S MESSAGE

Fellow shareholders,

This past year your Board pursued strategies to optimize operational efficiency and to position your company for future opportunities. Following on last year's efforts to streamline the legacy operations, your Company concluded the wind-up of four non-operational subsidiaries this period. These subsidiaries were former media entities, which became dormant after the 2016 media amalgamation exercise. The 2018/19 group financial results reflect a one-time gain of $59 million as a result of these close outs.

Your Company also disposed of three non-strategic commercial properties over the year, the proceeds of which were passed on to you by way of a capital distribution of $121 million in December 2018. The distribution, which was equivalent to $0.10/ share, provided you a dividend yield of 9.5% per annum for 2018/19. You will recall that a share in Radio Jamaica Limited was allotted to you for each share held in the former Gleaner Company Limited at the time of the amalgamation exercise. In the three years since then, shareholders would have benefitted from cumulative income of $0.34/share from both companies, assuming no changes in shareholding. No further dividend is recommended in respect of the 2018/19 financial year.

The financial results for 2018/19 reflect these activities, and the challenge of declining fixed income yields. For the year ended March 31, 2019 your company recorded a net profit of $6 million, or earnings of 0.46 cents per stock unit. Included in these results is a one-time charge of $31 million arising from a fair value loss on investment properties, as well as the aforementioned gain of $59 million arising from the liquidation of dormant subsidiaries. Stockholders' equity was $1,492 million at the March 31, 2019 year-end, equivalent to $1.23 per stock unit.

Over its three years as a standalone investment operation, the Board has guided your company through a major transition from media to investments and has assessed and repositioned several major assets and subsidiaries. Our achievements today – a leaner, more efficient operation, well capitalised with over $500 million in cash and liquid investments and zero long-term debt – are due to the direction and counsel provided by your Board of Directors, and the diligent execution of your Acting General Manager and a small team of contracted professionals. I would like to express my gratitude to the Board for their ongoing commitment to our company and to the 1834 team for their hard work.

I wish to also thank you, our shareholders for your feedback and continued support to our company. I look forward to seeing you at the Company's Annual General Meeting in October.

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

Directors' Profiles

HON. OLIVER F. CLARKE,
O.J., J.P., B.Sc., FCA, Hon. LLD

Appointed Director May 1976 and Chairman since April 1979

The Hon. Oliver F. Clarke is the Chairman and a former Managing Director (May 1976 - January 2011) of The Gleaner Company Limited (now 1834 Investments Limited). Mr. Clarke is a Director and former Chairman of the RJRGLEANER Communications Group, The Gleaner Company (Media) Limited and JN Bank Limited. He is the Chairman of JN Group Limited and serves on the boards of several other companies. He is a Past President of the Private Sector Organisation of Jamaica (PSOJ) and was inducted into its Hall of Fame in 1997. In 1998, Mr. Clarke was awarded the Order of Jamaica.

Mr. Clarke was the President of the Inter American Press Association (1997/1998). He was awarded three Honorary Degrees of Doctor of Laws; in 2009, from the University of The West Indies and the University of Technology, and, in 2013, the Northern Caribbean University. In 2006, Mr. Clarke received the American Friends of Jamaica Humanitarian Award.

Mr. Clarke is a graduate of the London School of Economics. He is a Chartered Accountant and a Justice of the Peace.

JOSEPH M. MATALON,
C.D., B.Sc.

Appointed Director October 1987 and 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). Having been a Director of Radio Jamaica Limited since 2016, he was appointed Chairman of that Company in July 2019.

Mr. Matalon served three terms as President of the Private Sector Organization of Jamaica (PSOJ); and was inducted into its Hall of Fame in 2018. Mr. Matalon 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 awarded the Order of Distinction in the rank of Commander (CD).

Mr. Matalon is a member of the Audit Committee of the Board.

CAROL ARCHER,
B.A., M.A., MURP, Mphil, Ph.D.

Appointed Director 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, as Head of School of Building and Land Management from 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 has served on boards including Radio Jamaica Limited (since 2016), 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.

Dr. Archer is a member of the Corporate Governance Committee of the Board.

CHRISTOPHER N. BARNES,
J.P., B.Sc., M.B.A

Appointed Director February 2008

Mr. Barnes is the Chief Operating Officer of Radio Jamaica Limited and Managing Director of The Gleaner Company (Media) Limited. He is Chairman of Multi-Media Jamaica Limited and Gleaner Online Limited, and a director on all other RJRGLEANER Communications Group subsidiaries. Mr. Barnes was the Managing Director of The Gleaner Company Limited (now 1834 Investments Limited) from February 2011 – April 2016).

Mr. Barnes also serves on boards including JN Life Insurance Company Limited and PanJam Investment Limited. He is the Chairman of PALS Jamaica Limited and the Media Association Jamaica Limited (MAJ), and the 1st Vice President of the Inter American Press Association (IAPA).

He has a Mechanical Engineering degree from Boston University and a graduate degree in Finance and International Business (M.B.A.) from McGill University.

LISA JOHNSTON,
B.A., M.A.

Appointed Director April 2000

Mrs. Johnston is the Corporate Affairs Manager at Jamaica Producers Group Limited and is the Honorary Consul for the Republic of Costa Rica. She serves as a director of Radio Jamaica Limited, the Jamaica Manufacturers' and Exporters' Association, and the Consular Corps of Jamaica. She is also a member of the Jamaica Trade and Adjustment Team in the Ministry of Foreign Affairs and Foreign Trade.

Mrs. Johnston is a former Galo Plaza Fellow at the Inter-American Dialogue in Washington D.C.

She is a member of the Corporate Governance Committee and the Audit Committee of the Board.

ELIZABETH (BETTY ANN) JONES,
C.D., FCA (Ja.), FCCA (UK), B.Sc.

Appointed Director 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 is the Chairman of JN Fund Managers Limited, a Director of Radio Jamaica Limited and serves on the boards of several other companies.

Ms. Jones has served on several tax reform committees and was seconded to the Ministry of Finance, between 1989 and 1992, as special advisor to the Minister. Ms. Jones has also served as Chairman of the Trade Board and Fiscal Services Limited and on the Committee to Review and Eliminate Waste in the Public Sector.

In 2015, Ms. Jones was awarded the Order of Distinction in the rank of Commander (CD).

Ms. Jones is the Chairman of the Audit Committee of the Board.

HON. DOUGLAS ORANE,
C.D., J. P., B.Sc., M.B.A., LLD. (Hon)

Appointed Director May1998

Mr. Orane is a former Chairman and Managing Director of Grace Kennedy Limited. He is currently a Director of Radio Jamaica Limited and also serves on other boards. Mr. Orane 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 was inducted into the PSOJ Hall of Fame in 2003.

Mr. Orane also served as an Independent Senator in the Senate from 1998 to 2002 and was appointed a member of the Governor General's Privy Council in 2009. In 2002, Mr. Orane was awarded the Order of Distinction in the rank of Commander (CD).

Mr. Orane is the Chairman of the Corporate Governance Committee and a member of the Audit Committee of the Board.

MORIN M. SEYMOUR,
CD, JP, BSc, MBA, FLMI

Appointed Director April 2000

Mr. Seymour 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 Rector's 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. He is also the Chairman of the Jamaica Nominating Committee for The Anthony N. Sabga Caribbean Awards for Excellence.

In 1983, Mr. Seymour received a Certificate in Public Enterprise Policy for developing countries from Harvard University and in 1995, he was designated an Eisenhower Fellow. In 1999, Mr. Seymour received the Governor General's Achievement Award for Surrey, Jamaica; and in 2003, he was awarded the Prime Minister's Appreciation Award for Community Development and, appointed Honorary visiting Fellow of the 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 and Management, Pepperdine University, California.

In 2011, Mr. Seymour was awarded the Order of Distinction in the rank of Commander (CD).

HON. JOHN J. ISSA,
OJ, CD, JP, BSC, HON. LLD

Appointed Director February, 1975 - June, 2003, Vice Chairman from July, 2003 - January 22, 2015 and Honorary Chairman since January 23, 2015

Mr. Issa serves as Chairman of SuperClubs International Limited and its subsidiaries. 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.

He served as a member of the Senate (1983-1989) and as Chairman of the Jamaica Tourist Board (1984-1989). In 1999 and 2009, Mr. Issa was awarded the Honorary Degrees of Doctor of Laws (*Honoris Causa*) from the Northern Caribbean University and the University of the West Indies, respectively. Mr. Issa is also trustee of the Bustamante Foundation.

In 1998, Mr. Issa was awarded the Order of Jamaica and in 1983, he received the Order of Distinction in the rank of Commander (CD).

Mr. Issa is also a Justice of the Peace and the Honorary Consul of Serbia.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The following Management Discussion and Analysis (MD&A) is intended to help readers, shareholders and customers understand the operations and present business environment of 1834 Investments Limited. 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

1834 Investments Limited is an investment management company. The Company's main activity is the management of its real estate, bond and equity portfolios, and the management of its joint venture and subsidiary companies. For the financial year under review, your company generated revenue from interest and dividends paid on corporate bond and equity holdings, rent on commercial real estate assets, loans and other income-generating contracts. 1834 Investments Limited evolved as a result of the March 2016 merger of the media operations of the former Gleaner Company Limited with Radio Jamaica Limited (RJR). The Gleaner Company Limited officially changed its name to 1834 Investments Limited on March 10, 2016.

THE ENVIRONMENT

The Jamaican economy grew 1.7% in fiscal year 2019 (2018: 1.4%), anchored by activity in the mining, tourism and construction sectors[1]. The country's strong

[1] Statistical Institute of Jamaica (STATIN): Year Over Year Change of Value Added By Industry at Constant(2007) Prices (Seasonally Unadjusted)

ongoing adherence to an economic reform programme was expected to yield further fiscal consolidation gains[2] and a stable macroeconomic environment, which were rewarded by the international rating agencies confirming B (or higher) sovereign credit ratings and positive/stable outlooks[3] for the country. Moderate volatility in the JMD:USD exchange rate was recorded in the period with the currency transitioning into a two-way adjustment mechanism of alternating appreciation and depreciation within a moderate range. Low interest rates (USD & JMD) also persisted, conditions which challenged investors to look beyond traditional USD and JMD fixed income investments to find inflation adjusted returns.

On the international front, 2018 marked a volatile year for US equity trading and also produced a general downturn in overseas bond markets. Despite the fallout in US equity markets by the end of 2018, your equity portfolio closed the 2018/19 financial year with positive returns, contributed in part by a rebound in prices in early 2019. In the period, your bond portfolio returned good income between 8% (USD bonds) to 19% (JMD bonds) on a weighted average cash yield basis, despite lower bond market prices. Your portfolio of foreign investments enjoyed good returns over the year and we consider the short to medium term prospects positive.

OPERATIONS

1834 Investments Limited closed on its third year of operations, having advanced on the mandate to improve the company's operational efficiency and reduce costs to align the portfolio of investments for the future. In this vein, your company concluded the wind-up of four non-operational subsidiaries in the financial period as follows:

1. Associated Enterprise Limited (dissolved March 2019)
2. digjamaica.com Limited (dissolved March 2019)
3. Popular Printers Limited (dissolved March 2019)
4. 1834 Investments (Canada) Incorporated (dissolved June 2018)

[2] Debt to GDP was projected to be 96.4% at FYE 2018/19, reduced from 101% at FYE 2017/18 (source: Ministry of Finance and the Public Service Fiscal Policy Paper 2019)

[3] Standard & Poors and Moody's rating agencies both confirmed positive country outlooks for Jamaica in 2018 along with B and B3 respective sovereign credit ratings. Fitch Ratings Agency confirmed a B+ sovereign credit rating for Jamaica with a stable outlook in 2019.

These subsidiaries previously operated in media ahead of your Company's 2016 media amalgamation with RJR, and have been dormant for some time. Without the former media assets these subsidiaries had no core operations, but required resources to maintain them, which proved costly and inefficient.

Your Company intends to dissolve one other subsidiary, Selectco Publications Limited which has a similar dormant profile, within the next financial year and has taken steps to do so.

