

TO: THE STOCKHOLDERS OF

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

**Un-audited Financial Statements for the  
Quarter ended September 30, 2016**

TO: THE STOCKHOLDERS OF

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

**CONSOLIDATED INCOME STATEMENT**  
Six months ended September 30, 2016

	Notes	(Unaudited) Six Months September 2016 \$'000	(Unaudited) Six Months September 2015 \$'000 Restated (Note 4)	(Unaudited) Three Months September 2016 \$'000	(Unaudited) Three Months September 2015 \$'000 Restated (Note 4)	(Audited) March 31, 2016 \$'000
<b>Revenue</b>						
Other operating income	8(a)	29,257	66,075	13,035	36,743	200,655
	8(b)	<u>24,377</u>	<u>12,553</u>	<u>7,435</u>	<u>3,056</u>	<u>4,080</u>
		<u>53,634</u>	<u>78,628</u>	<u>20,470</u>	<u>39,799</u>	<u>204,735</u>
Administrative expenses		(30,307)	(12,300)	(20,580)	(3,710)	(5,303)
Other operating expenses		(19,488)	(2,143)	(18,235)	(714)	(33,171)
		<u>(49,795)</u>	<u>(14,443)</u>	<u>(38,815)</u>	<u>(4,424)</u>	<u>(38,474)</u>
<b>Profit/(loss) from operations</b>		<b>3,839</b>	<b>64,185</b>	<b>(18,345)</b>	<b>35,375</b>	<b>166,261</b>
Finance costs		(1,350)	(2,171)	(397)	(1,026)	(2,931)
Profit/(loss) from continuing operations before other income		2,489	62,014	(18,742)	34,349	163,330
Gain on disposal of subsidiary		-	-	-	-	54,729
Share of profit/(loss) from interest in associate, net of tax	12	<u>35,129</u>	<u>(76,346)</u>	-	-	<u>45,611</u>
<b>Profit/(loss) from continuing operations before taxation</b>	6	<b>37,618</b>	<b>(14,332)</b>	<b>(18,742)</b>	<b>34,349</b>	<b>263,670</b>
Taxation (charge)/credit		<u>(5,643)</u>	-	<u>(1,152)</u>	-	<u>18,494</u>
<b>Profit/(loss) for the period from continuing operations</b>		<b>31,975</b>	<b>(14,332)</b>	<b>(19,894)</b>	<b>34,349</b>	<b>282,164</b>
<b>Profit/(loss) for the period from discontinued operations, net of tax</b>	4	-	<u>49,510</u>	-	<u>(6,902)</u>	<u>(275,428)</u>
<b>Profit/(loss) for the period</b>	7	<b><u>31,975</u></b>	<b><u>35,178</u></b>	<b><u>(19,894)</u></b>	<b><u>27,447</u></b>	<b><u>6,736</u></b>
<b>Dealt with in the financial statements of:</b>	3					
Parent company		(2,806)	103,159	(19,307)	39,096	212,044
Subsidiaries		(348)	8,365	(587)	(11,649)	(250,919)
Associate		<u>35,129</u>	<u>(76,346)</u>	-	-	<u>45,611</u>
		<u>31,975</u>	<u>35,178</u>	<u>(19,894)</u>	<u>27,447</u>	<u>6,736</u>
<b>Earnings/(loss) per stock unit:</b>	10					
Based on stock units in issue		<u>2.64¢</u>	<u>2.90¢</u>	<u>(1.64¢)</u>	<u>2.27¢</u>	<u>0.56¢</u>

TO: THE STOCKHOLDERS OF

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
Six months ended September 30, 2016

