

**1834 INVESTMENTS LIMITED**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(UNAUDITED)**

**SIX (6) MONTHS ENDED SEPTEMBER 30, 2018**

**1834 INVESTMENTS LIMITED**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**SIX (6) MONTHS ENDED SEPTEMBER 30, 2018**

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**1834 INVESTMENTS LIMITED**  
**CONSOLIDATED INCOME STATEMENT**  
**SIX (6) MONTHS ENDED SEPTEMBER 30, 2018**

|  | NOTES    | Unaudited<br>Six months<br>ended<br>September<br>2018<br>\$'000 | Unaudited<br>Six months<br>ended<br>September<br>2017<br>\$'000 | Unaudited<br>Three months<br>ended<br>September<br>2018<br>\$'000 | Unaudited<br>Three months<br>ended<br>September<br>2017<br>\$'000 | Audited<br>March<br>2018<br>\$'000 |
|--|----------|---|---|---|---|------------------------------------|
| <b>Revenue</b>   |          |   |   |   |   |                                    |
| Operating income   | 4 (a)    | 15,145  | 22,450  | 6,913   | 11,303  | 45,379                             |
| Other income   | 4 (b)    | 35,792  | 74,540  | 18,653  | -   | 116,017                            |
|  |          | <u>50,937</u>   | <u>96,990</u>   | <u>25,566</u>   | <u>11,303</u>   | <u>161,396</u>                     |
| Administrative expenses                                  |          | (9,503)   | (5,651)   | (3,397)   | (2,689)   | (31,258)                           |
| Other operating expenses                                 |          | (16,011)  | (34,995)  | (8,840)   | (16,822)  | (85,626)                           |
|  |          | <u>(25,514)</u>   | <u>(40,646)</u>   | <u>(12,237)</u>   | <u>(19,511)</u>   | <u>(116,884)</u>                   |
| <b>Profit/(loss) from operations</b>                     |          | <b>25,423</b>   | <b>56,344</b>   | <b>13,329</b>   | <b>(8,208)</b>  | <b>44,512</b>                      |
| Finance costs  |          | (109)   | (15)  | (68)  | 464   | (380)                              |
| <b>Profit/(loss) from operations before other income</b> |          | <b>25,314</b>   | <b>56,329</b>   | <b>13,261</b>   | <b>(7,744)</b>  | <b>44,132</b>                      |
| Share of profit from interest in associate, net of tax   | 8        | 3,670   | 5,022   | 1,835   | 2,511   | 53,042                             |
| <b>Profit/(loss) from operations before taxation</b>     | <b>3</b> | <b>28,984</b>   | <b>61,351</b>   | <b>15,096</b>   | <b>(5,233)</b>  | <b>97,174</b>                      |
| Taxation charge  |          | (3,304)   | (6,491)   | (762)   | (227)   | (15,242)                           |
| <b>Profit/(loss) for the period/year from operations</b> |          | <b>25,680</b>   | <b>54,860</b>   | <b>14,334</b>   | <b>(5,460)</b>  | <b>81,932</b>                      |
| <b>Dealt with in the financial statements of:</b>        |          |   |   |   |   |                                    |
| Parent company   |          | 21,754  | 65,325  | 12,499  | 70,433  | (3,180)                            |
| Subsidiaries   |          | 256   | (15,487)  | -   | (78,404)  | 32,070                             |
| Associate  |          | 3,670   | 5,022   | 1,835   | 2,511   | 53,042                             |
|  |          | <u>25,680</u>   | <u>54,860</u>   | <u>14,334</u>   | <u>(5,460)</u>  | <u>81,932</u>                      |
| <b>Earnings per stock unit:</b>                          |          |   |   |   |   |                                    |
| Based on stock units in issue                            |          | 2.12¢   | 4.53¢   | 1.18¢   | (0.45¢)   | 6.76¢                              |