Your Company was also successful in disposing of three non-strategic commercial properties over the year as follows:

1. #146 Harbour Street, Kingston (sold June 2018)
2. #1-3 Service Road & #16-17 First Street, Newport West, St. Andrew (sold November 2018)
3. #4 Bradley Avenue, St. Andrew (sold November 2018)

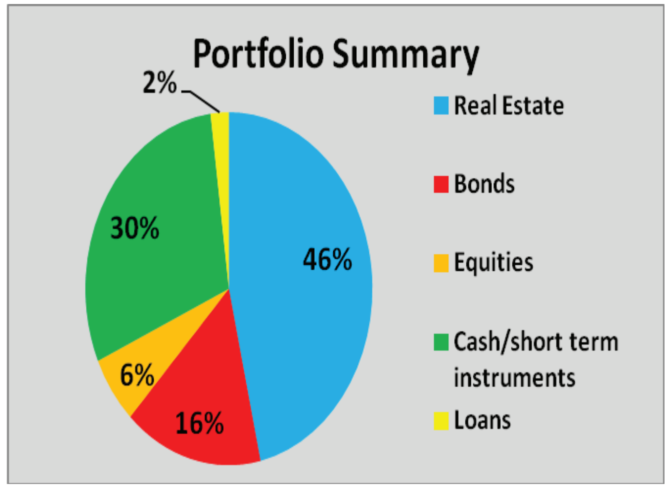
The proceeds were distributed in part to shareholders in December 2018, as a capital distribution, while other proceeds were re-invested.

1834 maintains a lean operational structure with some functions outsourced where feasible. Your company has a shared services arrangement in place with former subsidiary company, The Gleaner Company (Media) Limited, whereby professional support services are accessed from that company for a monthly fee. These services include legal support, information technology services and administrative support. Investment advisory and accounting services are outsourced to external firms.

INVESTMENTS

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. As at March 31, 2019 investments were allocated as follows:

Portfolio Summary	2019	
	J$ '000	%
Real Estate	510,163	46%
Cash/short term instruments	325,664	30%
Bonds	171,465	16%
Equities	68,482	6%
Loans	22,452	2%
Total	**1,098,226**	**100%**



Investments totalled $1,098 million (2018: $1,319) at the end of March 2019. The portfolio was heavily weighted towards real estate which accounted for 46% or $510 million of all investment assets by value. The properties held as at the March 31, 2019, year-end were as follows:

Property Type	Location
Commercial offices	7 North Street, Kingston*
Commercial lots	101A, 103, 105 East Street & 66C, 66D John's Lane, Kingston*
Commercial offices	9 King Street, Montego Bay* (sold subsequent to the year-end)

*Property is leased

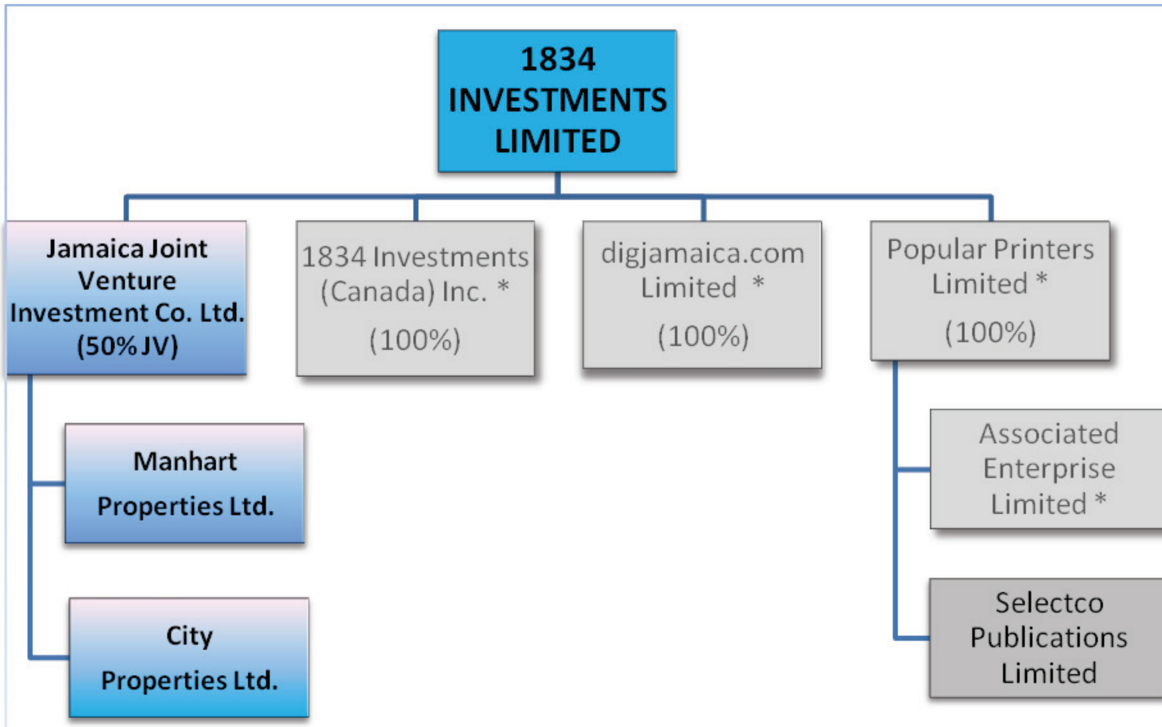
Pursuant to the Scheme of Arrangement for Amalgamation, the land and building located at 7 North Street, as well as the five vacant lots situated at 101A, 103 & 105 East Street and 66C & 66D John's Lane which are utilised for parking are subject to a long-term lease arrangement with Radio Jamaica Limited (expires 2030). The property at 9 King Street, Montego Bay was sold subsequent to the year end (completed August 2019).

Bond assets comprised 16% or $171M of total investments. Scheduled bond redemptions in the period resulted in a shift of funds from the bond asset class to short-term instruments, which grew to $326M or 30% from the re-allocation of investments. Despite lower bond market prices, the bond portfolio returned good income between 8% (USD bonds) to 19% (JMD bonds) on a weighted average cash yield basis, and maintained satisfactory credit quality. Thirty four percent (34%) of the bonds (by value) were investment grade issuers at year-end. The bond portfolio contains a wide mix of local and foreign corporate issuers of notes with maturities 1 – 13 years out.

The equity portfolio appreciated 3% in value from the prior year-end. Current equity holdings represent a widely diversified mix of stocks of high-quality local and overseas companies in North America, U.K., Europe and Asia.

SUBSIDIARY AND ASSOCIATED COMPANIES

As at March 31, 2019, the Company's organisational structure was as follows:



* Subsidiary dissolved: 1834 Investments (Canada) Inc. (dissolved in June 2018)
digjamaica.com Limited (dissolved March 2019)
Popular Printers Limited (dissolved March 2019)
Associated Enterprise Limited (dissolved March 2019)

1834 Investments (Canada) Inc. was dissolved June 2018. This subsidiary previously owned real estate in Canada, and became non-operational after its media assets were divested to a subsidiary of Radio Jamaica Limited in 2016.

Digjamaica.com Limited, Popular Printers Limited and Associated Enterprise Limited were dissolved March 2019. These subsidiaries were previously active in media and became nonoperational after the amalgamation with RJR.

I834 Investments Limited currently has one (dormant) subsidiary company and a 50% joint venture associate, with its own subsidiaries.

Your Company has taken steps to wind-up the last remaining dormant subsidiary Selectco Publications Limited, and expects this to be complete by the end of 2019/2020.

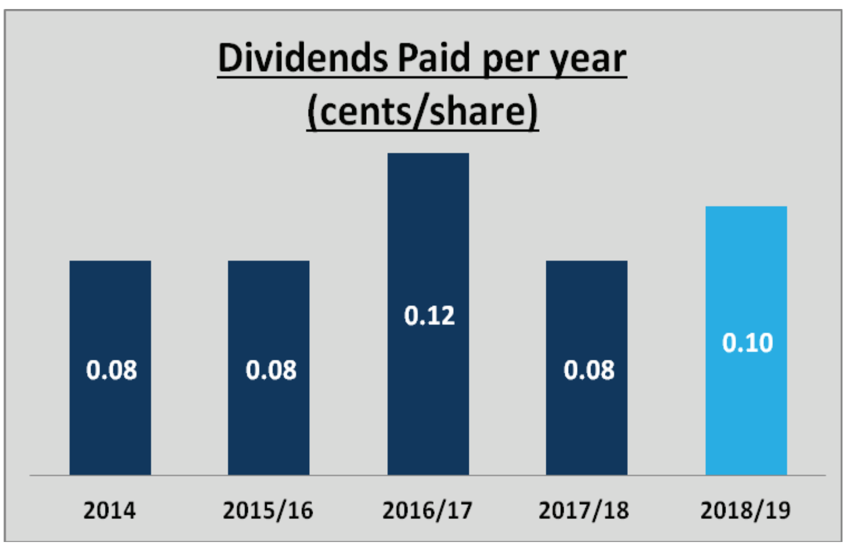
Jamaica Joint Venture Investment Company Limited (JJVI) is the holding company for two commercial real estate investments at 34 and 40 Duke Street, Kingston. Your company is a 50% joint venture partner in this real estate holding company.

JJVI's subsidiary companies City Properties Limited and Manhart Properties Limited, own and manage the activities of these properties with the oversight of a property management company.

SHAREHOLDER RETURN

An interim capital distribution of 10 cents per stock unit was paid on December 19, 2018 to shareholders on record at the close of business on December 3, 2018.

No final dividend was recommended in respect of the year ended March 31, 2019.



FINANCIAL RESULTS:

The Group financial highlights and comparatives below are for the twelve months to March 31, 2019:

FINANCIAL HIGHLIGHTS:	2019	2018
Profit attributable to shareholders	$6 million	$82 million
Earnings per share	0.46 cents/share	6.76 cents/share
Total Revenue	$55 million	$161 million
Total Equity	$1,492 million	$1,704 million
Book value	$1.23/share	$1.41/share
Closing Share price (March 31)	$1.05	$1.19
Dividends paid	$0.10/share	$0.08/share
Dividend yield	10% p.a.	7% p.a.

ACCOUNTING POLICY CHANGES

Your Company implemented the requirements of International Financial Reporting Standard ("IFRS") 9 and 15, as at April 1, 2018. IFRS 9 is a new accounting standard which guides the recognition, measurement and classification of financial assets. The impact of this transition to your company's results was not material, although higher expected credit losses and impairment losses were recognised.

INCOME STATEMENTS

Your Company recorded group profits of $6 million after tax from its consolidated operations in real estate and investments over the 12 months to March 31, 2019 (2018: $82 million). Earnings of 0.46 cents/share were driven by interest and rental income generated from investment assets, and by gains on the liquidation of dormant subsidiaries.

REVENUE

The Group generated revenues of $55 million for the 12 months to March 31, 2019 compared with $161 million for the year before. Approximately $100 million of the $106 million year over year reduction was due to prior year gains on one off transactions (disposal of investments and a write-back from a former related party), which gave the impression of a sharp drop in revenue. Lower interest rates in the financial period as well as fewer leases (property and motor vehicle) accounted for the remaining variance in interest and rental income.

EXPENSES

Group expenses of $107 million (2018: $117 million) decreased $10 million or 8% year-over-year as efforts to reduce the company's administrative and operating expenses were successful. The positive impact of the lower cost structure was, however, reduced by a charge of $31 million, which was taken after the re-valuation of some investment properties at fair value.

TAXATION

The taxation charge for the year amounted to $9 million. In 2016, your company was assessed an additional $63 million in PAYE and income taxes as a result of a Tax Administration Jamaica ("TAJ") audit of the 2010 financial year. Your company disputed the assessment and filed an objection with the TAJ. The matter is in abeyance and no provision has been made in the company's accounts for this assessment.

GROUP STATEMENT OF FINANCIAL POSITION

ASSETS

Total assets of $1,549 million (2018: $1,752 million) were largely (70%) comprised of real estate and short-to-medium term investments. The year-over-year reduction was due to cash used to settle various expenses over the period including dividends of $121M paid by the company. During the year, real estate (being five vacant lots located in Newport West) was sold which resulted in the reduction of "Investment properties" to $414 million (2018: $549 million). Properties at # 146 Harbour Street, Kingston and #4 Bradley Avenue, Kingston were also sold in the financial period, which resulted in the reduction of "Assets held for sale" to $96 million (2018: $197 million). The sales proceeds were either distributed to shareholders or reinvested.

PENSION FUND RECEIVABLE

A receivable of $82 million (2017: $74 million) arising from the discontinuation of the defined benefit Gleaner Superannuation Fund ("Fund") remains due to the company. Efforts to transfer assets out of the Fund to facilitate its final winding-up continued over the period, with two assets remaining in the Fund as at March 31, 2019. The Fund has no remaining members.

LIABILITIES AND EQUITY

Total liabilities of $57 million (2018: $48 million) increased during the year as a result of higher accounts payable, including balances for unclaimed dividends. Total equity attributable to the equity holders of 1834 was $1,492 million at year-end (2018: $1,704 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, cyber security threats and environmental risks.

Your Company, however, has a well-established governance structure which satisfactorily protected against the various financial and operational risks during the period. The risk management framework and mitigation strategies employed during the year were considered effective in assessing and managing the group's risk exposure, and continue to be employed.