	Six Months September 2016 \$'000	Six Months September 2015 \$'000	Three Months September 2016 \$'000	Three Months September 2015 \$'000	(Audited) March 31, 2016 \$'000
Profit/(loss) for the period	31,975	Restated (Note 4) 35,178	(19,894)	Restated (Note 4) 27,447	6,736
<b>Other comprehensive income:</b>					
<b>Items that will never be reclassified to profit or loss:</b>					
Revaluation of land and buildings	-	-	-	-	(26,932)
Re-measurement of employee benefits obligation	-	(8,700)	-	-	(1,500)
Transferred on amalgamation	-	-	-	-	1,500
Related tax on re-measurement of employee benefits obligation	-	2,175	-	-	6,735
	-	(6,525)	-	-	(20,197)
<b>Items that may be reclassified to profit or loss:</b>					
Change in fair value of available-for-sale investments	5,730	6,052	6,045	(3,841)	83,267
Currency translation differences on foreign subsidiaries	693	3,857	(5,847)	5,904	-
	6,423	9,910	198	2,063	83,267
<b>Other comprehensive income for the period net of tax</b>	6,423	3,385	198	2,063	63,070
<b>Total comprehensive income/(loss) for the period</b>	<b>38,398</b>	<b>38,562</b>	<b>(19,696)</b>	<b>29,510</b>	<b>69,806</b>
Dealt with in the financial statements of:					
The company	(3,104)	96,901	(22,284)	35,235	162,115
Subsidiaries	6,373	18,007	2,588	(5,725)	(137,320)
Associate	35,129	(76,346)	-	-	45,811
	<b>38,398</b>	<b>38,562</b>	<b>(19,696)</b>	<b>29,510</b>	<b>69,806</b>

TO: THE STOCKHOLDERS OF

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2016**

	Notes	(Unaudited) September 30, 2016 \$'000	(Unaudited) September 30, 2015 \$'000 (Note 4)	(Audited) March 31, 2016 \$'000
<b>Assets</b>				
Property, plant and equipment		18,424	1,136,714	20,923
Intangible asset		-	14,643	-
Investment properties		812,984	-	810,787
Long-term receivables		2,564	9,521	52,780
Interest in associate	12	270,164	240,067	235,035
Investments		718,404	772,261	775,328
Pension receivable	8(c)	26,040	27,840	26,040
Deferred tax assets		618	5,181	618
<b>Total non-current assets</b>		<u>1,849,198</u>	<u>2,206,227</u>	<u>1,921,511</u>
Cash and cash equivalents		62,565	37,682	27,386
Securities purchased under resale agreement		17,190	-	8,930
Trade and other receivables		53,408	552,535	18,414
Prepayments		890	57,235	-
Taxation recoverable		9,676	18,906	9,616
Inventories		-	108,527	-
Pension receivable	8(c)	62,572	792,264	179,938
<b>Total current assets</b>		<u>206,301</u>	<u>1,567,149</u>	<u>244,284</u>
<b>Total assets</b>		<u>2,055,499</u>	<u>3,773,376</u>	<u>2,165,795</u>
<b>Equity:</b>				
Share capital		605,622	605,622	605,622
Reserves		1,153,444	2,178,422	1,209,113
<b>Total equity attributable to equity holders of parent</b>		<u>1,759,066</u>	<u>2,784,044</u>	<u>1,814,735</u>
<b>Liabilities:</b>				
Long-term liabilities		-	59,160	-
Employee benefit obligation		-	96,875	-
Deferred tax liabilities		121,535	279,177	165,706
<b>Total non-current liabilities</b>		<u>121,535</u>	<u>435,212</u>	<u>165,706</u>
Bank overdraft		-	55,775	-
Trade and other payables		75,687	376,945	95,033
Taxation payable		99,211	45,250	90,321
Current portion of long-term liabilities		-	19,121	-
Deferred income		-	57,029	-
<b>Total current liabilities</b>		<u>174,898</u>	<u>554,120</u>	<u>185,354</u>
<b>Total liabilities</b>		<u>296,433</u>	<u>989,332</u>	<u>351,060</u>
<b>Total equity and liabilities</b>		<u>2,055,499</u>	<u>3,773,376</u>	<u>2,165,795</u>