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

**1834 INVESTMENTS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**SIX (6) MONTHS ENDED SEPTEMBER 30, 2018**

|  | Unaudited<br>Six months<br>September<br>2018<br><u>\$'000</u> | Unaudited<br>Six months<br>September<br>2017<br><u>\$'000</u> | Unaudited<br>Three months<br>September<br>2018<br><u>\$'000</u> | Unaudited<br>Three months<br>September<br>2017<br><u>\$'000</u> | Audited<br>March<br>2018<br><u>\$'000</u> |
|--|---|---|---|---|---|
| <b>Profit/(loss) for the period/year</b>                                 | 25,680  | 54,860  | 14,334  | (5,460)   | 81,932                                    |
| <b>Other comprehensive income:</b>                                       |   |   |   |   |   |
| <b>Items that will never be reclassified to profit or loss:</b>          |   |   |   |   |   |
| Related tax on revaluation and remeasurement                             | -   | -   | -   | -   | 6,260                                     |
| <b>Items that may be reclassified to profit or loss</b>                  |   |   |   |   |   |
| Fair value adjustments on available-for-sale investments                 | (2,106)   | (64,781)  | 2,025   | -   | (66,840)                                  |
| Currency translation differences on foreign subsidiaries                 | (78)  | 7,315   | 105   | 22,182  | (535)                                     |
|  | (2,184)   | (57,466)  | 2,130   | 22,182  | (67,375)                                  |
| <b>Other comprehensive loss for the period/year,<br/>net of taxation</b> | (2,184)   | (57,466)  | 2,130   | 22,182  | (61,115)                                  |
| <b>Total comprehensive income/(loss) for the period/year</b>             | 23,496  | (2,606)   | 16,464  | 16,722  | 20,817                                    |
| <b>Dealt with in the financial statements of:</b>                        |   |   |   |   |   |
| Parent company   | 24,198  | 32,474  | 14,942  | 117,766   | (5,241)                                   |
| Subsidiaries   | (4,372)   | (40,102)  | (313)   | (103,555)   | (26,984)                                  |
| Associate  | 3,670   | 5,022   | 1,835   | 2,511   | 53,042                                    |
|  | 23,496  | (2,606)   | 16,464  | 16,722  | 20,817                                    |

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

**1834 INVESTMENTS LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2018**

|  | NOTES | Unaudited<br>as at<br>September<br>30,<br>2018<br><u>\$'000</u> | Unaudited<br>as at<br>September<br>30,<br>2017<br><u>\$'000</u> | Audited<br>as at<br>March<br>31,<br>2018<br><u>\$'000</u> |
|--|-------|---|---|---|
| <b>NON-CURRENT ASSETS</b>                                    |       |   |   |   |
| Property, plant and equipment                                |       | 8,459   | 12,920  | 10,854  |
| Investment properties  |       | 429,239   | 569,239   | 549,239   |
| Long-term receivables  |       | 31,000  | 32,055  | 26,891  |
| Interest in associate  | 8     | 301,791   | 250,502   | 298,121   |
| Investments  |       | 323,485   | 461,615   | 469,553   |
| Deferred tax assets  |       | 618   | 618   | 618   |
| <b>Total non-current assets</b>                              |       | <u>1,094,592</u>  | <u>1,326,949</u>  | <u>1,355,276</u>  |
| <b>CURRENT ASSETS</b>  |       |   |   |   |
| Cash and cash equivalents                                    |       | 66,428  | 77,720  | 67,629  |
| Securities purchased under resale agreements                 |       | 192,380   | 42,900  | 9,279   |
| Trade and other receivables                                  |       | 20,573  | 58,432 *  | 36,614  |
| Taxation recoverable   |       | 27,416  | 9,616   | 12,514  |
| Assets held for sale   | 9     | 296,645   | 179,245   | 196,645   |
| Current portion of pension fund receivable                   | 4 (c) | 75,093  | 66,304  | 74,322  |
| <b>Total current assets</b>                                  |       | <u>678,535</u>  | <u>434,217</u>  | <u>397,003</u>  |
| <b>Total assets</b>  |       | <u>1,773,127</u>  | <u>1,761,166</u>  | <u>1,752,279</u>  |
| <b>EQUITY &amp; LIABILITIES</b>                              |       |   |   |   |
| <b>EQUITY</b>  |       |   |   |   |
| Share capital  |       | 605,622   | 605,622   | 605,622   |
| Reserves   |       | 1,121,927   | 1,076,437   | 1,098,431   |
| <b>Total equity attributable to equity holders of parent</b> |       | <u>1,727,549</u>  | <u>1,682,059</u>  | <u>1,704,053</u>  |
| <b>NON-CURRENT LIABILITY</b>                                 |       |   |   |   |
| Deferred tax liability, being total non-current liability    |       | 19,133  | 29,400  | 17,910  |
| <b>CURRENT LIABILITIES</b>                                   |       |   |   |   |
| Accounts payable   |       | 26,445  | 44,704  | 27,422  |
| Taxation   |       | -   | 5,003   | 2,894   |
| <b>Total current liabilities</b>                             |       | <u>26,445</u>   | <u>49,707</u>   | <u>30,316</u>   |
| <b>Total equity and liabilities</b>                          |       | <u>1,773,127</u>  | <u>1,761,166</u>  | <u>1,752,279</u>  |