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 adjustments as necessary. Your company also reviews its operations to assess other risks and to ensure effective policies to mitigate any adverse outcomes are in place.

Looking Forward

Your Company's financial position stands strong on a foundation of high quality income-generating assets, zero long-term debt and the strategic guidance of its experienced Board of Directors. For 2019/20, the Board will continue to focus its efforts on maximizing shareholder return via optimal asset allocation and further cost and operational efficiencies.

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:

   i. 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, 2019, the Board was comprised of eight (8) Directors and chaired by the Hon. Oliver F. 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 directors of the quality required. The compensation is competitive and subject to regular review.

BOARD AND COMMITTEE MEETINGS

Five Directors' meetings were held from April 1, 2018 to March 31, 2019, as follows:
2018: May 3, July 23, October 25 and November 28.
2019: February 28.

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

ATTENDANCE RECORD FOR
1834 BOARD and COMMITTEE MEETINGS April 2018 to March 2019

Name	Board (5)	Corporate Governance (2)	Audit (3)
Hon. Oliver F. Clarke, OJ (Chairman)	4	-	-
Joseph M. Matalon, CD (Vice-Chairman)	4	-	2
Dr. Carol D. Archer	4	1	-
Christopher N. Barnes	4	-	-
Lisa G. Johnston	4	2	3
Elizabeth A. Jones, CD	4	-	3
Hon. Douglas R. Orane, CD	4	2	2
Morin Seymour, CD	4	-	-
Hon. John J. Issa, OJ (Honorary Chairman)	4	-	-

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, 2019 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.
- Monitoring and reviewing issues regarding the Company's conduct of its business as a responsible corporate citizen and to this end, 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 Corporate Governance 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 its decision.

The members of the committee as at March 31, 2019 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 and International 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.

KPMG

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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 36 to 102, which comprise the group's and company's statements of financial position as at March 31, 2019, 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, 2019, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 affected by uncertainty of market factors, pricing assumptions and general business and economic conditions.

   Our audit procedures in this area included the following:

   - Evaluating the reasonableness of the valuation methodologies employed by management, including management experts and the fair value conclusions for a sample of properties at the valuation date.

   - 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.

   - 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.*

2. *Valuation of investments*

   The group's investments measured at fair value includes corporate bonds classified as fair value through other comprehensive income and categorised 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
1834 INVESTMENTS LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

2. *Valuation of investments (continued)*

   Our audit procedures in this area included the following:

   - Challenging the reasonableness of yields/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.

3. Expected credit loss on financial assets

   IFRS 9 was implemented by the group on April 1, 2018. The standard is new and complex and requires the group to recognise expected credit losses ('ECL') on financial assets, the determination of which is highly subjective and requires management to make significant judgement and estimates.

   The key areas requiring greater management judgement include the identification of significant increase in credit risk ('SICR'), the determination of probabilities of default, loss given default, exposures at default and the application of forward-looking information. Significant management judgement is used in determining the appropriate variables and assumptions used in the ECL calculations, which increases the risk of a material misstatement.

   We therefore determined that the impairment of other receivables and investments has a high degree of estimation uncertainty.

   In addition, disclosure regarding the group's application of IFRS 9 are key to understanding the change from IAS 39 as well as explaining the key judgements and material inputs to the IFRS 9 ECL results.

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
1834 INVESTMENTS LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

3. Expected credit loss on financial assets (continued)

   Our audit procedures in this area included the following:

   - Obtaining an understanding of the models used by the group for the calculation of expected credit losses, including governance over the determination of key judgements.

   - Testing the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis.

   - Involving our financial risk modelling specialists to evaluate the appropriateness of the group's impairment methodologies, including the SICR criteria used and independently assessing the assumptions for probability of default, loss given default and exposure at default.

   - Involving our financial risk modelling specialists to evaluate the appropriateness of the group's methodology for determining the economic scenarios used and the probability weightings applied to them. We also tested to external sources, a sample of economic variables used.

   - Assessing the adequacy of the disclosures of the key assumptions and judgements as well as the details of the transition adjustment for compliance with IFRS 9.

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, 2019, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 34 - 35, 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 R. Tarun Handa.

KPMG

Chartered Accountants
Kingston, Jamaica

June 14, 2019

INDEPENDENT AUDITORS' REPORT (Continued)

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 scepticism 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.

KPMG

INDEPENDENT AUDITORS' REPORT (Continued)

To the Members of
1834 INVESTMENTS LIMITED

Appendix to the Independent Auditors' Report (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also (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, 2019

Statements of Financial Position

	NOTES	GROUP 2019 $'000	GROUP 2018 $'000	COMPANY 2019 $'000	COMPANY 2018 $'000
Assets					
Property, plant and equipment	4	6,061	10,854	6,061	10,851
Investment properties	5	414,350	549,239	414,350	549,239
Long-term receivables	6	22,452	26,891	22,452	26,891
Interest in subsidiaries	7	-	-	-	1,413
Interest in associate	8	305,461	298,121	53,235	53,235
Investments	9	290,678	469,553	290,678	469,553
Deferred tax assets	11	-	618	-	-
Total non-current assets		1,039,002	1,355,276	786,776	1,111,182
Cash and cash equivalents	12	90,247	67,629	86,547	61,295
Securities purchased under resale agreements	13	193,229	9,279	193,229	9,279
Other receivables	14	23,381	36,614	37,700	47,822
Taxation recoverable		25,419	12,514	22,962	-
Assets held for sale	5,15	95,813	196,645	95,813	196,645
Pension fund receivable	10	81,792	74,322	81,792	74,322
Total current assets		509,881	397,003	518,043	389,363
Total assets		1,548,883	1,752,279	1,304,819	1,500,545
Equity					
Share capital	16	605,622	605,622	605,622	605,622
Reserves	17	886,691	1,098,431	641,435	798,079
Total equity attributable to equity holders of parent		1,492,313	1,704,053	1,247,057	1,403,701
Liabilities					
Deferred tax liability, **being total non-current liability**	11	17,495	17,910	17,495	17,906
Accounts payable	18	39,075	27,422	40,267	78,773
Taxation payable		-	2,894	-	165
Total current liabilities		39,075	30,316	40,267	78,938
Total liabilities		56,570	48,226	57,762	96,844
Total equity and liabilities		1,548,883	1,752,279	1,304,819	1,500,545

The financial statements on pages 36-102 were approved for issue by the Board of Directors on June 14, 2019 and signed on its behalf by:

Chairman
Hon. Oliver F. Clarke, OJ

Vice Chairman
Joseph M. Matalon, CD

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

1834 INVESTMENTS LIMITED
MARCH 31, 2019

Income Statements

	NOTES	GROUP		COMPANY	
		2019 $'000	2018 $'000	2019 $'000	2018 $'000
Revenue					
Operating income	19(a)	27,867	45,379	27,867	45,379
Other income	19(b)	27,220	116,017	27,220	70,656
		55,087	161,396	55,087	116,035
Administration expenses		(24,359)	(31,258)	(24,359)	(27,947)
Other operating expenses		(46,031)	(85,626)	(44,737)	(78,375)
Impairment loss		(5,208)	-	(5,208)	-
Fair value loss on investment properties	5,15	(31,408)	-	(31,408)	-
	20	(107,006)	(116,884)	(105,712)	(106,322)
(Loss)/profit from operations		**(51,919)**	**44,512**	**(50,625)**	**9,713**
Finance costs		(98)	(380)	(98)	(380)
(Loss)/profit from operations before other income		(52,017)	**44,132**	**(50,723)**	**9,333**
Gain on liquidation of subsidiaries	25	58,786	-	43,724	-
Share of profit from interest in associate, net of tax	8	7,340	53,042	-	-
Profit/(loss) from operations before taxation		**14,109**	**97,174**	**(6,999)**	**9,333**
Taxation charge	21	(8,563)	(15,242)	(8,563)	(12,513)
Profit/(loss) for the year		**5,546**	**81,932**	**(15,562)**	**(3,180)**
Dealt with in the financial statements of:					
Parent company		(15,562)	(3,180)		
Subsidiaries		13,768	32,070		
Associate	8	7,340	53,042		
		5,546	**81,932**		
Earnings per stock unit:					
Based on stock units in issue	22	0.46¢	6.76¢		
Excluding stock units in GCLEIT	22	0.47¢	6.96¢		

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

1834 INVESTMENTS LIMITED
MARCH 31, 2019

Statements of Profit or Loss and Other Comprehensive Income

	NOTES	GROUP 2019 $'000	GROUP 2018 $'000	COMPANY 2019 $'000	COMPANY 2018 $'000
Profit/(loss) for the year		5,546	81,932	(15,562)	(3,180)
Other comprehensive income (OCI):					
Item that will never be reclassified to profit or loss					
Net losses on investments in equity securities designated at fair value through OCI (2018: Available-for-sale)		(2,062)	-	(2,062)	-
Tax on revaluation and remeasurement	11(a)(ii)	-	6,260	-	-
		(2,062)	6,260	(2,062)	-
Items that may be reclassified to profit or loss					
Fair value adjustments on debt securities at fair value through OCI (2018: Available-for-sale)		(16,574)	(66,840)	(16,574)	(2,061)
Currency translation differences on foreign subsidiaries		-	(535)	-	-
		(16,574)	(67,375)	(16,574)	(2,061)
Other comprehensive loss for the year, net of taxation		(18,636)	(61,115)	(18,636)	(2,061)
Total comprehensive (loss)/income for the year		(13,090)	20,817	(34,198)	(5,241)
Dealt with in the financial statements of:					
The company		(34,198)	(5,241)		
Subsidiaries		13,768	(26,984)		
Associate	8	7,340	53,042		
		(13,090)	20,817		

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

1834 INVESTMENTS LIMITED
MARCH 31, 2019

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 at March 31, 2017	605,622	1,209,352	90,116	(149,157)	21,413	1,777,346
Total comprehensive income for the year						
Profit for the year	-	-	-	-	81,932	81,932
Other comprehensive income/(loss) for the year:						
Fair value adjustments on available-for-sale investments	-	-	(66,840)	-	-	(66,840)
Reversal of deferred tax on disposal of building	-	6,260	-	-	-	6,260
Currency translation differences on foreign subsidiaries	-	(535)	-	-	-	(535)
Total other comprehensive income/(loss) for the year, net of taxation	-	5,725	(66,840)	-	-	(61,115)
Total comprehensive income/(loss) for the year, net of taxation	-	5,725	(66,840)	-	81,932	20,817
Transfers [note 17(iv)]	-	(181,938)	-	-	181,938	-
Transactions with owners, recorded directly in equity:						
Dividends (note 23), being total distributions to owners	-	-	-	-	(94,110)	(94,110)
Balances as at March 31, 2018	605,622	1,033,139	23,276	(149,157)	191,173	1,704,053
Adjustment on the initial application of IFRS 9 (note 30)	-	-	1,725	-	(1,758)	(33)
Adjusted balances at April 1, 2018	605,622	1,033,139	25,001	(149,157)	189,415	1,704,020
Total comprehensive income for the year						
Profit for the year	-	-	-	-	5,546	5,546
Other comprehensive loss for the year:						
Fair value adjustments on debt securities at FVOCI	-	-	(16,574)	-	-	(16,574)
Net losses on investments in equity securities designated at fair value through OCI	-	-	(2,062)	-	-	(2,062)
Total other comprehensive loss for the year, net of taxation	-	-	(18,636)	-	-	(18,636)
Total comprehensive (loss)/income for the year, net of taxation	-	-	(18,636)	-	5,546	(13,090)
Transfer on liquidation of wholly owned subsidiaries		(128,247)	(1,540)	-	48,876	(80,911)
Transfers [note 17(iv)]	-	(217,394)	-	-	217,394	-
Transfer of own shares sold in previous years	-	(29,548)	-	114,284	(84,736)	-
	-	(375,189)	(1,540)	114,284	181,534	(80,911)
Transactions with owners, recorded directly in equity:						
Total distributions to owners (note 23)	-	(117,706)	-	-	-	(117,706)
Balances as at March 31, 2019	605,622	540,244	4,825	(34,873)	376,495	1,492,313