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

TO: THE STOCKHOLDERS OF

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

**Consolidated Statement of Changes in Equity**  
**Six months ended September 30, 2016**

	Share Capital \$'000	Capital reserves \$'000	Fair value reserves \$'000	Reserve for own shares \$'000	Retained profits \$'000	Total equity \$'000
Balances as at March 31, 2015	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	-	-	-	-	35,178	35,178
Other comprehensive income/(loss):						
Change in fair value of available-for-sale investments	-	-	6,052	-	-	6,052
Currency translation differences on foreign subsidiaries	-	3,857	-	-	-	3,857
Re-measurement of employee benefits obligation	-	-	-	-	(6,525)	(6,525)
Other comprehensive income for the period, net of taxation, being total comprehensive income for the period	-	3,857	6,052	-	28,653	38,562
<b>Transactions with owners, recorded directly in equity:</b>						
Own shares sold by Gleaner Company Limited	-	-	-	3,644	-	3,644
Employee Investment Trust (GCLEIT), being total contributions by owners	-	-	-	-	-	-
<b>Balances at September 30, 2015 (Note 4)</b>	<b>605,622</b>	<b>1,042,024</b>	<b>66,979</b>	<b>(140,119)</b>	<b>1,209,538</b>	<b>2,784,044</b>
Balances as at March 31, 2016	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	-	-	-	-	31,975	31,975
Other comprehensive income/(loss):						
Change in fair value of available-for-sale investments	-	-	5,730	-	-	5,730
Currency translation differences on foreign subsidiaries	-	693	-	-	-	693
Other comprehensive expense for the period, net of taxation	-	693	5,730	-	-	6,423
<b>Total comprehensive income for the period, net of taxation</b>	<b>-</b>	<b>693</b>	<b>5,730</b>	<b>-</b>	<b>31,975</b>	<b>38,398</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividends paid, being total distributions to owners	-	-	-	-	(94,067)	(94,067)
<b>Balances as at September 30, 2016</b>	<b>605,622</b>	<b>1,069,701</b>	<b>144,801</b>	<b>(149,157)</b>	<b>88,099</b>	<b>1,759,066</b>

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

# 1834 INVESTMENTS LIMITED

(formerly The Gleaner Company Limited)

## Consolidated Statement of Cash Flows

	Unaudited September 30, 2016 \$'000	Unaudited September 30, 2015 \$'000 Restated (Note 4)	Audited March 31, 2016 \$'000
<b>Cash flows from operating activities</b>			
Profit for the period	31,974	130,370	6,736
Adjustments to reconcile profit to net cash provided by operating activities:			
Depreciation	2,563	73,072	98,466
Amortisation	-	3,106	3,495
Gain on disposal of subsidiary	-	-	( 54,729)
Current income tax	5,643	29,852	176,972
Deferred taxation	-	4,340	(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	( 21,466)	( 94,152)	(200,655)
Interest expense	1,512	19,557	2,931
Share of profit of associate, net of tax	( 35,129)	(103,728)	( 45,611)
Loss on disposal of shares	-	-	7,181
Translation adjustment	-	<u>12,722</u>	<u>( 3)</u>
	<u>( 14,903)</u>	<u>92,525</u>	<u>(191,332)</u>
Tax paid	( 28,498)	( 47,479)	(109,699)
Interest paid	( 1,512)	( 19,557)	( 2,931)
Trade and other receivables	( 40,665)	( 85,563)	( 45,941)
Prepayment	( 890)	( 22,918)	10,890
Inventories and goods-in-transit	-	82,225	61,518
Securities purchased under agreements for resale	( 2,785)	7,822	(135,734)
Trade and other payables	( 19,346)	( 88,429)	123,642
Deferred income	-	( 7,343)	( 10,274)
Employee benefits obligation payments	-	-	( 4,900)
Pension fund receivable	<u>117,366</u>	<u>122,122</u>	<u>258,080</u>
Net cash provided/(used) by operating activities	<u>8,767</u>	<u>33,405</u>	<u>( 46,681)</u>
<b>Cash flows from investing activities</b>			
Interest received	21,662	93,142	200,054
Acquisition of investment in associate	-	-	( 53,085)
Additions to investment properties	( 64)	( 10,641)	( 41,924)
Proceeds from sale of property plant and equipment	-	508	8,333
Cash and cash equivalent disposed of	-	-	( 6,227)
Effects of amalgamation	-	-	( 38,338)
Investments, net	48,664	(120,448)	( 19,264)
Long-term receivable	50,216	1,270	24,315
Acquisition of intangible assets	-	-	( 6,421)
Net cash provided/(used) by investing activities	<u>120,478</u>	<u>( 36,169)</u>	<u>67,443</u>
<b>Cash flows from financing activities</b>			
Long-term liabilities	-	( 20,419)	47,152
Dividend paid	( 94,067)	( 48,449)	( 94,067)
Net cash used by financing activities	<u>( 94,067)</u>	<u>( 68,868)</u>	<u>( 46,915)</u>
Net increase/(decrease) in cash and cash equivalent	35,179	( 71,632)	( 26,153)
Cash and cash equivalent at beginning of the period	<u>27,386</u>	<u>53,539</u>	<u>53,539</u>
Cash and cash equivalent at end of the period	<u>62,565</u>	<u>( 18,093)</u>	<u>27,386</u>
<b>Comprised of:</b>			
Cash and bank balances	62,565	37,682	27,386
Bank overdraft	-	<u>( 55,775)</u>	-
	<u>62,565</u>	<u>( 18,093)</u>	<u>27,386</u>

