

1834 INVESTMENTS LIMITED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED DECEMBER 31, 2021

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TABLE OF CONTENTS
CONTENTS

	PAGE (S)
CONSOLIDATED INCOME STATEMENT	1
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	6-8

1834 INVESTMENTS LIMITED
CONSOLIDATED INCOME STATEMENT
NINE (9) MONTHS ENDED DECEMBER 31, 2021

	NOTES	Unaudited Nine months December 2021 \$'000	Unaudited Nine months December 2020 \$'000	Unaudited Three months December 2021 \$'000	Unaudited Three months December 2020 \$'000	Audited March 2021 \$'000
Revenue						
Operating income	4 (a)	19,763	15,110	6,768	4,712	21,091
Fair value gain on investment property		-	-	-	-	55,403
Other gains	4 (b)	43,584	38,378	31,708	1,024	53,532
		63,347	53,488	38,476	5,736	130,026
Administrative expenses		(19,104)	(35,616)	(5,251)	(7,331)	(28,417)
Other operating expenses		(24,116)	(25,197)	(8,277)	(7,804)	(33,232)
Impairment gain		712	547	-	-	1,204
		(42,508)	(60,266)	(13,528)	(15,135)	(60,445)
Profit/(loss) from operations		20,839	(6,778)	24,948	(9,399)	69,581
Finance costs		(1,075)	(607)	(369)	(219)	(956)
Profit/(loss) from operations before other income		19,764	(7,385)	24,579	(9,618)	68,625
Share of (loss)/profit from interest in associate	8 (a)	(30,317)	15,836	(39,664)	4,924	18,143
(Loss)/profit before taxation	3	(10,553)	8,451	(15,085)	(4,694)	86,768
Taxation (charge)/credit		(6,252)	(7,796)	(3,441)	80	(5,686)
(Loss)/profit for the period/year		(16,805)	655	(18,526)	(4,614)	81,082
Dealt with in the financial statements of:						
Parent company		14,001	(12,117)	19,286	(8,307)	92,769
Associate		(30,802)	12,780	(37,812)	3,693	12,737
Special purpose entity		(4)	(8)	-	-	-
Intra-group dividends and distributions		-	-	-	-	(24,424)
		(16,805)	655	(18,526)	(4,614)	81,082
Earnings per stock unit:						
Based on stock units in issue	6	-1.39¢	0.05¢	-1.53¢	-0.38¢	6.69¢

*-Restated 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
NINE (9) MONTHS ENDED DECEMBER 31, 2021

	Unaudited Nine months December 2021 \$'000	Unaudited Nine months December 2020 \$'000	Unaudited Three months December 2021 \$'000	Unaudited Three months December 2020 \$'000	Audited March 2021 \$'000
(Loss)/profit for the period/year	<u>(16,805)</u>	<u>655</u>	<u>(18,526)</u>	<u>(4,614)</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)	12,239	19,824	7,510	7,866	25,125
Realised loss on disposed equity securities	<u>(748)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>11,491</u>	<u>19,824</u>	<u>7,510</u>	<u>7,866</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>(6,824)</u>	<u>5,501</u>	<u>(4,584)</u>	<u>(826)</u>	<u>13,131</u>
	<u>(6,824)</u>	<u>5,501</u>	<u>(4,584)</u>	<u>(826)</u>	<u>13,131</u>
Other comprehensive profit for the period/year, net of taxation	<u>4,667</u>	<u>25,325</u>	<u>2,926</u>	<u>7,040</u>	<u>38,256</u>
Total comprehensive (expense)/income for the period/year	<u>(12,138)</u>	<u>25,980</u>	<u>(15,600)</u>	<u>2,426</u>	<u>119,338</u>
Dealt with in the financial statements of:					
Parent company	18,668	13,208	22,212	(1,267)	131,025
Associate	(30,802)	12,780	*(37,812)	3,693	12,737
Special purpose entity	(4)	(8)	*	-	-
Intra-group dividend and distributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,424)</u>
	<u>(12,138)</u>	<u>25,980</u>	<u>(15,600)</u>	<u>2,426</u>	<u>119,338</u>