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

1834 INVESTMENTS LIMITED
MARCH 31, 2019

Company Statement of Changes in Equity

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Retained profits $'000	Total equity $'000
Balances at March 31, 2017	605,622	836,088	23,797	40,335	1,505,842
Total comprehensive income for the year					
Loss for the year	-	-	-	(3,180)	(3,180)
Other comprehensive income:					
Fair value adjustments on available-for-sale investments, being other comprehensive income for the year, net of taxation	-	-	(2,061)	-	(2,061)
Total comprehensive loss for the year, net of taxation	-	-	(2,061)	(3,180)	(5,241)
Transfers [note 17(iv)]	-	(136,340)	-	136,340	-
Transactions with owners, recorded directly in equity					
Dividends (note 23), being total distributions to owners	-	-	-	(96,900)	(96,900)
Balances at March 31, 2018	605,622	699,748	21,736	76,595	1,403,701
Adjustment on the initial application of IFRS 9 (note 30)	-	-	1,725	(3,047)	(1,322)
Adjusted balances at April 1, 2018	605,622	699,748	23,461	73,548	1,402,379
Total comprehensive income for the year					
Loss for the year	-	-	-	(15,562)	(15,562)
Other comprehensive loss:					
Fair value adjustments on debt securities at FVOCI	-	-	(16,574)	-	(16,574)
Net losses on investments in equity securities designated at fair value through OCI	-	-	(2,062)	-	(2,062)
Total other comprehensive loss for the year, net of taxation	-	-	(18,636)	-	(18,636)
Total comprehensive loss for the year, net of taxation	-	-	(18,636)	(15,562)	(34,198)
Transfers [note 17(iv)]	-	(38,380)	-	38,380	-
Transactions with owners, recorded directly in equity					
Total distributions to owners (note 23)	-	(121,124)	-	-	(121,124)
Balances at March 31, 2019	605,622	540,244	4,825	96,366	1,247,057

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

1834 INVESTMENTS LIMITED
MARCH 31, 2019

Statements of Cash Flows

	NOTES	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Cash flows from operating activities					
Profit/(loss) for the year		5,546	81,932	(15,562)	(3,180)
Adjustments to reconcile profit/(loss) to net cash provided/(used)by operating activities:					
Depreciation	4(a),(b)	4,793	4,790	4,790	4,790
Income tax	21(a)	8,974	20,472	8,974	17,743
Deferred taxation	21(a)	(411)	(5,230)	(411)	(5,230)
Interest income	19(a)	(20,525)	(30,954)	(20,525)	(30,954)
Interest expense		98	381	98	381
Decrease in fair value of asset held-for-sale		16,519	2,598	16,519	2,598
Decrease in fair value of investment properties		14,889	-	14,889	-
Impairment loss	20	5,208	8,221	5,208	2,285
Share of profit of associate, net of tax	8	(7,340)	(53,042)	-	-
Gain on disposal of assets held for sale		2,674	(4,981)	2,674	-
Gain on disposal of investments		-	(59,759)	-	(10,659)
Gain on liquidation of subsidiaries		(58,786)	-	(43,724)	-
Increase in the fair value of units		(102)	-	(102)	-
Gain on disposal of property, plant and equipment		-	(8,882)	-	(8,882)
		(28,463)	(44,454)	(27,172)	(31,108)
Tax paid		(32,101)	(38,686)	(32,101)	(35,788)
Interest paid		(98)	(380)	(98)	(380)
Trade and other receivables		(5,563)	18,175	5,062	76,281
Securities purchased under agreements for resale		(184,597)	33,621	(184,597)	33,621
Accounts payable		14,047	(23,672)	(38,506)	8,707
Pension fund receivable		(7,470)	15,472	(7,470)	15,472
Net cash (used)/provided by operating activities		(244,245)	(39,924)	(284,882)	66,805
Cash flows from investing activities					
Interest received		24,296	28,405	24,296	28,405
Proceeds from sale of property, plant and equipment		-	8,882	-	8,882
Proceeds from sale of assets held for sale		201,639	61,357	201,639	-
Distribution from liquidated subsidiaries		-	-	45,137	-
Investments, net		154,195	90,177	155,747	47,810
Long-term receivable		4,439	5,164	4,439	2,814
Net cash provided by investing activities		384,569	193,985	431,258	87,911
Cash flows from financing activity					
Distributions, being net cash used by financing activity	23	(117,706)	(94,110)	(121,124)	(96,900)
Net cash used by financing activities		(117,706)	-	-	-
Net increase/(decrease) in cash and cash equivalents		22,618	59,951	25,252	57,816
Cash and cash equivalents at beginning of the year		67,629	7,678	61,295	3,479
Cash and cash equivalents at end of the year		90,247	67,629	86,547	61,295

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

1834 INVESTMENTS LIMITED

Notes to the Financial Statements
March 31, 2019

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.

Group refers collectively to the company and its subsidiaries together with its associates, which are as follows:

	Principal activity	Country of incorporation	% Ownership by Group
Subsidiary:			
Selecto Publications Limited	Dormant	Jamaica	100%
Associate:			
Jamaica Joint Venture Investment Company Limited (JJVI)	Real Estate Investment	Jamaica	50% Joint Venture

During the year, four (4) subsidiaries were legally dissolved. These included 1834 Investments (Canada) Inc., digjamaica.com Limited, Popular Printers Limited and Associated Enterprise Limited. The winding up process has commenced for the final subsidiary, Selecto Publications Limited.

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) and comply with the provisions of the Jamaican Companies Act (Act).

Details of the group's accounting policies, including changes during the year are included in notes 30 and 31.

This is the first set of the group's annual financial statements in which IFRS 9, *Financial Instruments* and IFRS 15, *Revenue from Contracts with Customers* have been applied.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

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

(b) Basis of measurement:

The financial statements are prepared on the historical cost basis, except for the following:

(i) Investment properties that are carried at fair value (note 5).

(ii) Assets held for sale which are measured at the lower of their carrying amount and fair value less cost to sell (note 15).

(iii) Debt instruments at fair value through other comprehensive income (FVOCI) measured at fair value (2018: available-for-sale securities measured at fair value).

(iv) Certain debt instruments mandatorily classified at fair value through profit or loss.

(v) Certain equity securities designated as FVOCI are measured at fair value.

(c) Functional and presentation currency:

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

(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) Critical accounting judgements in applying the group's accounting policies

For the purpose of these financial statements, prepared in accordance with IFRS, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the principles set out in IFRS.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

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

(d) Use of estimates and judgements (continued):

(i) Critical accounting judgements in applying the group's accounting policies (continued)

Applicable under IFRS 9 from April 1, 2018:

(1) Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

(2) Impairment of financial assets:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement.

Applicable for 2018 and prior years

Classification of financial assets:

In the designation of financial assets at fair value through profit or loss, the group has determined that they have met the criteria for this designation set out in accounting policy [note 31(c)(ii)].

(ii) Key assumptions and other sources of estimation uncertainty

(1) Impairment of financial assets:

Applicable under IFRS 9 from April 1, 2018

A number of significant judgements are required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Determining criteria for significant increases in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

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

(d) Use of estimates and judgements (continued):

(ii) Key assumptions and other sources of estimation uncertainty (continued)

(1) Impairment of financial assets (continued):

Applicable under IFRS 9 from April 1, 2018 (continued)

- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the group in the above areas is set out in notes 24 and 30.

Applicable for 2018 and prior years

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.

(2) 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 prices (unadjusted) in an active market for an identical asset or liability.
- Level 2 – Inputs that are 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.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

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

(d) Use of estimates and judgements (continued):

(ii) Key assumptions and other sources of estimation uncertainty (continued)

(2) Determination of fair values (continued):

- 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.

  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.

  The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(3) Investment properties:

Investment properties reflect fair value amounts, based on market information, including valuations done by independent valuators in the current year and by the directors in the prior year. 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.

(4) Income taxes:

In the ordinary course of the group's business, it undertakes transactions, and is subject to events, the tax effects of which are uncertain. In the face of such uncertainty, the group makes estimates and judgements in determining the provision for income taxes.

The final tax outcome attributable to matters subject to such estimates and judgements may be materially different from that which is initially recognised. Any such difference will impact the current and deferred income tax provisions in the period in which such determination is made.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

3. Role of auditors

The external auditors have been appointed by the stockholders 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 stockholders. The auditors' report outlines the scope of their audit and their opinion.

4. Property, plant and equipment

(a) **Group:**

	Machinery and equipment $'000	Computer equipment $'000	Total $'000
Cost			
Balances at March 31, 2017	59,268	3	59,271
Transfers	3	(3)	-
Balances as at March 31, 2018 and 2019	59,271	-	59,271
Depreciation			
Balances at March 31, 2017	43,627	-	43,627
Charge for the year	4,790	-	4,790
Balances at March 31, 2018	48,417	-	48,417
Charge for the year	4,793	-	4,793
Balances at March 31, 2019	53,210	-	53,210
Carrying amounts			
March 31, 2019	6,061	-	6,061
March 31, 2018	10,854	-	10,854

(b) **Company:**

	Machinery and equipment $'000
Cost	
Balance at March 31, 2017, 2018 and 2019	59,268
Depreciation	
Balance at March 31, 2017	43,627
Charge for the year	4,790
Balance at March 31, 2018	48,417
Charge for the year	4,790
Balance at March 31, 2019	53,207
Carrying amounts	
March 31, 2019	6,061
March 31, 2018	10,851

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

5. Investment properties

	Group and Company	
	2019	**2018**
	$'000	**$'000**
Balance at beginning of the year	549,239	569,239
Disposals during the year	(120,000)	-
Decrease in fair value	(14,889)	-
Reclassification to assets held for sale (note 15)	-	(20,000)
Balance at end of the year	414,350	549,239

In 2018, certain properties were reclassified to assets held-for-sale at fair value less costs to sell, as efforts to dispose of them had commenced.

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

	2019	**2018**
	$'000	**$'000**
Income earned from investment properties	7,342	5,487
Expenses incurred on investment properties	939	1,288

Investment properties were valued during the year ended March 31, 2019 on a fair market value basis by independent valuators, Allison, Pitter & Company. In 2018, the properties were revalued on a fair value market value basis by the Directors with reference to a review opinion provided by NAI Jamaica Langford and Brown.

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	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
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.	• Details of the sales of comparable properties. • Conditions influencing the sale of comparable properties. • Comparability adjustment. • The potential rental value of the property in the current investment climate.	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)
March 31, 2019

6. **Long-term receivables**

	Group and Company	
	2019	**2018**
	$'000	**$'000**
Loan receivable [see (i) below]	26,827	28,980
Less current portion [see other receivables (note 14)]	(4,375)	(2,089)
	22,452	26,891

(i) Loan receivable represents the balance on a loan due to the company. This loan, which bears interest of 4% per annum, is secured by real estate. Under the repayment arrangement, the final payment is due in August 2021.

7. **Interest in subsidiaries**

	Company	
	2019	**2018**
	$'000	**$'000**
Shares at cost, less impairment losses:		
digjamaica.com Limited	-	300
Popular Printers Limited	-	426
1834 Investments (Canada) Inc.	-	687
	-	1,413

The subsidiaries above were legally dissolved during the year (see note 1).

8. **Interest in associate**

The Group has a 50% interest in the real estate investment company, Jamaica Joint Venture Investment Company Limited (JJVI). 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 year ended December 31, 2017.

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Shares at cost	53,235	53,235	53,235	53,235
Group's share of reserves	252,226	244,886	-	-
	305,461	298,121	53,235	53,235

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

8. Interest in associate (continued)

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.

	Group	
	2019	**2018**
	$'000	**$'000**
Percentage ownership interest	**50%**	**50%**
Non-current assets	555,776	556,458
Current assets	149,628	135,299
Non-current liabilities	(1,746)	(1,746)
Current liabilities	(15,952)	(16,985)
Net assets (100%)	687,706	673,026
Net assets (50%)	343,853	336,513
Group's share of net assets being carrying amount of interest in associate	305,461	298,121
Group's share of pre-acquisition value of the investment in associate	38,392	38,392
	343,853	336,513
Revenue from operations, being total revenue	92,304	178,589
Depreciation and amortisation	(758)	(942)
Administrative expense	(69,827)	(63,674)
Interest expense	(1,892)	(1,812)
Income tax charge	(5,148)	(6,078)
Profit and total comprehensive income (100%)	14,679	106,083
Group's share of profit and total comprehensive income (50%)	7,340	53,042
Group's share of reserve:		
Balance as at April 1	244,886	191,844
Group's share of current year profit	7,340	53,042
Balance as at March 31	252,226	244,886

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

9. Investments

	Group and Company	
	2019	**2018**
	$'000	**$'000**
FVOCI (2018: Available-for-sale):		
Quoted equities	62,429	60,505
Unquoted equities	6,053	6,053
Corporate bonds	133,959	175,759
6.75% Lloyds TSB PLC investment note	-	163,726
10.179% Barclays Bank PLC investment note	37,506	44,320
Units in unit trust	-	8,619
	239,947	458,982
Amortised cost (2018: Loans and receivables):		
Certificates of deposit	42,188	10,571
Investments at fair value through profit or loss:		
Units in unit trust	8,543	-
	290,678	469,553

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. The total outstanding is expected to be received within one year from the reporting date.

