

1834 INVESTMENTS LIMITED

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

THREE (3) MONTHS ENDED JUNE 30, 2021

1834 INVESTMENTS LIMITED
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1834 INVESTMENTS LIMITED
CONSOLIDATED INCOME STATEMENT
THREE (3) MONTHS ENDED JUNE 30, 2021

	NOTES	Unaudited Three months June 2021 \$'000	Unaudited Three months June 2020 \$'000	Audited March 2021 \$'000
Revenue				
Operating income	4 (a)	7,401	5,329 *	21,091
Fair value gain on investment property		-	-	55,403
Other gains	4 (b)	11,523	24,352 *	53,532
		<u>18,924</u>	<u>29,681</u>	<u>130,026</u>
Administrative expenses		(5,168)	(11,593)	(28,417)
Other operating expenses		(7,257)	(10,426)	(33,232)
Impairment gain		712	-	1,204
		<u>(11,713)</u>	<u>(22,019)</u>	<u>(60,445)</u>
Profit from operations		7,211	7,662	69,581
Finance costs		(347)	(206)	(956)
Profit from operations before other income		6,864	7,456	68,625
Share of profit from interest in associate	8	7,938	2,035	18,143
Profit from operations before taxation	3	14,802	9,491	86,768
Taxation credit / (charge)		50	(3,447)	(5,686)
Profit for the period/year from operations		<u>14,852</u>	<u>6,044</u>	<u>81,082</u>
Dealt with in the financial statements of:				
Parent company		8,901	4,961	92,769
Associate		5,953	186 *	12,737
Special purpose entity		(2)	897 *	-
Intra-group dividends and distributions		-	-	(24,424)
		<u>14,852</u>	<u>6,044</u>	<u>81,082</u>
Earnings per stock unit:				
Based on stock units in issue	6	<u>1.23¢</u>	<u>0.50¢</u>	<u>6.69¢</u>

*-Reclassified to conform with current period presentation

The accompanying notes form an integral part of the financial statements

1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
THREE (3) MONTHS ENDED JUNE 30, 2021

	Unaudited Three months June 2021 \$'000	Unaudited Three months June 2020 \$'000	Audited March 2021 \$'000
Profit for the period/year	<u>14,852</u>	<u>6,044</u>	<u>81,082</u>
Other comprehensive income:			
Items that will never be reclassified to profit or loss:			
Net gain on investments in equity securities designated at fair value through OCI (FVOCI)	<u>4,831</u>	<u>8,555</u>	<u>25,125</u>
Items that may be reclassified to profit or loss			
Fair value adjustments on debt securities at fair value through OCI (FVOCI)	<u>1,584</u>	<u>(612)</u>	<u>13,131</u>
	<u>1,584</u>	<u>(612)</u>	<u>13,131</u>
Other comprehensive profit for the period/year, net of taxation	<u>6,415</u>	<u>7,943</u>	<u>38,256</u>
Total comprehensive income for the period/year	<u><u>21,267</u></u>	<u><u>13,987</u></u>	<u><u>119,338</u></u>
Dealt with in the financial statements of:			
Parent company	15,316	12,904	131,025
Associate	5,953	18 6	* 12,737
Special purpose entity	(2)	89 7	* -
Intra-group dividends and distributions	-	-	(24,424)
	<u><u>21,267</u></u>	<u><u>13,987</u></u>	<u><u>119,338</u></u>

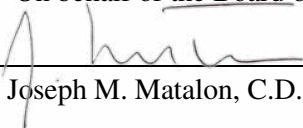
*-Reclassified to conform with current period presentation

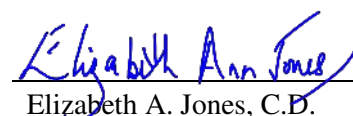
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1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Unaudited as at June 30, 2021 NOTES \$'000	Unaudited as at June 30, 2020 \$'000	Audited as at March 31, 2021 \$'000
NON-CURRENT ASSETS			
Property, plant and equipment	532	1,773	784
Investment properties	492,500	437,097	492,500
Long-term receivables	17,239	19,723	16,887
Interest in associate	8 339,214	344,809	333,261
Investments	402,652	297,285	435,194
Deferred tax assets	202	-	-
Total non-current assets	1,252,339	1,100,687	1,278,626
CURRENT ASSETS			
Cash and cash equivalents	25,761	89,937	34,272
Securities purchased under resale agreements	353,507	284,076	302,895
Trade and other receivables	26,280	22,581	28,945
Taxation recoverable	20,063	12,176	15,678
Total current assets	425,611	408,770	381,790
Total assets	1,677,950	1,509,457	1,660,416
EQUITY & LIABILITIES			
EQUITY			
Share capital	605,622	605,622	605,622
Reserves	925,879	846,304	904,612
Total equity attributable to equity holders of parent	1,531,501	1,451,926	1,510,234
NON-CURRENT LIABILITY			
Deferred tax liability, being total non-current liability	-	5,560	2,353
CURRENT LIABILITY			
Accounts payable, being total current liability	36,320	51,971	39,169
Note payable	110,129	-	108,660
Total current liabilities	146,449	51,971	147,829
Total equity and liabilities	1,677,950	1,509,457	1,660,416

On behalf of the Board on August 13, 2021 by:


 _____ Chairman
 Joseph M. Matalon, C.D.


 _____ Director
 Elizabeth A. Jones, C.D.

The accompanying notes form an integral part of the financial statements

1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE (3) MONTHS ENDED JUNE 30, 2021

