

**1834 Investments Limited**  
**(Formerly The Gleaner Company Limited)**

**Un-audited Financial Statements for the**  
**Quarter ended December 31, 2016**

TO: THE STOCKHOLDERS OF

**1834 INVESTMENTS LIMITED**  
(formerly The Gleaner Company Limited)

**CONSOLIDATED INCOME STATEMENT**  
Nine months ended DECEMBER 31, 2016

	(Unaudited) Nine Months December 31, 2016 \$'000	(Unaudited) Nine Months December 31, 2015 \$'000	(Unaudited) Three Months December 31, 2016 \$'000	(Unaudited) Three Months December 31, 2015 \$'000	(Audited) Fifteen Months March 31, 2016 \$'000
Notes		Restated (Note 4)		Restated (Note 4)	
<b>Revenue</b>					
Other operating income	40,108	120,196	10,851	54,121	200,655
	<u>60,109</u>	<u>17,830</u>	<u>35,732</u>	<u>5,277</u>	<u>4,080</u>
	<u>100,217</u>	<u>138,026</u>	<u>46,583</u>	<u>59,398</u>	<u>204,735</u>
Administrative expenses	( 49,776)	( 29,772)	(19,469)	( 17,472)	( 5,303)
Other operating expenses	(25,201)	( 4,875)	( 5,713)	( 2,732)	(33,171)
	<u>74,977</u>	<u>( 34,647)</u>	<u>(25,182)</u>	<u>( 20,204)</u>	<u>(38,474)</u>
<b>Profit from operations</b>	<b>25,240</b>	<b>103,379</b>	<b>21,401</b>	<b>39,194</b>	<b>166,261</b>
Finance cost	(1,930)	( 2,747)	( 580)	( 576)	( 2,931)
Profit from continuing operations before other income	23,310	100,632	20,821	38,618	163,330
Gain on disposal of subsidiary	-	-	-	-	54,729
Share of profit from interest in associate, net of tax	35,129	45,611	-	121,957	45,611
	<u>58,439</u>	<u>146,243</u>	<u>20,821</u>	<u>160,575</u>	<u>263,670</u>
<b>Profit from continuing operations before taxation</b>					
Taxation charge	( 7,213)	-	( 1,570)	-	18,494
<b>Profit for the period/year from continuing operations</b>	<b>51,226</b>	<b>146,243</b>	<b>19,251</b>	<b>160,575</b>	<b>282,164</b>
<b>Profit for the period/year from discontinued operations, net of tax</b>					
<b>Profit/(loss) for the period/year</b>	<b>51,226</b>	<b>(139,371)</b>	<b>19,251</b>	<b>(188,881)</b>	<b>(275,428)</b>
	<u>51,226</u>	<u>6,872</u>	<u>19,251</u>	<u>(28,306)</u>	<u>6,736</u>
Dealt with in the financial statements of:					
Parent company	13,433	94,177	16,239	( 8,982)	212,044
Subsidiaries	2,664	(132,916)	3,012	(141,281)	(250,919)
Associate	35,129	45,611	-	121,957	45,611
	<u>51,226</u>	<u>6,872</u>	<u>19,251</u>	<u>(28,306)</u>	<u>6,736</u>
Earnings per stock unit:					
Based on stock units in issue	4.23¢	0.57¢	1.59¢	(2.34)¢	0.56 ¢

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

# 1834 INVESTMENTS LIMITED

(formerly The Gleaner Company Limited)

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Nine months ended December 31, 2016