\*-Restated to conform to current period presentation

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

**1834 INVESTMENTS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**SIX (6) MONTHS ENDED SEPTEMBER 30, 2018**

|   | <b>Share<br/>Capital<br/>\$'000</b> | <b>Capital<br/>Reserves<br/>\$'000</b> | <b>Fair value<br/>Reserves<br/>\$'000</b> | <b>Reserve for<br/>Own Shares<br/>\$'000</b> | <b>Retained<br/>Profits<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---|-------------------------------------|--|---|--|--|-------------------------|
| Balances at March 31, 2017  | 605,622                             | 1,209,352                              | 90,116                                    | (149,157)                                    | 21,413                                 | 1,777,346               |
| <b>Total comprehensive income/(loss) for the period</b>               |                                     |  |   |  |  |                         |
| Profit for the period   | -                                   | -                                      | -   | -  | 54,860                                 | 54,860                  |
| Other comprehensive income/(loss):                                    |                                     |  |   |  |  |                         |
| Fair value adjustments on available-for-sale investments              | -                                   | -                                      | (64,781)                                  | -  | -                                      | (64,781)                |
| Currency translation differences on foreign subsidiaries              | -                                   | 7,315                                  | -   | -  | -                                      | 7,315                   |
| Other comprehensive income/(loss) for the period, net of taxation     | -                                   | 7,315                                  | (64,781)                                  | -  | -                                      | (57,466)                |
| <b>Total comprehensive income/(loss) for the period, net taxation</b> | -                                   | 7,315                                  | (64,781)                                  | -  | 54,860                                 | (2,606)                 |
| <b>Transactions with owners, recorded directly in equity</b>          |                                     |  |   |  |  |                         |
| Dividends paid, being total distributions to owners                   | -                                   | -                                      | -   | -  | (92,681)                               | (92,681)                |
| Balances at September 30, 2017  | 605,622                             | 1,216,667                              | 25,335                                    | (149,157)                                    | (16,408)                               | 1,682,059               |
| Balances at March 31, 2018  | 605,622                             | 1,033,139                              | 23,276                                    | (149,157)                                    | 191,173                                | 1,704,053               |
| <b>Total comprehensive (loss)/income for the period</b>               |                                     |  |   |  |  |                         |
| Profit for the period   | -                                   | -                                      | -   | -  | 25,680                                 | 25,680                  |
| Other comprehensive loss:   |                                     |  |   |  |  |                         |
| Fair value adjustments on available-for-sale investments              | -                                   | -                                      | (2,106)                                   | -  | -                                      | (2,106)                 |
| Currency translation differences on foreign subsidiaries              | -                                   | (78)                                   | -   | -  | -                                      | (78)                    |
| Other comprehensive loss for the period, net of taxation              | -                                   | (78)                                   | (2,106)                                   | -  | -                                      | (2,184)                 |
| <b>Total comprehensive (loss)/income for the period, net taxation</b> | -                                   | (78)                                   | (2,106)                                   | -  | 25,680                                 | 23,496                  |
| Transfers on the disposal of investment property                      | -                                   | (18,610)                               | -   | -  | 18,610                                 | -                       |
| Balances as at September 30, 2018                                     | <b>605,622</b>                      | <b>1,014,451</b>                       | <b>21,170</b>                             | <b>(149,157)</b>                             | <b>235,463</b>                         | <b>1,727,549</b>        |