	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, 2020	605,622	427,943	4,003	(34,873)	435,244	1,437,939
Total comprehensive income for the period						
Profit for the period	-	-	-	-	6,044	6,044
Other comprehensive income:						
Fair value adjustments on debt securities at FVOCI	-	-	(612)	-	-	(612)
Net gain on investments in equity securities designated at fair value through OCI	-	-	8,555	-	-	8,555
Other comprehensive income for the period, net of taxation	-	-	7,943	-	-	7,943
Total comprehensive loss for the period, net taxation	-	-	7,943	-	6,044	13,987
Balances at June 30, 2020	605,622	427,943	11,946	(34,873)	441,288	1,451,926
Balances at March 31, 2021	605,622	427,943	42,259	(34,873)	469,283	1,510,234
Total comprehensive income for the period						
Profit for the period	-	-	-	-	14,852	14,852
Other comprehensive income:						
Fair value adjustments on debt securities at FVOCI	-	-	1,584	-	-	1,584
Net gain on investments in equity securities designated at fair value through OCI	-	-	4,831	-	-	4,831
Other comprehensive income for the period, net of taxation	-	-	6,415	-	-	6,415
Total comprehensive income for the period, net taxation	-	-	6,415	-	14,852	21,267
Balances at June 30, 2021	605,622	427,943	48,674	(34,873)	484,135	1,531,501

The accompanying notes form an integral part of the financial statements

1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
THREE (3) MONTHS ENDED JUNE 30, 2021

	NOTE	Unaudited Three (3) months ended June 30, 2021 \$'000	Unaudited Three (3) months ended June 30, 2020 \$'000	Audited Year ended March 31, 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period/year		14,852	6,044	81,082
Adjustments for:				
Income tax charge		2,505	2,132	7,578
Depreciation		252	366	1,355
Deferred taxation		(2,555)	1,315	(1,892)
Interest income		(4,667)	(4,540)	(16,529)
Interest expense		347	206	956
Increase in fair value of investment properties		-	-	(55,403)
Share of profit of associate, net of tax	8	(5,953)	(186) *	(12,737)
Impairment gain		(712)	-	(1,204)
Loss on sale of bond		-	-	11,126
Unrealised foreign exchange loss on note payable		1,469	-	-
Increase in the fair value of units		(615)	-	(2,588)
Operating profit before changes in working capital		<u>4,923</u>	<u>5,337</u>	<u>11,744</u>
Changes in:				
Trade and other receivables		3,484	(157)	(4,493)
Dividend received, net		-	-	27,672
Accounts payable		(2,849)	(3,944)	(16,745)
Interest paid		(347)	(206)	(956)
Tax paid		(6,890)	(2,387) *	(11,335)
Net cash (used in) / provided by operating activities		<u>(1,679)</u>	<u>(1,357)</u>	<u>5,887</u>
Cash flows from investing activities				
Interest received		4,560	6,766	16,699
Interest in associates		-	-	(1,213)
Securities purchased under resale agreements		(50,612)	(14,795)	(33,597)
Proceeds from settlement of bonds		-	-	31,540
Investments, net		39,572	(10,188)	(156,679)
Long-term receivable		(352)	(1,065)	1,802
Dividends income		-	-	(2,360)
Net cash used in investing activities		<u>(6,832)</u>	<u>(19,282)</u>	<u>(143,808)</u>
Cash flows from financing activity				
Distributions		-	-	(47,043)
Proceeds of note payable		-	-	108,660
Net cash provided by financing activities		<u>-</u>	<u>-</u>	<u>61,617</u>
Net decrease in cash and cash equivalents		(8,511)	(20,639)	(76,304)
Cash and cash equivalents at beginning of period/year		34,272	110,576	110,576
Cash and cash equivalents at end of period/year		<u>25,761</u>	<u>89,937</u>	<u>34,272</u>
Represented by:				
Cash and cash equivalents		<u>25,761</u>	<u>89,937</u>	<u>34,272</u>

*-Reclassified to conform with 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)
THREE (3) MONTHS ENDED JUNE 30, 2021

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

1834 Investments Limited, formerly The Gleaner Company Limited (“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 the company's interest in associate (together referred to as the 'group').

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, 2021. 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, 2021.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended March 31, 2021.

(b) Use of judgements and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards 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 consolidating 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)
THREE (3) MONTHS ENDED JUNE 30, 2021

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 three months ended June 30, 2021 shows a profit from operations before taxation of approximately \$15 million (2020: \$9 million).
4. In comparing the financial statements for the three months period ended June 30, 2021 with those of the comparative period, the following should be noted:
 - (a) Operating income of \$7 million (2020: \$5 million) represents investment income, rental income and interest on loans.
 - (b) Other gains of \$12 million (2020: \$24 million) mainly comprises gains on the revaluation of foreign currency assets and investment revaluation.

1834 INVESTMENTS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED JUNE 30, 2021

5. Group financial statements

The group financial statements for the three months ended June 30, 2021 include the Company, its associate (Jamaica Joint Venture Company Limited and special purpose entity (Gleaner Company Limited Employee Investment Trust).

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

The company's stock unit price on the Jamaica Stock Exchange at June 30, 2021 was \$0.91; the opening price at April 1, 2021 was \$1.00. No dividend was declared during the quarter ended June 30, 2021.

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 \$8 million (2020: \$2 million), representing gross share of profits.

Interest in associate:	<u>\$'000</u>
Balance as at March 31, 2021	333,261
Gross share of profit for the three months period ended	7,938
Taxation	<u>(1,985)</u>
Balance as at June 30, 2021	<u><u>339,214</u></u>