	Group and Company	
	2019	**2018**
	$'000	**$'000**
Balance at beginning of the year	74,322	89,794
Net received during the year	-	(19,394)
Income earned during the year	7,470	3,922
Balance at end of year	81,792	74,322

Assets held by the pension fund to honour the receivable include a Government of Jamaica guaranteed security which is carried at fair value. Fair value adjustments are reflected in the pension fund receivable balance and the income statements.

11. Deferred taxation

Deferred taxation is attributable to the following:

(a) **Group:**

	Assets		Liabilities		Net	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investments	-	-	1,605	3,600	1,605	3,600
Inventories	-	-	-	(4)	-	(4)
Unrealised foreign exchange gain	-	-	3,620	1,357	3,620	1,357
Property, plant and equipment	-	618	(1,092)	(2,192)	(1,092)	(1,574)
Trade and other receivable	-	-	(20,448)	(2,091)	(20,448)	(2,091)
Pension fund receivables	-	-	(1,180)	(18,580)	(1,180)	(18,580)
Net assets/(liabilities)	-	618	(17,495)	(17,910)	(17,495)	(17,292)

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

11. Deferred taxation (continued)

Deferred taxation is attributable to the following (continued):

(a) **Group (continued):**

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

	2019 $'000	2018 $'000
Deferred tax liability in company	(17,495)	(17,906)
Deferred tax liability in subsidiaries	-	(4)
	(17,495)	(17,910)
Deferred tax asset in certain subsidiaries	-	618
Net deferred tax liabilities	(17,495)	(17,292)

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

	2019			
	Balance at April 1, 2018 $'000	Recognised in profit or loss [note 21(a)(ii)] $'000	Eliminated on liquidation of subsidiaries $'000	Balance at March 31, 2019 $'000
Inventories	(4)	-	4	-
Unrealised foreign exchange gain	1,357	2,263	-	3,620
Investments	3,600	(1,995)	-	1,605
Property, plant and equipment	(1,574)	1,100	(618)	(1,092)
Trade and other receivables	(2,091)	911	-	(1,180)
Pension fund receivable	(18,580)	(1,868)	-	(20,448)
	(17,292)	411	(614)	(17,495)

	2018			
	Balance at April 1, 2017 $'000	Recognised in profit or loss [note 21(a)(ii)] $'000	Recognised in other comprehensive income $'000	Balance at March 31, 2018 $'000
Investments	2,374	1,226	-	3,600
Inventories	(4)	-	-	(4)
Unrealised foreign exchange gain	-	1,357	-	1,357
Property, plant and equipment	(2,639)	(5,195)	6,260	(1,574)
Trade and other receivables	(6,064)	3,973	-	(2,091)
Pension fund receivable	(22,449)	3,869	-	(18,580)
	(28,782)	5,230	6,260	(17,292)

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

11. Deferred taxation (continued)

Deferred taxation is attributable to the following (continued):

(b) **Company:**

	2019 $'000	2018 $'000
Investments	1,605	3,600
Unrealised foreign exchange gain	3,620	1,357
Property, plant and equipment	(1,092)	(2,192)
Trade and other receivables	(1,180)	(2,091)
Pension fund receivable	(20,448)	(18,580)
Net liabilities	(17,495)	(17,906)

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

	2019		
	Balance at April 1, 2018 $'000	Recognised in profit/loss [note 21 (a)ii] $'000	Balance at March 31, 2019 $'000
Investments	3,600	(1,995)	1,605
Unrealised foreign exchange gain	1,357	2,263	3,620
Property, plant and equipment	(2,192)	1,100	(1,092)
Trade and other receivables	(2,091)	911	(1,180)
Pension fund receivable	(18,580)	(1,868)	(20,448)
	(17,906)	411	(17,495)

	2018		
	Balance at April 1,2017 $'000	Recognised in profit/loss [note 21 (a)ii] $'000	Balance at March 31,2018 $'000
Investments	2,374	1,226	3,600
Unrealised foreign exchange gain	-	1,357	1,357
Property, plant and equipment	3,003	(5,195)	(2,192)
Trade and other receivables	(6,064)	3,973	(2,091)
Pension fund receivable	(22,449)	3,869	(18,580)
	(23,136)	5,230	(17,906)

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

12. Cash and cash equivalents

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Bank and cash balances	90,247	67,629	86,547	61,295

13. Securities purchased under resale agreements

The group and the company invest in securities purchased under resale agreements. At the reporting date the securities had a carrying amount of $193,229,000 (2018: $9,279,000), net of impairment allowance of $647,000 (2018: Nil).

At the reporting date, the fair value of the underlying securities held as collateral for the resale agreements was $193,875,000 (2018: $9,876,000) for the group and the company.

14. Other receivables

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Due from related parties	-	-	15,637	16,812
Other receivables [see (a) below]	19,006	34,525	18,977	28,921
Current portion of long term receivable (see note 6)	4,375	2,089	4,375	2,089
Less: Allowance for impairment losses	-	-	(1,289)	-
	23,381	36,614	37,700	47,822

(a) Other receivables is comprised as follows:

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
General Consumption Tax (GCT) recoverable	8,398	2,699	8,398	2,699
Interest receivable	4,593	8,364	4,593	8,364
Other receivables and prepayments	6,015	23,462	5,986	17,858
	19,006	34,525	18,977	28,921

15. Assets held for sale

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Balance at beginning of the year	196,645	235,619	196,645	179,242
Reclassified from investment properties (note 5)	-	20,000	-	20,000
Disposals during the year	(84,313)	(56,377)	(84,313)	-
Decrease in fair value	(16,519)	(2,597)	(16,519)	(2,597)
Balance at end of the year	95,813	196,645	95,813	196,645

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

15. Assets held for sale (continued)

Management commenced the process of selling some of its investment properties during the prior and current year. Accordingly, the properties (see note 5) are presented as assets held for sale. Subsequent to the year end, the property, classified as held-for-sale, was sold.

The following table shows the valuation technique used in measuring the fair value of the asset, as well as the significant unobservable inputs used. This is classified as level 3 in the fair value hierarchy.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market approach. This model takes into account: • A willing seller and buyer; • A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market; • Values are expected to remain stable throughout the period of market exposure and disposal by way of sale (hypothetical); • The property will be freely exposed to the market; and • The potential rental value of the property in the current investment climate.	• Judgements if the property can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its use class. • The potential rental value of the property in the current investment climate.	The estimated fair value would increase/(decrease) if: • The potential rental value of the property increased/(decreased). • Judgement that what the property can be sold, exchanged, let or mortgaged for had been determined to be better/(worse).

16. Share capital

	2019 $'000	2018 $'000
Share capital issued and fully paid:		
1,211,243,827 stock units of no par value	605,622	605,622

At March 31, 2019, the authorised share capital comprised 1,216,000,000 ordinary stock units (2018: 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)
March 31, 2019

17. Reserves

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Capital				
Realised:				
Share premium (i)	4,353	4,353	4,353	4,353
Other (iv)	-	5,830	-	
Gain on sale of loan (iv)	1,334	24,608	1,334	1,334
Gain on disposal of property, plant and equipment (iv)	-	13,725	-	-
	5,687	48,516	5,687	5,687
Unrealised:				
Revaluation of land and buildings (iv)	534,557	810,220	534,557	694,061
Deferred taxation on revalued land and buildings (iv)	-	(4)	-	-
Reserve arising from consolidation of subsidiaries (net of goodwill) and debt (iv)	-	93,496	-	-
Exchange difference on translation of overseas subsidiaries (note 25)	-	80,911	-	-
	534,557	984,623	534,557	694,061
Total capital reserves	**540,244**	**1,033,139**	**540,244**	**699,748**
Reserve for own shares (ii)	(34,873)	(149,157)	-	-
Fair value reserve (iii)	4,825	23,276	4,825	21,736
Revenue				
Retained profits	376,495	191,173	96,366	76,595
	886,691	1,098,431	641,435	798,079

(i) 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 stock units held by the group through the GCLEIT. At March 31, 2019, GCLEIT held 34,873,148 (2018: 34,873,148) of the company's stock units (note 22).

(iii) Fair value reserve represents unrealised gains arising on changes in fair value of debt and equity investment securities measured at FVOCI (2018: Available-for-sale investments).

(iv) During the year, $217,394,000 (2018: $181,938,000) for the group and $38,380,000 (2018: $136,340,000) for the company was transferred from capital reserves to retained earnings. This includes appreciation in fair value of property, plant and equipment sold in the current and previous years, reserves arising from consolidation of subsidiaries in previous years and other gains that were realised in prior years now being transferred to retained earnings. A capital distribution of $117,706,000 for the group and $121,124,000 for the company was also paid out of capital reserves to stockholders during the year (see note 23).

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Notes to the Financial Statements (Continued)
March 31, 2019

18. Accounts payable

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Due to related party	7,148	-	7,148	47,658
Unclaimed dividends	25,472	23,261	25,472	23,261
Other payables	6,455	4,161	7,647	7,854
	39,075	27,422	40,267	78,773

19. Revenue

(a) Operating income:

	Group and Company	
	2019	2018
	$'000	$'000
Interest income, calculated using the effective interest method	20,525	30,954
Rental income	7,342	14,425
	27,867	45,379

(b) Other income:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Gains on disposal of investments	-	68,641	-	19,541
Gain on disposal of assets held for sale	-	4,981	-	-
Dividends received	1,815	7,616	1,815	7,616
Bad debt recovered from related entity	-	-	-	43,418
Write-back of balances due to former related entities	-	32,113	-	-
Unrealised foreign exchange gain	17,274	-	17,274	-
Other	8,131	2,666	8,131	81
	27,220	116,017	27,220	70,656

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Notes to the Financial Statements (Continued)
March 31, 2019

20. Administration and other operating expenses

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Directors' emoluments:				
Fees	3,750	4,252	3,750	4,252
Management remuneration	5,383	6,874	5,383	6,874
Other staff costs	-	62	-	62
Auditors' remuneration	5,750	4,500	5,750	4,500
Shared services	3,768	5,136	3,768	5,136
Transportation cost	-	41	-	41
Depreciation	4,793	4,790	4,790	4,790
Loss on sale of assets-held-for-sale	2,675	-	2,675	-
Insurance	3,287	3,113	3,287	3,113
Professional and legal fees	26,095	24,185	26,095	22,359
Early termination obligation fees (i)	-	29,717	-	29,717
Utilities and telephone	1,216	1,085	1,216	1,077
Office expenses	112	1,553	41	591
Building maintenance	387	2,076	387	823
Registrar services	5,207	5,546	5,207	5,546
Impairment loss	5,208	-	5,208	-
Direct write off	-	8,221	-	2,285
Unrealised and realised foreign exchange loss	-	7,200	-	7,200
Fair value loss on investment properties	31,408	-	31,408	-
Other expenses	7,967	8,533	6,747	7,956
	107,006	116,884	105,712	106,322

(i) Pursuant to the March 24, 2016 scheme of arrangement with Radio Jamaica (RJR) Limited, the company had an obligation to provide office accommodation to The Gleaner Company (Media) Limited for a maximum period of fifteen years at no cost. As at March 31, 2018, and consequent on the sale and imminent sale of the related properties in Toronto, Canada and Montego Bay, Jamaica, the company entered into an agreement with RJR to pay the sum of $29,717,000 in full settlement of this obligation. The amount of $29,717,000 was recorded as "early termination obligation fees" in other operating expenses and the company no longer carries this obligation to RJR effective March 31, 2018.

21. Taxation

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
(i) Current tax expense:				
Income tax at 25%	3,020	17,431	3,020	14,702
Prior year under provision	5,954	3,041	5,954	3,041
	8,974	20,472	8,974	17,743

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

21. Taxation (continued)

(a) (Continued)

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
(ii) Deferred tax credit:				
Origination and reversal of timing differences [note 11(a)(ii) and 11(b)(i)]	(411)	(5,230)	(411)	(5,230)
Total taxation charge recognised	8,563	15,242	8,563	12,513

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

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Profit/(loss) from operations before taxation	14,109	97,174	(6,999)	9,333
Income tax at 25%	3,527	24,293	(1,750)	2,333
Difference between depreciation and tax capital allowances	3,267	4,333	3,267	4,333
Disallowed expenses and other capital adjustment, net	(4,185)	(16,425)	1,092	2,806
Actual tax charge	2,609	12,201	2,609	9,472
Prior year under provision	5,954	3,041	5,954	3,041
Tax charge	8,563	15,242	8,563	12,513

(c) Taxation recognised in other comprehensive income:

	Group					
	2019			2018		
	Before tax $'000	Tax benefit $'000	Net of tax $'000	Before tax $'000	Tax benefit $'000	Net of tax $'000
Deferred tax on revaluation surplus	-	-	-	-	6,260	6,260

	Company					
	2019			2018		
	Before tax $'000	Tax benefit $'000	Net of tax $'000	Before tax $'000	Tax benefit $'000	Net of tax $'000
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 $5,546,000 (2018: $81,932,000) by 1,211,243,827 being the number of stock units in issue at March 31, 2019 (2018: 1,211,243,827) as well as by 1,176,370,679 (2018: 1,176,370,679), being stock units in issue less those held by the GCLEIT [see note 17(ii)].