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

**1834 INVESTMENTS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**SIX (6) MONTHS ENDED SEPTEMBER 30, 2018**

|  | NOTE | Unaudited<br>Six (6)<br>months<br>ended<br>September<br>30,<br>2018<br>\$'000 | Unaudited<br>Six (6)<br>months<br>ended<br>September<br>30,<br>2017<br>\$'000 | Audited<br>Year<br>ended<br>March<br>31,<br>2018<br>\$'000 |
|--|------|---|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |      |   |   |  |
| <b>Profit for the period/year</b>                            |      | <b>25,680</b>   | 54,860  | 81,932   |
| <b>Adjustments for:</b>                                      |      |   |   |  |
| Income tax charge  |      | 2,081   | 6,491   | 20,472   |
| Depreciation   |      | 2,395   | 2,724   | 4,790  |
| Deferred taxation  |      | 1,223   | -   | (5,230)  |
| Interest income  |      | (11,315)  | (15,906)  | (30,954)   |
| Interest expense   |      | -   | 15  | 381  |
| Decrease in fair value of assets held for sale               |      | -   | -   | 2,598  |
| Share of profit of associate, net of tax                     | 8    | (3,670)   | (5,022)   | (53,042)   |
| Decrease in fair value of investment property                |      | -   | 813   | -  |
| Impairment loss  |      | -   | -   | 8,221  |
| Gain on disposal of investments                              |      | -   | (57,066)  | (59,759)   |
| Gain on sale of assets held for sale                         |      | (913)   | (57,641)  | (4,981)  |
| Gain on disposal of property, plant and equipment            |      | -   | -   | (8,882)  |
| Operating profit/(loss) before changes in working capital    |      | <b>15,481</b>   | (70,732)  | (44,454)   |
| Changes in:  |      |   |   |  |
| Trade and other receivables                                  |      | 12,361  | (5,657) *   | 18,175   |
| Taxation recoverable   |      | (14,902)  | -   | -  |
| Securities purchased under resale agreements                 |      | (183,101)   | -   | 33,621   |
| Assets held for sale   |      | -   | 56,374  | -  |
| Pension fund receivables                                     |      | (771)   | 23,489  | 15,472   |
| Accounts payable   |      | (1,055)   | (6,390)   | (23,672)   |
| Interest paid  |      | -   | (15)  | (381)  |
| Income tax paid  |      | (4,975)   | (22,124)  | (38,686)   |
| <b>Net cash used in operations</b>                           |      | <b>(176,962)</b>  | (25,055)  | (39,925)   |
| <b>Cash flows from investing activities</b>                  |      |   |   |  |
| Interest received  |      | 14,995  | 6,600   | 28,405   |
| Proceeds from sale of assets held for sale                   |      | 20,913  | 73,315  | 61,357   |
| Proceeds from sale of property, plant and equipment          |      | -   | -   | 8,882  |
| Investments, net   |      | 143,962   | 107,863   | 90,178   |
| Long-term receivable   |      | (4,109)   | -   | 5,164  |
| <b>Net cash provided by investing activities</b>             |      | <b>175,761</b>  | 187,778   | 193,986  |
| <b>Cash flows from financing activity</b>                    |      |   |   |  |
| Dividends paid, being net cash used in financing activity    |      | -   | (92,681)  | (94,110)   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>  |      | <b>(1,201)</b>  | 70,042  | 59,951   |
| <b>Cash and cash equivalents at beginning of period/year</b> |      | <b>67,629</b>   | 7,678   | 7,678  |
| <b>Cash and cash equivalents at end of period/year</b>       |      | <b>66,428</b>   | 77,720  | 67,629   |
| <b>Represented by:</b>                                       |      |   |   |  |
| Cash and cash equivalents                                    |      | 66,428  | 77,720  | 67,629   |

\*-Restated to conform to current period presentation

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

**1834 INVESTMENTS LIMITED**  
**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**SIX (6) MONTHS ENDED SEPTEMBER 30, 2018**

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**1. IDENTIFICATION AND PRINCIPAL ACTIVITIES**

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.