	(Unaudited) Nine Months December 31, 2016 \$'000	(Unaudited) Nine Months December 31, 2015 \$'000 Restated (Note 4)	(Unaudited) Three Months December 31, 2016 \$'000	(Unaudited) Three Months December 31, 2015 \$'000 Restated (Note 4)	(Audited) Fifteen Months March 31, 2016 \$'000
Profit/(loss) for the period/year	51,226	6,872	19,251	(28,306)	6,736
<b>Other comprehensive income:</b>					
<b>Items that will never be reclassified to profit or loss:</b>					
Revaluation of land and building	-	180,089	-	180,089	(26,932)
Remeasurement of employee benefits obligation	-	(8,700)	-	-	(1,500)
Transferred on amalgamation	-	-	-	(45,022)	1,500
Related tax on remeasurement	-	(42,847)	-	-	6,735
	-	128,542	-	135,067	(20,197)
<b>Items that may be reclassified to profit or loss:</b>					
Change in fair value of available-for-sale investments	14,140	32,828	8,410	26,776	83,267
Currency translation differences on foreign subsidiaries	(1,894)	1,507	(2,587)	(2,350)	-
	12,246	34,335	5,823	24,426	83,267
<b>Other comprehensive income/(loss) for the period/year, net of tax</b>	12,246	162,877	5,823	159,493	63,070
<b>Total comprehensive income for the period</b>	<b>63,472</b>	<b>169,749</b>	<b>25,074</b>	<b>131,187</b>	<b>69,806</b>
Dealt with in the financial statements of:					
The company	25,679	120,725	21,365	23,824	162,115
Subsidiaries	2,664	3,413	3,709	(14,594)	(137,920)
Associate	35,129	45,611	-	121,957	45,611
	<b>63,472</b>	<b>169,749</b>	<b>25,074</b>	<b>131,187</b>	<b>69,806</b>

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

# 1834 INVESTMENTS LIMITED

(formerly The Gleaner Company Limited)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2016

		(Unaudited) December 31, 2016 S'000	(Unaudited) December 31, 2015 S'000	(Audited) March 31, 2016 S'000
	Notes		Restated (Note 4)	
<b>Assets</b>				
Property, plant and equipment		17,179	1,280,572	20,923
Intangible asset		-	17,375	-
Investment properties		811,094	-	810,787
Long-term receivables		2,341	4,813	52,780
Interest in associate	12	270,164	235,035	235,035
Investments		677,911	732,315	775,328
Pension receivable	8(c)	26,040	26,040	26,040
Deferred tax assets		618	26,943	618
<b>Total non-current assets</b>		<u>1,805,347</u>	<u>2,323,093</u>	<u>1,921,511</u>
Cash and cash equivalents		51,502	50,775	27,386
Securities purchased under resale agreement		24,834	-	8,930
Trade and other receivables		53,030	593,906	18,414
Prepayments		471	42,937	-
Taxation recoverable		9,676	10,803	9,616
Inventories		-	140,181	-
Pension receivable	8(c)	42,266	777,028	179,938
<b>Total current assets</b>		<u>181,779</u>	<u>1,615,630</u>	<u>244,284</u>
<b>Total assets</b>		<u><b>1,987,126</b></u>	<u><b>3,938,723</b></u>	<u><b>2,165,795</b></u>
<b>Equity:</b>				
Share capital		605,622	605,622	605,622
Reserves		1,130,188	2,262,672	1,209,113
<b>Total equity attributable to equity holders of parent</b>		<u><b>1,735,810</b></u>	<u><b>2,868,294</b></u>	<u><b>1,814,735</b></u>
<b>Liabilities:</b>				
Long-term liabilities		-	69,628	-
Employee benefits obligation		-	87,000	-
Deferred tax liabilities		119,981	335,935	165,706
<b>Total non-current liabilities</b>		<u>119,981</u>	<u>492,563</u>	<u>165,706</u>
Bank overdraft		-	16,737	-
Trade and other payables		45,775	497,640	95,033
Taxation payable		85,560	-	90,321
Current portion of long-term liabilities		-	7,635	-
Deferred income		-	55,854	-
<b>Total current liabilities</b>		<u>131,335</u>	<u>577,866</u>	<u>185,354</u>
<b>Total liabilities</b>		<u>251,316</u>	<u>1,070,429</u>	<u>351,060</u>
<b>Total equity and liabilities</b>		<u><b>1,987,126</b></u>	<u><b>3,938,723</b></u>	<u><b>2,165,795</b></u>

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

# 1834 INVESTMENTS LIMITED

(formerly The Gleaner Company Limited)