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Notes to the Financial Statements (Continued)
March 31, 2019

23. Dividends paid (gross)

An interim capital distribution of 10 cents (2018: ordinary dividends of 8 cents) per stock unit was paid on December 19, 2018 (2018: May 30, 2017), to stockholders on record at close of business on December 3, 2018 (2018: on May 5, 2017).

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Distributions:				
First interim paid in respect of				
2019: 10¢ (2018: 8¢) per stock unit - gross	121,124	96,900	121,124	96,900
Allocated to GCLEIT	(3,418)	(2,790)	-	-
	117,706	94,110	121,124	96,900

24. 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, investments, pension receivable, securities purchased under resale agreements and cash and cash equivalents.

(i) Maximum exposure to credit risk

The maximum credit exposure, that is, the total amount of loss the company would suffer if every counterparty to the group's financial assets were to default at once, is represented by the carrying amount of financial assets.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(a) Credit risk (continued)

(ii) Management of credit risk

The group manages the credit risk on items exposed to such risk as follows:

- Cash and cash equivalents

  These are held with reputable regulated financial institutions; collateral is not required for such accounts as management regards the institutions as strong and financially sound.

- Securities purchased under resale agreements

  Agreements are made only with reputable, regulated counterparties management regards as strong and financially sound.

  Collateral is held for all resale agreements in amounts that cover the principal advanced and interest expected to be earned over the term of the agreement.

- Investments

  In relation to its holding of investments, the group manages the level of risk it undertakes by investing substantially in sovereign debt securities; such securities are generally unsecured. Management does not expect any counterparty to fail to meet its obligations.

- Other receivables

  Exposure to credit risk is managed by regular analysis of the ability of the customers and other counterparties to meet repayment obligations.

(iii) Concentration of credit risk

There are no significant concentration of credit risk.

(iv) Collateral

The fair value of collateral held for financial assets that are exposed to credit risk is set out in note 24(d).

(v) Credit quality analysis

Investments and long-term receivables

Credit risk is the single largest risk for the group's business. Credit risk management and control is delegated to the group's Audit Committee. The Committee is responsible for oversight of credit risk, including formulating credit policies, establishing the authorisation structure for the approval of credit facilities, reviewing and assessing credit risk, and limiting concentration of exposure to counterparties.

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Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(a) Credit risk (continued):

(v) Credit quality analysis (continued)

Investments and long-term receivables (continued)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9. (See note 30 and 31 for discussion on measurement of credit risk).

The management of credit risk exposure to the group's financial assets is as follows:

Maximum exposure to credit risk and credit quality analysis

The following table sets out information about the maximum exposure to credit risk and the credit quality of financial assets measured at amortised cost, FVOCI debt instruments (2019) and available-for-sale debt assets (2018). Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

The management of credit risk exposure to the group's financial assets is as follows:

Maximum exposure to credit risk and credit quality analysis

- Debt securities and other financial assets:

	Group and Company		
	2019		2018
	Stage 1	Total	Total
	$'000	$'000	$'000
Amortised Cost:			
Non-investment grade	236,064	236,064	19,850
Loss allowance	(647)	(647)	-
	235,417	235,417	19,850
Fair value through OCI:			
Investment grade	171,465	171,465	75,177
Non-investment grade	68,482	68,482	383,805
	239,947	239,947	458,982
Loss allowance	(16,098)	(16,098)	-

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(a) Credit risk (continued):

(v) Credit quality analysis (continued)

Maximum exposure to credit risk and credit quality analysis (continued)

- Long term receivable at amortised cost:

	Group and Company		
	2019		2018
	Stage 1	Total	Total
	$'000	$'000	$'000
Performing	22,452	22,452	26,891
Carrying amount	22,452	22,452	26,891

As at March 31, 2019 the long-term loan receivable was considered to be current. No allowance for impairment loss was considered necessary.

Policy applicable under IFRS 9 after April 1, 2018

The key judgements and assumptions adopted by the Group in addressing the requirements of IFRS 9 are discussed below:

Credit risk grades

The group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The group uses internal rating models tailored to the various categories of counterparty.

For debt securities in the Treasury portfolio, external rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

The group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The group does not apply the low credit risk exemption to any other financial instruments.

Determining whether credit risk has been increased significantly (Stage 2)

The group uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in Probabilities of Default (PD). Credit risk is deemed to increase significantly where the probability of default on a security or a loan has moved by six (6) basis points.
- qualitative indicators; and
- a backstop of 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(a) Credit risk (continued)

(v) Credit quality analysis (continued)

Determining whether credit risk has been increased significantly (Stage 2) (continued)

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a financial asset have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

Definition of default (Stage 3):

In assessing whether a borrower is in default, the company uses the following indicators:

Bankruptcies and liquidations:

Failure to pay interest/principal on an interest-bearing bond or loan, miss payment (principle, interest, or both), past the grace period.

Distressed restructuring: difference between the net present values of cash flows before and after restructuring arrangements exceeds a certain threshold the exposure should be classified as defaulted.

Government bail-out: For banks and financial institutions.

Incorporation of forward-looking information

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the “base economic scenario”) are provided by the group’s Finance team on an annual basis and provide the best and worst estimate view of the economy.

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Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(a) Credit risk (continued)

(v) Credit quality analysis (continued)

Incorporation of forward-looking information (continued)

The impact of these economic variables on the PD, EAD and LGD has been determined by performing a trend analysis and compared historical information with forecast macro-economic data to determine whether the indicator describes a positive, negative or stable trend and to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the group considers other possible scenarios and scenario weightings. At April 1, 2018 and March 31, 2019, the group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Each scenario considers the expected impact of interest rates, unemployment rates and gross domestic product (GDP).

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

Measurement of ECL

Historical recovery rate data was compared to a variety of factors in order to determine correlations between these factors and the amount recovered (as defined above). These correlations were then used to determine the coefficients in a non-linear factor model which is used for projecting recovery rates and losses prospectively. The output from this model can be used either on a stand-alone basis to estimate recovery by specific liability class upon default, or as inputs to a more comprehensive portfolio credit risk management system.

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Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(a) Credit risk (continued)

(v) Credit quality analysis (continued)

Measurement of ECL (continued)

EAD represents the expected exposure in the event of a default. Bloomberg's IFRS 9 ECL calculation service calculates client-specific exposure at default ("EAD") amounts on a position-by position or lot-by-lot basis. In preparing the full lifetime ECL calculation, the EAD is calculated at annual intervals from the reporting date out to maturity. The reporting date, transaction date and transaction price are used to calculate the accounting exposure at default. If not provided, an accounting effective interest rate is calculated using the transaction date and price (see section below for more) and is applied to the future cash flows of the particular instrument to discount these cash flows. This is done on an annual basis from reporting date out until maturity. EADs are calculated leveraging Bloomberg's existing cash flow generators to produce discounted cash flow models for each individual instrument.

Loss allowance

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how collateral values change etc. - are monitored and reviewed on a quarterly basis.

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

- Long-term loan receivable and resale agreements:

	Group and Company
	2019
	Stage 1
	$'000
Amortised cost:	
Balance at April 1, 2018 (IAS 39)	-
Remeasurement on April 1, 2018 (IFRS 9)	33
Net re-measurement of loss allowance	614
Balance at March 31, 2019	647

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(a) Credit risk (continued)

(v) Credit quality analysis (continued)

Loss allowance (continued)

- Debt securities at FVOCI:

	Group and Company 2019 Stage 1 $'000
Balance at April 1, 2018 (IAS 39)	9,659
Remeasurement on April 1, 2018 (IFRS 9)	1,845
Net re-measurement of loss allowance	4,594
Balance at March 31, 2019	16,098

(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 the year.

(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 and company'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.

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Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(c) Market risk (continued):

(i) Foreign currency risk:

Foreign currency risk is that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The company is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaica dollar. The main currencies giving rise to this risk are the United States dollar (US$) and Canadian dollars ($). The company manages this risk by matching foreign currency assets with foreign currency liabilities, to the extent practicable, except where it undertakes a gapping strategy in pursuit of exchange rate gains. The net foreign currency exposure is kept to the targeted levels by buying or selling currencies at spot rates when necessary to address imbalances.

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

	Group			
	2019		2018	
	US$ ('000)	CAD$ ('000)	US$ ('000)	CAD$ ('000)
Investments	2,215	-	3,237	-
Cash and cash equivalents	80	-	44	39
Securities purchased under resale agreements	1,463	-	74	-
Trade and other receivables	215	-	231	32
Accounts payable	-	-	-	(9)
Net exposure	3,973	-	3,586	62

	Company			
	2019		2018	
	US$ ('000)	CAD$ ('000)	US$ ('000)	CAD$ ('000)
Investments	2,215	-	3,237	-
Cash and cash equivalents	80	-	44	-
Securities purchased under resale agreements	1,463	-	74	-
Trade and other receivables	215	-	231	-
Net exposure	3,973	-	3,586	-

Sensitivity analysis

A strengthening/weakening of the Jamaica dollar against the following currencies at March 31 2019 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 2018.

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Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(c) Market risk (continued):

(i) Foreign currency risk (continued):

Sensitivity analysis (continued)

Group and Company				
2019				
Currency	**% weakening**	**Increase Effect on profit or loss $'000**	**% strengthening**	**Decrease Effect on profit or loss $'000**
US$	4	18,742	2	(9,934)

Group				
2018				
Currency	**% weakening**	**Increase Effect on profit or loss $'000**	**% strengthening**	**Decrease Effect on profit or loss $'000**
US$	4	18,472	2	(9,218)
CAD$	4	241	2	(120)

Company				
2018				
Currency	**% weakening**	**Increase Effect on profit or loss $'000**	**% strengthening**	**(Decrease) Effect on profit or loss $'000**
US$	4	18,472	2	(9,218)

(ii) Interest rate risk:

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. The group manages this risk by monitoring interest rates daily. Even though there are no formally predetermined gap limits, where possible and to the extent judged appropriate, the maturity profile of its financial assets is matched by that of its financial liabilities; where gaps are deliberately arranged, management expects that its monitoring will, on a timely basis, identify the need to take appropriate action to close a gap if it becomes necessary.

Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(c) Market risk (continued):

(ii) Interest rate risk (continued):

The company's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-earning financial assets and interest-bearing financial liabilities. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored by Management and Audit Committee.

The table below summarises the group's exposure to interest rate risk. Included in the tables are the carrying amounts of the group's financial instruments, categorised by the earlier of contractual repricing and maturity dates.