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

Notes to the Interim Financial Report  
Period ended September 30, 2016

We hereby present the unaudited financial report of the group for the six months ended September 30 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 six months ended September 30, 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 September 30, 2016 the comparative information for the six-months ended September 30, 2015 as presented in the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Profit or Loss and Other Comprehensive Income include the media operations divested to RJR (discontinued operations). The comparative information presented in the Consolidated Income Statement for the six months ended September 30, 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  
Period ended September 30, 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 Group Consolidated Income Statement for the six months ended September 30, 2016 show a profit from continuing operations before taxation of approximately \$38M which includes Share of profit of \$35M from interest in associate (2015: Loss of \$14M included a \$76M Share of Loss from interest in Associate net of tax).

7. The group profit after taxation for the first six months of 2016 was approximately \$32M compared with a profit of approximately \$35M for the same period last year. Included in the prior year profit is \$49M from discontinued operations.

8. In comparing the financial statements for the six month period ended September 30, 2016, with those of previous period, the following should be noted:

- (a) Revenue of \$29M (2015: \$66M) 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, cash expenditure associated with the amalgamation exercise and acquisition of additional shareholding in an associate company.
- (b) Other operating income of \$24M (2015: \$13M) is comprised mainly of foreign exchange gains on investments.
- (c) Pension receivable of \$89M (2015: \$820M) represents amounts due to the group arising from the discontinuation of the defined-benefit pension fund. Of the total outstanding amount, \$26M (2015: \$28M) is expected to be received in more than one year from the reporting date.

	<u>Group</u> <u>September 30, 2016</u>
	\$M
Pension receivable brought forward to April 1	206
Net received during the period	(126)
Income earned during the period	<u>9</u>
	<u>89</u>

9. The group financial statements for the six months ended September 30, 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  
Period ended September 30, 2016

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 will be made on December 7, 2016.

The company's stock unit price on the Jamaica Stock Exchange at September 30, 2016 was \$1.22; 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 September 30, 2016 the RJR share was valued at \$1.35 on the Jamaica Stock Exchange.

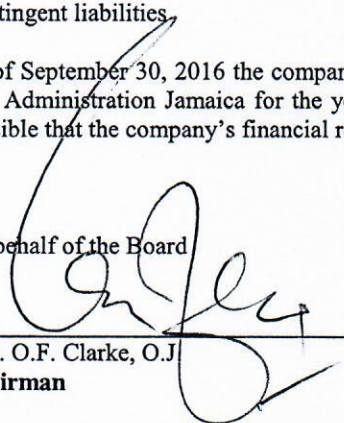
12. Interest in associate

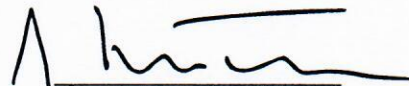
The group has a 50% shareholding in real estate investment company Jamaica Joint Venture Investment Company Limited (JJVI). The consolidated group income statement recognises a \$35M share of profit as derived from JJVI's audited financial statements for the period ended December 31, 2015. The company accounted for this investment using the equity method. The \$76M share of loss recognised in the prior year's comparative period was due to a revision of management estimation of the value of the investment (the Share of Profit for the fifteen month period to March 2016 was \$46M).

13. Contingent liabilities

As of September 30, 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

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

November 16, 2016