## Consolidated Statement of Changes in Equity

Nine months ended December 31, 2016

	Share capital \$'000	Capital reserves \$'000	Fair value reserves \$'000	Reserve for own shares \$'000	Retained profits \$'000	Total equity \$'000
<b>Balances as at March 31, 2015</b>	605,622	1,038,167	60,927	(143,763)	1,180,885	2,741,838
<b>Total comprehensive income for the period:</b>						
Profit for the period	-	-	-	-	6,872	6,872
<b>Other comprehensive income/(loss):</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Revaluation of land and building net of tax	-	135,067	-	-	-	135,067
Remeasurement of employee benefits obligation net	-	-	-	-	(6,525)	(6,525)
	-	135,067	-	-	(6,525)	128,542
<b>Items that may be reclassified to profit or loss</b>						
Change in fair value of available-for-sale investments	-	-	32,828	-	-	32,828
Currency translation differences on foreign subsidiaries	-	1,507	-	-	-	1,507
	-	1,507	32,828	-	-	34,335
	-	1,507	32,828	-	(6,525)	162,877
<b>Other comprehensive income for the period, net of taxation, being</b>						
<b>Total comprehensive income for the period, net of taxation</b>	-	136,574	32,828	-	347	169,749
<b>Transactions with owners, recorded directly in equity:</b>						
Dividends paid	-	-	-	-	(46,937)	(46,937)
Own shares sold by Gleaner Company Limited	-	-	-	-	-	-
Employee Investment Trust (GCLETT)	-	-	-	3,644	-	3,644
<b>Total contributions by and distributions to owners</b>	-	-	-	3,644	(46,937)	43,293
<b>Balances at December 31, 2015</b>	605,622	1,174,741	93,755	(140,119)	1,134,295	2,868,294
<b>Balances as at March 31, 2016</b>	605,622	1,069,008	139,071	149,157	150,191	1,814,735
<b>Total comprehensive income for the period:</b>						
Profit for the period	-	-	-	-	51,226	51,226
<b>Other comprehensive income/(loss):</b>						
<b>Items that may be reclassified to profit or loss</b>						
Change in fair value of available-for-sale investments	-	14,140	-	-	-	14,140
Currency translation differences on foreign subsidiaries	-	-	(1,894)	-	-	(1,894)
Other comprehensive expense for the period, net of taxation	-	14,140	(1,894)	-	-	12,246
<b>Total comprehensive income for the period, net of taxation</b>	-	14,140	(1,894)	-	51,226	12,246
<b>Transactions with owners, recorded directly in equity</b>						
Dividends paid, being total distributions to owners	-	-	-	-	(142,397)	(142,397)
<b>Balances as at December 31, 2016</b>	605,622	1,083,148	137,177	(149,157)	59,020	1,735,810

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

# 1834 INVESTMENTS LIMITED

(formerly The Gleaner Company Limited)

## Consolidated Statement of Cash Flows

	Unaudited December 31, 2016 \$'000	Unaudited December 31, 2015 \$'000 Restated (Note 4)	Audited March 31, 2016 \$'000
<b>Cash flows from operating activities</b>			
Profit for the period/year	51,226	6,872	6,736
Adjustments to reconcile profit to net cash provided by operating activities:			
Depreciation	3,845	64,256	98,466
Amortisation	-	3,106	3,495
Gain on disposal of subsidiary	-	( 2,764)	(54,729)
Current income tax	-	40,533	176,972
Deferred taxation	14,140	( 43,212)	(195,902)
Employee benefits obligation	-	1,675	12,415
Gain on disposal of property, plant and equipment	-	15,711	(2,764)
Equity settled share-based payments	-	-	136
Interest income	( 20,069)	(162,992)	(200,655)
Interest expense	2,138	2,747	2,931
Share of profit of associated, net of tax	( 35,129)	( 45,611)	( 45,611)
Loss on disposal of shares	-	-	7,181
Translation adjustment	<u>1,638</u>	<u>1,507</u>	<u>( 3)</u>
	17,789	(118,172)	(191,332)
Tax paid	( 52,392)	( 27,373)	(109,699)
Interest paid	( 2,138)	( 2,747)	( 2,931)
Trade and other receivables	( 40,263)	(126,934)	( 45,941)
Prepayment	( 471)	( 8,620)	10,890
Inventories and goods-in-transit	-	50,571	61,518
Securities purchased under agreements for resale	( 10,429)	5,518	(135,734)
Trade and other payables	( 49,258)	31,002	123,642
Deferred income	-	( 8,518)	( 10,274)
Employee benefits obligation payments	-	( 3,400)	( 4,900)
Pension fund receivable	<u>137,672</u>	<u>139,158</u>	<u>258,080</u>
Net cash provided/(used) by operating activities	<u>510</u>	<u>( 69,515)</u>	<u>( 46,681)</u>
<b>Cash flows from investing activities</b>			
Interest received	20,105	146,900	200,054
Acquisition of investment in association	-	-	( 53,085)
Addition to investment properties	( 64)	( 11,004)	( 41,924)
Proceeds from sale of property plant and equipment	-	2,314	8,333
Cash and cash equivalents disposed of	-	-	( 6,227)
Effects of amalgamation	-	-	( 38,338)
Investments, net	95,523	( 25,336)	( 19,264)
Long-term receivables	50,439	5,514	24,315
Acquisition of intangible assets	-	-	( 6,421)
Net cash provided by investing activities	<u>166,003</u>	<u>118,388</u>	<u>67,443</u>
<b>Cash flows from financing activities</b>			
Long-term liabilities	-	( 21,437)	47,152
Dividend paid	(142,397)	( 46,937)	( 94,067)
Net cash used by financing activities	(142,397)	( 68,374)	( 46,915)
Net increase/(decrease) in cash and cash equivalent	24,116	( 19,501)	( 26,153)
Cash and cash equivalent at beginning of the year	<u>27,386</u>	<u>53,539</u>	<u>53,539</u>
Cash and cash equivalent at end of the year	<u>51,502</u>	<u>34,038</u>	<u>27,386</u>
Comprised of:			
Cash and bank balances	51,502	50,775	27,386
Bank overdraft	-	( 16,737)	-
	<u>51,502</u>	<u>( 34,038)</u>	<u>27,386</u>