	Group					
	2019					
	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest bearing $'000	Total $'000
Assets						
Cash and cash equivalents	-	-	-	-	90,247	90,247
Securities purchased under resale agreements	193,229	-	-	-	-	193,229
Investments	-	-	115,616	98,037	77,025	290,678
Other receivables	-	-	-	-	23,381	23,381
Long-term receivable	-	-	22,452	-	-	22,452
Pension receivable	-	-	-	42,091	39,701	81,792
Total financial assets	193,229	-	138,068	140,128	230,354	701,779
Liabilities						
Other liabilities	-	-	-	-	39,075	39,075
Total financial liabilities	-	-	-	-	39,075	39,075
Interest rate sensitivity gap	193,229	-	138,068	140,128	191,279	662,704
Cumulative interest sensitivity gap	193,229	193,229	331,297	471,425	662,704	-

	Group					
	2018					
	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest bearing $'000	Total $'000
Assets						
Cash and cash equivalents	-	-	-	-	10,854	10,854
Securities purchased under resale agreements	9,279	-	-	-	-	9,279
Investments	-	-	271,135	123,241	75,177	469,553
Other receivables	-	-	-	-	36,614	36,614
Long-term receivable	-	-	26,891	-	-	26,891
Pension receivable	-	-	-	42,091	32,231	74,322
Total financial assets	9,279	-	298,026	165,332	154,876	627,513
Liabilities						
Other liabilities	-	-	-	-	27,422	27,422
Total financial liabilities	-	-	-	-	27,422	27,422
Interest rate sensitivity gap	9,279	-	298,026	165,332	127,454	600,091
Cumulative interest sensitivity gap	9,279	9,279	307,305	472,637	600,091	-

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(c) Market risk (continued):

(ii) Interest rate risk (continued):

	Company					
	2019					
	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest bearing $'000	Total $'000
Assets						
Cash and cash equivalents	-	-	-	-	86,547	86,547
Securities purchased under resale agreements	193,229	-	-	-	-	193,229
Investments	-	-	115,616	98,037	77,025	290,678
Other receivables	-	-	-	-	37,700	37,700
Long-term receivable	-	-	22,452	-	-	22,452
Pension receivable	-	-	-	42,091	39,701	81,792
Total financial assets	193,229	-	138,068	140,128	240,973	712,398
Liabilities						
Other liabilities	-	-	-	-	40,267	40,267
Total financial liabilities	-	-	-	-	40,267	40,267
Interest rate sensitivity gap	193,229	-	138,068	140,128	200,706	672,131
Cumulative interest sensitivity gap	193,229	193,229	331,297	471,425	672,131	-

	Company					
	2018					
	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest bearing $'000	Total $'000
Assets						
Cash and cash equivalents	-	-	-	-	61,295	61,295
Securities purchased under resale agreements	9,279	-	-	-	-	9,279
Investments	-	-	271,135	123,241	75,177	469,553
Other receivables	-	-	-	-	47,822	47,822
Long-term receivable	-	-	26,891	-	-	26,891
Pension receivable	-	-	-	42,091	32,231	74,322
Total financial assets	9,279	-	298,026	165,332	216,525	689,162
Liabilities						
Other liabilities	-	-	-	-	78,773	78,773
Total financial liabilities	-	-	-	-	78,773	78,773
Interest rate sensitivity gap	9,279	-	298,026	165,332	137,752	610,389
Cumulative interest sensitivity gap	9,279	9,279	307,305	472,637	610,389	-

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(c) Market risk (continued):

(ii) Interest rate risk (continued):

The table below summarises the weighted average interest rate by major currencies for interest-bearing financial instruments of the group at the reporting date:

	Group and Company	
	2019	**2018**
	US$	**US$**
	%	%
Assets		
Security purchased under resale agreements	1.63	1.01
Investments	6.56	7.24
Long-term loan receivable	4.00	4.00
Pension receivable	17.06	17.06

The group minimises interest rate risk by investing mainly in fixed rate securities and contracting liabilities at fixed rates, where possible. There are no variable rate instruments.

Profile

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	448,973	394,376	448,973	394,376

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 (2018: An increase of 100 or decrease of 100) basis points in interest rates at the reporting date would have increased/decreased equity by $3,330,000 or decrease equity by $3,330,000 for the group and company (2018: increase of $3,944,000 or a decrease of $3,944,000 for the group and company). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2018.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(c) Market risk (continued):

(ii) Interest rate risk (continued):

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 respective companies' quarterly financial performance.

Sensitivity analysis – equity price risk

Most of the group's equity investments are listed on foreign market stock exchanges. A 10% (2018: 15%) increase or decline in the relevant indexes at the reporting date would have increased/decreased equity by $6,243,000 for the group and company (2018: $9,076,000 for the group and the company).

(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.

FVOCI financial assets include Government of Jamaica instruments, corporate bonds, 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.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

24. **Financial risk management (continued)**

(d) Fair values (continued):

Basis for determining fair values (continued)

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 and Company 2019							
	Carrying amounts				Fair values			
	Amortised cost	FVOCI	FVTPL	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value:								
Investments	-	239,947	8,543	248,490	62,429	186,061	-	248,490
Financial assets measured not at fair value:								
Investments	42,188	-	-	42,188	-	42,188	-	42,188
Securities purchased under resale agreement	193,229	-	-	193,229	-	193,875	-	193,875
	235,417	-	-	235,417	-	236,063	-	236,063

	Group and Company 2018						
	Carrying amounts			Fair values			
	Loan and receivables	Available -for-sale	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value:							
Investments	-	458,982	458,982	60,505	398,477	-	458,982
Financial assets measured not at fair value:							
Investments	10,571	-	10,571	-	10,571	-	10,571
Securities purchased under resale agreement	9,279	-	9,279	-	9,876	-	9,876
	19,850	-	19,850	-	20,447	-	20,447

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

24. Financial risk management (continued)

(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 stockholders and benefits for other stakeholders.

The Board of Directors monitors the return on capital which the group 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 stockholders.

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

25. Disposal of subsidiaries

During the period, the company liquidated four of its subsidiaries, refer to note 1.

The effect of the liquidations is as follows:

	Company **$'000**
Interest in subsidiaries	1,413
Distribution including write off of related party balances	(45,137)
Gain on liquidation of subsidiaries	(43,724)

	Group **$'000**
Investments	1,552
Deferred tax assets/liability	614
Trade receivables	6,183
Other receivables	8,842
Taxation recoverable	7,339
Trade payables	(2,405)
Net assets liquidated	22,125
Currency translation differences realized on liquidation	(80,911)
Net gain on liquidation of subsidiaries	(58,786)

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

26. Subsidiaries

During the year ended March 31, 2019, the company was the holding company of the following subsidiaries:

Subsidiary Company	Note	Subsidiary of:	Country of incorporation	Percentage ownership 2018	Percentage ownership 2017	Nature of business
Popular Printers Limited	(i)	Parent Company	Jamaica	100	100	Dormant
Selectco Publications Limited	(i)	Popular Printers Limited	Jamaica	100	100	Dormant
Associated Enterprise Limited	(i)	Popular Printers Limited	Jamaica	100	100	Dormant
digjamaica.com Limited	(i)	Associated Enterprises Limited	Jamaica	100	100	Dormant
1834 Investments (Canada) Inc	(i)	Parent Company	Canada	100	100	Dormant
Jamaica Joint Venture Investment Company Limited(JJVI)	(ii)	Parent Company	Jamaica	50	50	Real Estate Investment

Notes:

(i) digjamaica.com Limited, Popular Printers Limited, Associated Enterprise Limited and 1834 Investments (Canada) Inc., were legally dissolved during the year ended March 31, 2019. Selectco Publications Limited, the final subsidiary, has commenced the process of winding up.

(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.

27. Related parties

(a) Identity of related parties:

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.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

27. Related parties (continued)

(b) Transactions with key management personnel (continued):

The key management personnel compensation is as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Short-term benefits	16,559	16,653	16,559	16,653

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

	Company	
	2019	2018
	$'000	$'000
Trade and other receivables:		
Subsidiaries, net of provision	4,613	1,289
Associated companies	-	205
Accounts payable:		
Subsidiaries	-	76,166
Associated companies	4,263	4,263
Other related entities	2,885	2,664

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:

	Company	
	2019	2018
	$'000	$'000
Less than one year	100,000	100,000
Between one and five years	500,000	500,000
More than five years	600,000	700,000

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

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

29. Contingent liabilities

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. Changes in accounting policies

Except for the changes below, the group has consistently applied the accounting policies set out in note 31 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:

The group initially applied IFRS 9 and IFRS 15 from April 1, 2018. A number of other new standards are also effective from April 1, 2018, but they do not have a material effect on the group's financial statements. Due to the transition methods chosen by the group in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

The adoption of IFRS 15 did not impact the timing or amount of rental income from contracts with customers and the related assets and liabilities recognised by the group.

The effect of initially applying these standards is mainly attributed to the following:

- an increase in impairment losses recognised on financial assets;
- reclassification of fair value measurement of investments; and
- additional disclosures related to IFRS 9 (see notes 9 and 24).

As a result of the adoption of IFRS 9, the group has adopted consequential amendments to IAS 1 *Presentation of Financial Statements*, which require separate presentation in the statement of profit or loss and other comprehensive income (OCI) of interest revenue calculated using the effective interest method.

Additionally, the group has adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures,* that are applied to disclosures about 2019, but have not been applied to the comparative information.

As permitted by the transitional provisions of IFRS 9, any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained profits and other reserves of the current period.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

30. Changes in accounting policies (continued)

IFRS 9 *Financial Instruments* (continued)

(a) The impact, net of tax, of transition to IFRS 9 on the opening retained profits and fair value reserves is as follows:

(i) Retained profits:

	Group $'000	Company $'000
Balance as at March 31, 2018	191,173	76,595
Reclassification of investment of FVOCI to FVTPL	120	120
Recognition of expected credit losses under IFRS 9 investments, long-term receivables, other receivables and securities purchased under resale agreements	(1,878)	(3,167)
Opening balance under IFRS 9 at April 1, 2018	189,415	73,548

(ii) Fair value reserves:

	Group $'000	Company $'000
Balance as at March 31, 2018 under IAS 39	23,276	21,736
Reclassification of investment at FVOCI to FVTPL:		
Investments	(120)	(120)
Recognition of expected credit losses:		
Investments	1,845	1,845
Opening balance under IFRS 9 at April 1, 2018	25,001	23,461

(b) Classification and measurement of financial instruments

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The standard eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

30. Changes in accounting policies (continued)

(b) Classification and measurement of financial instruments (continued)

The adoption of IFRS 9 has not had a significant effect on the group's accounting policies related to financial liabilities.

For an explanation on how the group classifies and measures financial instruments under IFRS 9, see note 31(c).

The following table and the accompanying notes explain the original measurement categories under IAS 39 and the new measurement categories and amounts under IFRS 9 for each class of the group's financial assets and financial liabilities as at April 1, 2018.

	Group					
	Notes	**Original classification under IAS 39**	**New classification under IFRS 9**	**IAS 39 carrying amount at March 31, 2018**	**Impairment losses**	**IFRS 9 carrying amount at April 1, 2018**
				$'000	**$'000**	**$'000**
Financial assets						
Long-term receivables		Loans and receivables	Amortised cost	26,891	-	26,891
Corporate bonds		Available-for-sale	FVOCI	383,805	-	383,805
Units in unit trust funds	(i)	Available-for-sale	FVTPL	8,619	-	8,619
Quoted equities		Available-for-sale	FVOCI	60,505	-	60,505
Unquoted equities		Available-for-sale	FVOCI	6,053	-	6,053
Certificates of deposit		Loans and receivables	Amortised cost	10,571	-	10,571
Cash and cash equivalents		Loans and receivables	Amortised cost	67,629	-	67,629
Securities purchased under resale agreement		Loans and receivables	Amortised cost	9,279	(33)	9,246
Other receivables		Loans and receivables	Amortised cost	36,614	-	36,614
Pension receivables: Corporate bond	(ii)	FVTPL	FVTPL	40,712	-	40,712
Units in unit trust funds	(ii)	FVTPL	FVTPL	47,417	-	47,417
Total financial assets				698,095	(33)	698,062

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

30. Changes in accounting policies (continued)

(b) Classification and measurement of financial instruments (continued)

Company						
	Notes	Original classification under IAS 39	New classification under IFRS 9	IAS 39 carrying amount at March 31, 2018	Impairment losses	IFRS 9 carrying amount at April 1, 2018
				$'000	$'000	$'000
Financial assets						
Long-term receivables		Loans and receivables	Amortised cost	26,891	-	26,891
Corporate bonds		Available-for-sale	FVOCI	383,805	-	383,805
Units in unit trust funds	(i)	Available-for-sale	FVTPL	8,619	-	8,619
Quoted equities		Available-for-sale	FVOCI	60,505	-	60,505
Unquoted equities		Available-for-sale	FVOCI	6,053	-	6,053
Certificates of deposit		Loans and receivables	Amortised cost	10,571	-	10,571
Cash and cash equivalents		Loans and receivables	Amortised cost	61,925	-	61,925
Securities purchased under resale agreement		Loans and receivables	Amortised cost	9,279	(33)	9,246
Other receivables		Loans and receivables	Amortised cost	47,822	(1,289)	46,533
Pension receivables: Corporate bond	(ii)	FVTPL	FVTPL	40,712	-	40,712
Units in unit trust funds	(ii)	FVTPL	FVTPL	47,417	-	47,417
Total financial assets				703,599	(1,322)	702,277

(i) Under IAS 39, the group's investment in unit trusts were designated as at available-for-sale. These assets have been classified as mandatorily measured at FVTPL under IFRS 9.

(ii) Under IAS 39, amounts included in pension fund receivable which includes a corporate bond and units in a unit trust were designated as at FVTPL because they were managed with the objective of realising cash flows through sale. These assets have been classified as mandatorily measured at FVTPL under IFRS 9.

(c) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

30. **Changes in accounting policies (continued)**

(d) Transition

The group has determined that application of IFRS 9's impairment requirements at April 1, 2018 results in an additional allowance for impairment as follows:

	Group and Company $'000
Loss allowance at March 31, 2018 under IAS 39	9,659
Impairment recognised at April 1, 2018 on:	
Investments	33
Other receivables and securities purchased under resale agreements	1,845
Loss allowance at April 1, 2018 under IFRS 9	11,537

Financial liabilities

The adoption of IFRS 9 did not have a significant effect on the group's accounting policies related to financial liabilities, as IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

31. **Significant accounting policies**

Except for the changes described in note 30, the group has consistently applied the accounting policies as set out below to all periods presented in these financial statements.