These consolidated interim financial statements comprise the company and its subsidiaries (together referred to as the 'group') and the group's interest in associate.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Statement of compliance**

The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain fixed and financial assets and are expressed in Jamaican dollars.

These financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting*.

The interim financial report is to be read in conjunction with the audited financial statements for the year ended March 31, 2018. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the financial year ended March 31, 2018.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended March 31, 2018.

**(b) Use of judgements and estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Actual results could differ from these estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

**(c) Consolidation**

**(i) Subsidiaries**

A subsidiary is an enterprise controlled by the group. Control exists when the group 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 control commences until the date the control ceases.

**(ii) Transactions eliminated on consolidation**

Intra-group balances and any unrealised gain and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



**1834 INVESTMENTS LIMITED**  
**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**SIX (6) MONTHS ENDED SEPTEMBER 30, 2018**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(d) Foreign currencies**

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

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

**(e) 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.

- 3.** The group financial statements for the six months ended September 30, 2018 show a profit from operations before taxation of approximately \$29 million (2017: \$61 million).
- 4.** In comparing the financial statements for the six month period ended September 30, 2018 with those of the comparative period, the following should be noted:
- (a) Operating income of \$15 million (2017: \$22 million) represents investment income, rental income and interest on loans.
  - (b) Other income of \$36 million (2017: \$75 million) is mainly comprised of gains on the sale of certain investments and foreign exchange movement. The decrease in other income is due to the sale of a building in Canada which was owned by 1834 Investments (Canada) Inc. and the sale of shares in RJR Communications Group in prior year.
  - (c) Pension fund receivable of \$75 million (2017: \$66 million) represents amounts due to the group arising from the discontinuation of the defined-benefit pension fund.

**1834 INVESTMENTS LIMITED**  
**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**SIX (6) MONTHS ENDED SEPTEMBER 30, 2018**

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**5. Group Financial Statements**

The group financial statements for the six months ended September 30, 2018 include the company's five (2017: five) subsidiaries - Associated Enterprise Limited, Popular Printers Limited, Selectco Publications Limited, digjamaica.com Limited and overseas subsidiary, 1834 Investments (Canada) Incorporated.

1834 Investments (Canada) Incorporated was dissolved on June 22, 2018. Associated Enterprise Limited, Popular Printers Limited, Selectco Publications Limited and digjamaica.com Limited are dominant companies which we are in the process of winding up.

**6. Earnings Per Stock**

The calculation of earnings per stock unit is arrived at by dividing profit after taxation attributable to 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.

**7. Dividend and Stock Prices**

No dividend was declared during the period.

The company's stock unit price on the Jamaica Stock Exchange at September 30, 2018 was \$1.10; the opening price at April 1, 2018 was \$1.19.

**8. Interest in associate**

The group has a 50% shareholding in a real estate investment company, Jamaica Joint Venture Investment Company Limited (JJVI). The company accounted for this investment using the equity method. The Consolidated Income Statement includes \$3.6 million, representing share of profits (2017: \$5 million).

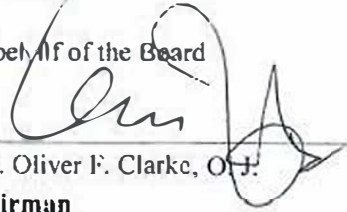
**9. Assets held for sale**

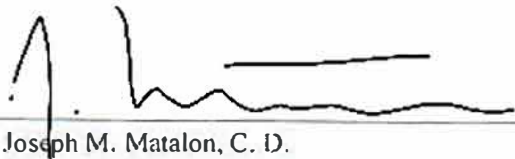
Management commenced the process of selling some its investment properties during the prior and current period. Some investment properties are presented as assets held for sale. Completion of the sales are expected within the next twelve (12) months.

**10. Contingent liabilities**

As of September 30, 2018, the company had a potential tax liability of \$63 million 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. Oliver F. Clarke, O.J.  
 Chairman

  
 Joseph M. Matalon, C. D.  
 Vice - Chairman

November 14, 2018