**1834 Investments Limited**  
*(formerly The Gleaner Company Limited)*

Notes to the Interim Financial Report  
Period ended December 31, 2016

We hereby present the unaudited financial report of the Group for the nine months ended December 31 2016.

**1. Reporting entity**

1834 Investments Limited (formerly The Gleaner Company Limited) ('the company') is domiciled in Jamaica. These condensed consolidated interim financial statements ('interim financial statements') as at and for the nine months ended December 31, 2016 comprise the company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associate.

**2. Statement of compliance**

These interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the period ended March 31, 2016.

The accounting policies followed in these interim financial statements are consistent with those in the audited financial statements for the period ended March 31, 2016.

**3. Use of judgements and estimates**

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the period ended March 31, 2016.

**4. Discontinued operations**

Pursuant to a Scheme of Arrangement for Amalgamation, the company divested the media operations of former subsidiary The Gleaner Company (Media) Limited to Radio Jamaica Limited on March 24, 2016. The former media business is represented in these accounts as "discontinued operations", and the remaining non-media (investment) business is reflected as the "continuing operations".

The total net assets transferred as a result of the amalgamation was \$841M, including cash/cash equivalent of \$665M.

As at March 31, 2016, your company no longer engages in any form of media business.

In the Group interim financial statements for the period ended December 31, 2016 the comparative information for the nine-months ended December 31, 2015 as presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows include the media operations divested to RJR (discontinued operations). The comparative information presented in the Consolidated Income Statement for the nine months ended December 31, 2015 was restated to reflect the continuing operations, with the former media operations included in the line "Profit/(loss) for the period from discontinued operations, net of tax".

Consequent upon the restructuring of the Group and change in the core business of 1834 Investments Limited, land and buildings owned by the Group were revalued and reclassified as investment properties.

**1834 Investments Limited**  
*(formerly The Gleaner Company Limited)*

Notes to the Interim Financial Report (Continued)  
Period ended December 31, 2016

**5. Segment reporting**

The Group has one reportable segment which is investment. The identification of business segments is based on the Group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to this segment.

Performance is measured on segment profit before taxation as included in the internal management reports that are reviewed by the Board of Directors. Segment profit before taxation is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segment relative to other entities that operate within these industries.