(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.

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.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(i) Business combinations (continued):

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 its 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 26 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.

(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.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(iv) Associate (continued):

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.

(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, 2019

31. **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 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%
Computer equipment	-	25%

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

(c) Financial instruments:

(a) Financial instruments – Classification, recognition, derecognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements:

- Financial assets comprise cash and cash equivalents, securities purchased under resale agreements, investments and other receivables.
- Financial liabilities comprise accounts payable.

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts as set out herein.

(i) Recognition and initial measurement

The group recognises a financial instrument when it becomes a party to the contractual terms of the instrument. The group initially recognises other receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(c) Financial instruments (continued):

(i) Recognition and initial measurement (continued)

At initial recognition, the group measures a financial asset or financial liability at its fair value, plus or minus; the case of a financial asset or financial liability not at fair value through profit or loss transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

(ii) Classification and subsequent remeasurement

Policy applicable from April 1, 2018

From April 1, 2018, the group has applied IFRS 9 and classified its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

Financial assets

The classification requirements for debt and equity instruments are described below:

(a) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(c) Financial instruments (continued):

(ii) Classification and subsequent remeasurement (continued)

Policy applicable from April 1, 2018 (continued)

Financial assets (continued)

The classification requirements for debt and equity instruments are described below (continued):

(a) Debt instruments (continued)

Classification and subsequent measurement of debt instruments depend on:

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

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

- *Amortised cost*: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described at (vi). Interest income from these financial assets is included in 'Interest and similar income' using the effective interest method.

- *Fair value through other comprehensive income (FVOCI):* Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL are measured at fair value through other comprehensive income (FVOCI).

- *Fair value through profit or loss:* Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within operating income' in the period in which it arises. Interest income from these financial assets is included in 'operating income' using the effective interest method.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. **Significant accounting policies (continued)**

(c) Financial instruments (continued):

(ii) Classification and subsequent remeasurement (continued)

Policy applicable from April 1, 2018 (continued)

Financial assets (continued)

(a) Debt instruments (continued)

Business model: the business model reflects how the group manages the assets in order to generate cash flows. That is, whether the group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Factors considered by the group in determining the business model for a group of assets include:

1. Past experience on how the cash flows for these assets were collected;
2. How the asset's performance is evaluated and reported to key management personnel;
3. How risks are assessed and managed; and
4. How managers are compensated.

For example, securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

Solely payments of principal and interest (SPPI): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(c) Financial instruments (continued):

(ii) Classification and subsequent remeasurement (continued)

Policy applicable from April 1, 2018 (continued)

Financial assets (continued)

(a) Debt instruments (continued)

The group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

(b) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The group subsequently measures all equity investments at fair value through profit or loss, except where the group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income.

Policy applicable under IAS 39 before April 1, 2018

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.

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.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(c) Financial instruments (continued):

(ii) Classification and subsequent remeasurement (continued)

Policy applicable under IAS 39 before April 1, 2018 (continued)

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 measured at amortised cost, less impairment losses.

In both the current and prior year period, interest in subsidiaries for the company is measured at cost, less impairment losses.

Financial liabilities

In both the current and prior period, financial liabilities are classified as and subsequently measured at amortised cost.

(iii) Derecognition

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income (OCI) is recognised in profit or loss.

From April 1, 2018, any cumulative gains or losses recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the group is recognised as a separate asset or liability.

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(c) Financial instruments (continued):

(iv) Measurement and gains and losses

Policy applicable under IAS 39 before April 1, 2018 (continued)

The investments caption in the statement of financial position includes:

- debt investments measured at amortised cost which are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt investments Measured at FVOCI;
- debt investments mandatorily measured at FVTPL or designated as at FVTPL which are at fair value with changes recognised immediately in profit or loss; and
- equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL charges and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

Policy applicable before April 1, 2018

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.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(c) Financial instruments (continued):

(v) Financial instruments - other

(1) 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 amortised cost. For the purpose of the statement of cash flows, bank overdraft is included as a component of cash and cash equivalents.

(2) Securities purchased under resale agreements:

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

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.

(3) Other receivables:

These are measured at amortised cost, less impairment losses.

(4) Accounts payable 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.

(vi) Impairment:

Policy applicable from April 1, 2018

Since April 1, 2018, the group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments; and
- lease receivables.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(c) Financial instruments (continued):

(vi) Impairment (continued):

Policy applicable from April 1, 2018 (continued)

The group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The group considers a debt investment to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The group does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(c) Financial instruments (continued):

(vi) Impairment (continued):

Policy applicable from April 1, 2018 (continued)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised costs are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the group on terms that the company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit-impaired.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(c) Financial instruments (continued):

(vi) Impairment (continued):

Policy applicable from April 1, 2018 (continued)

Credit-impaired financial assets (continued)

In making an assessment of whether an investment in sovereign debt is credit-impaired, the group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of the debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss is recognised in profit or loss as a reclassification from OCI.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(c) Financial instruments (continued):

(vi) Impairment (continued):

Policy applicable before April 1, 2018

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.

(d) 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.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(d) Taxation (continued):

(ii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, to the extent that it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted as at the reporting date. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(e) Revenue recognition:

Revenue is income that arises in the course of the ordinary activities of the group. Accordingly, revenue comprises interest income, rental income and dividend income.

Policy applicable from April 1, 2018

(i) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

(a) Purchased or originated credit-impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

(b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e., net of the expected credit loss provision).

(ii) Rental income is recognised as the related services are consumed.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(e) Revenue recognition (continued):

Policy applicable before April 1, 2018

(i) Interest income:

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

(ii) Rental income:

Rental income is recorded in these financial statements on the accrual basis using the straight line method.

Under both the current and prior periods, dividend income is recognised on the date the group's right to receive payment is established.

(f) Foreign currencies:

Foreign currency balances outstanding at the reporting date are translated at the rates of exchange ruling on that date [US$1 = J$125.32; Can$1 = J$96.61]. 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.

The reporting currencies of the foreign subsidiary (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.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(g) Impairment of 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.

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.

(h) 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 measured at fair value. Any gain or loss arising from a change in fair value is recognised in profit or loss.

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.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(h) Investment properties (continued):

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.

(i) 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.

(j) New and amended standards and interpretations not yet effective:

Certain new 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.

- 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. Lessees 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 US$5,000 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.

- IFRIC 23 *Uncertainty Over Income Tax Treatments*, is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted. IFRIC 23 clarifies that the accounting for income tax treatments that have yet to be accepted by tax authorities is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(j) New and amended standards and interpretations not yet effective (continued):

- IFRIC 23 *Uncertainty Over Income Tax Treatments* (continued)

  An entity has to consider whether it is probable that the relevant tax authority would accept the tax treatment, or group of tax treatments, that is adopted in its income tax filing.

  If the entity concludes that it is probable that the tax authority will accept a particular tax treatment in the tax return, the entity will determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings and record the same amount in the financial statements. The entity will disclose uncertainty.

  If the entity concludes that it is not probable that a particular tax treatment will be accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better prediction of the resolution of the uncertainty.

  If facts and circumstances change, the entity is required to reassess the judgements and estimates applied.

  IFRIC 23 reinforces the need to comply with existing disclosure requirements regarding:

  - judgements made in the process of applying accounting policy to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
  - assumptions and other estimates used; and
  - potential impact of uncertainties that are not reflected in the financial statements.

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

- Amendments to IFRS 9 *Financial Instruments,* effective retrospectively for annual periods beginning on or after January 1, 2019 clarifies the treatment of:

  (i) Prepayment features with negative compensation:

  Financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.

1834 INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2019

31. Significant accounting policies (continued)

(j) New and amended standards and interpretations not yet effective (continued):

- Amendments to IFRS 9 *Financial Instruments* (continued)

  (ii) Modifications to financial liabilities:

  If the initial application of IFRS 9 results in a change in accounting policy arising from modified or exchanged fixed-rate financial liabilities, retrospective application is required, subject to particular transitional reliefs. There is no change to the accounting for costs and fees when a liability has been modified, but not substantially. These are recognised as an adjustment to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

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

- *Annual Improvements to IFRS* 2015-2017 cycle contain amendments to IFRS 3 *Business Combinations,* IFRS 11 *Joint Arrangements*, IAS 12 *Income Taxes* and IAS 23 *Borrowing Costs* that are effective for annual periods beginning on or after January 1, 2019.

  (i) The amendments to IFRS 3 and IFRS 11 clarify how an increased interest in a joint operation should be accounted for. If a party maintains or obtains joint control, then the previously held interest is not remeasured. But if a party obtains control, this is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value.

  (ii) IAS 12 is amended to clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently (either in profit or loss, OCI or equity) with the transactions that generated the distributable profits.

- Amendment to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* is effective for annual periods beginning on or after January 1, 2020, and provides a definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements.

  "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

  The group does not expect the amendment to have a significant impact on its financial statements.

1834 INVESTMENTS LIMITED

Financial Summary 2014 – 2019

	2019 $'000	2018 $'000	2017 $'000	2016* $'000	2014 $'000
Turnover	55,087	161,396	199,024	3,963,896	3,320,245
Group profit/(loss) before taxation	14,109	97,174	102,232	(12,194)	224,725
Taxation charge	(8,563)	(15,242)	(89,885)	18,930	(43,578)
Profit attributable to 1834's stockholders	5,546	81,932	12,347	6,736	181,147
Ordinary stockholders' funds:					
Share capital	605,622	605,622	605,622	605,622	605,622
Reserves	886,691	1,098,431	1,171,724	1,209,113	2,067,403
	1,492,313	1,704,053	1,777,346	1,814,735	2,673,025
Long-term liabilities	-	-	-	-	65,926
Employee benefits obligation	-	-	-	-	87,000
Deferred tax liabilities	17,495	17,910	29,400	165,706	333,036
Total funds employed	1,509,808	1,721,963	1,806,746	1,980,441	3,158,987
Represented by:					
Long-term receivables	22,452	26,891	32,055	52,780	10,327
Other non-current assets and investments	1,016,550	1,328,385	1,405,613	1,868,731	2,053,178
Working capital	470,806	366,687	369,078	58,930	1,095,482
	1,509,808	1,721,963	1,806,746	1,980,441	3,158,987
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]	0.46¢	6.76¢	1.02¢	0.56¢	14.96¢
Stockholders' fund per stock unit [see note (i) below]	126.85¢	144.77¢	146.73¢	154.74¢	228.38¢
Distributions per stock unit [see note (ii) below]	10¢	8¢	12¢	8¢	8¢
Exchange rates ruling at the reporting date were:					
UK £1 to J$1	164.56	176.80	158.72	172.73	175.97
US$1 to J$1	125.02	125.32	128.22	121.70	114.12
Can$1 to J$1	92.98	96.61	96.45	91.46	96.34

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

(ii) The calculation of distributions per ordinary stock unit is based on the actual distributions (whether capital or ordinary 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 was 1,176,370,000 (2018: 1,176,370,000).

*** 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.**

DECLARATION OF NUMBER OF STOCK UNITS OWNED BY DIRECTORS, OFFICERS & CONNECTED PERSONS AS AT MARCH 31, 2019:

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	10,648
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	-

LIST OF (10) LARGEST BLOCKS OF STOCK UNITS AS AT MARCH 31, 2019:

1.	Financial and Advisory Services Limited	369,239,880
2.	MF&G Trust & Finance Ltd - A/C57	89,520,000
3.	Kaytak Investments Limited	68,669,862
4.	Oliver F. Clarke	65,317,720
5.	Jamaica National Building Society	46,425,529
6.	Gleaner Co. Ltd. Employee Investment Trust	35,177,342
7.	National Insurance Fund	32,883,010
8.	The Gleaner Company Ltd. Pension Scheme	30,000,000
9.	Sagicor Pooled Equity Fund	25,000,000
10.	Jason Carl Carby	25,000,000

NOTES:

1834 INVESTMENTS LIMITED

(FORMERLY THE GLEANER COMPANY LIMITED)

FORM OF PROXY

I/We...

of ....

in the parish of ....

being a member/members of the above-named company, hereby appoint

....

....of...

or failing him..

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the **30th** day of **October, 2019 at 10:30 a.m.** at the registered office of the Company, 7 North Street, Kingston, and at any adjournment thereof.

Signature(s)..

Signed this .... day of.....................................2019

NOTES:

(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.

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