6. The Consolidated Income Statement for the nine months ended December 31, 2016 shows a Group profit from continuing operations before taxation of approximately \$58M which includes Share of Profit of \$35M from interest in associate Jamaica Joint Venture Investment Company Limited (2015: Profit of \$146M for the nine months to December 31, 2015 included a \$46M Share of Profit from interest in associate, net of tax, which was based on the associate's audited financial results as at December 31, 2014).
7. The Group profit after taxation for the first nine months of 2016 was approximately \$51M compared with a profit of approximately \$7M for the same period last year. Included in the prior year profit is a loss of \$139M from discontinued operations.
8. In comparing the financial statements for the nine month period ended December 31, 2016, with those of previous period, the following should be noted:
  - (a) Revenue of \$40M (2015: \$120M) represents investment income, rental income and interest on loans. The reduction in investment income is in line with the company's smaller investment base arising from the transfer of cash/cash equivalent to Radio Jamaica Limited (RJR) to complete the amalgamation and cash expenditure associated with the amalgamation exercise.
  - (b) Other operating income of \$60M (2015: \$18M) is comprised mainly of foreign exchange gains on investments and gains realised on the sale of certain equity investments.
  - (c) Pension receivable of \$68M (2015: \$803M) represents amounts due to the group arising from the discontinuation of the defined-benefit pension fund. There are no active members remaining in this fund. Of the total outstanding amount, \$26M (2015: \$26M) is expected to be received in more than one year from the reporting date.

	<u>Group</u> <u>December 31, 2016</u> \$M
Pension receivable brought forward to April 1	206
Net received during the period	(148)
Income earned during the period	<u>10</u>
	<u>68</u>

9. The Group financial statements for the nine months ended December 31, 2016 include the company's five (2015: ten) subsidiaries – Associated Enterprise Limited, Popular Printers Limited, Selectco Publications Limited, digJamaica.com Limited and overseas subsidiary, 1834 Investments (Canada) Incorporated.
10. The calculation of earnings per stock unit is arrived at by dividing profit after taxation attributable to the parent company's stockholders by 1,211,243,827 stock units, being the number of stock units in issue at the end of the period.



**1834 Investments Limited**  
*(formerly The Gleaner Company Limited)*

Notes to the Interim Financial Report (Continued)  
Period ended December 31, 2016

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**11. Dividend and Stock Prices**

An interim revenue distribution of 8 cents per stock unit was declared from the company's retained earnings at a board meeting held on August 5, 2016 payable to shareholders on record at August 22, 2016. Payments were made on September 16, 2016.

A second interim revenue distribution of 4 cents per stock unit was declared from the company's retained earnings at a board meeting held on November 3, 2016 payable to shareholders on record at November 18, 2016. Payments were made on December 7, 2016.

In total, gross dividends amounting to \$142M were paid to external shareholders of the company in the nine month period to December 31, 2016.

The company's stock unit price on the Jamaica Stock Exchange at December 31, 2016 was \$1.20; the opening price at April 1, 2016 was \$1.78.

Pursuant to the terms of the amalgamation agreement, 1834 Investments Limited shareholders received one share of Radio Jamaica Limited (RJR) on March 24, 2016 for each share held in 1834 Investments Limited. At December 31, 2016 the RJR share was valued at \$1.30 on the Jamaica Stock Exchange; the opening price at April 1, 2016 was \$1.46.

**12. Interest in associate**

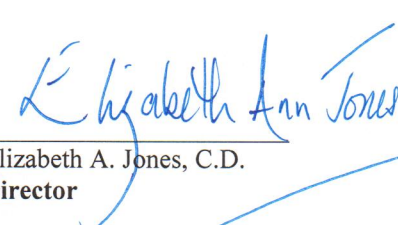
The Group has a 50% shareholding in a real estate investment company Jamaica Joint Venture Investment Company Limited (JJVI). The Consolidated Income Statement includes a \$35M Share of Profit as derived from JJVI's audited financial statements for the year ended December 31, 2015. The company accounted for this investment using the equity method. The Share of Profit included for the comparative period ended December 31, 2015 was \$46M.

**13. Contingent liabilities**

As of December 31, 2016 the company had a potential tax liability of \$63M arising from an assessment by the Tax Administration Jamaica for the year of assessment 2010. The company has disputed the assessment. It is possible that the company's financial results could be impacted by the final outcome.

On behalf of the Board

  
\_\_\_\_\_  
Hon. O.F. Clarke, O.J.  
**Chairman**

  
\_\_\_\_\_  
Elizabeth A. Jones, C.D.  
**Director**

February 14, 2017