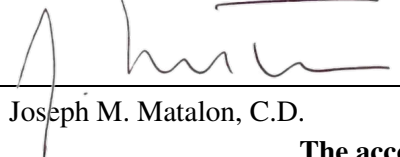
***-Restated to conform with current period presentation**

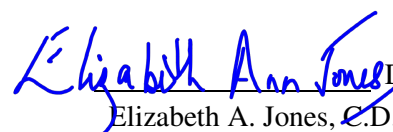
The accompanying notes form an integral part of the financial statements

1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	NOTES	Unaudited as at December 31, 2021 \$'000	Unaudited as at December 31, 2020 \$'000	Audited as at March 31, 2021 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment		28	1,040	784
Investment properties		492,500	437,097	492,500
Long-term receivables		18,097	20,361	16,887
Interest in associate	8 (a)	302,459	331,188	333,261
Investments		417,567	277,102	435,194
Total non-current assets		1,230,651	1,066,788	1,278,626
CURRENT ASSETS				
Cash and cash equivalents	8 (b)	242,663	80,436	34,272
Securities purchased under resale agreements		360,446	295,728	302,895
Trade and other receivables		20,714	20,136	28,945
Taxation recoverable		29,760	13,606	15,678
Total current assets		653,583	409,906	381,790
Total assets		1,884,234	1,476,694	1,660,416
EQUITY & LIABILITIES				
EQUITY				
Share capital		605,622	605,622	605,622
Reserves		892,474	810,019	904,612
Total equity attributable to equity holders of parent		1,498,096	1,415,641	1,510,234
NON-CURRENT LIABILITY				
Deferred tax liability, being total non-current liability		7,244	8,082	2,353
CURRENT LIABILITY				
Accounts payable	8 (b)	263,454	52,971	39,169
Note payable		115,440	-	108,660
Total current liabilities		378,894	52,971	147,829
Total equity and liabilities		1,884,234	1,476,694	1,660,416

On behalf of the Board on February 14, 2022 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
NINE (9) MONTHS ENDED DECEMBER 31, 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	-	-	-	-	655	655
Other comprehensive income:						
Fair value adjustments on debt securities at FVOCI	-	-	5,501	-	-	5,501
Net gain on investments in equity securities designated at fair value through OCI	-	-	19,824	-	-	19,824
Other comprehensive income for the period, net of taxation	-	-	25,325	-	-	25,325
Total comprehensive income for the period, net taxation	-	-	25,325	-	655	25,980
Transactions with owners, recorded directly in equity						
Dividends declared, being total distributions to owners	-	-	-	-	(48,278)	(48,278)
Balances at December 31, 2020	605,622	427,943	29,328	(34,873)	387,621	1,415,641
Balances at March 31, 2021	605,622	427,943	42,259	(34,873)	469,283	1,510,234
Total comprehensive income for the period:						
Loss for the period	-	-	-	-	(16,805)	(16,805)
Other comprehensive (loss) / income:						
Fair value adjustments on debt securities at FVOCI	-	-	(6,824)	-	-	(6,824)
Net gain on investments in equity securities designated at fair value through OCI	-	-	12,239	-	-	12,239
Fair value transfer on disposed equity securities	-	-	(13,526)	-	13,526	-
Realised loss on disposed equity securities	-	-	-	-	(748)	(748)
Other comprehensive (loss) / income for the period, net of taxation	-	-	(8,111)	-	12,778	4,667
Total comprehensive loss for the period, net taxation	-	-	(8,111)	-	(4,027)	(12,138)
Transactions with owners, recorded directly in equity						
Total distributions to owners	-	-	-	-	-	-
Balances at December 31, 2021	605,622	427,943	34,148	(34,873)	465,256	1,498,096

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1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
NINE (9) MONTHS ENDED DECEMBER 31, 2021

	Unaudited Nine (9) months ended December 31,	Unaudited Nine (9) months ended December 31,	Audited Year ended March 31,
NOTE	2021 <u>\$'000</u>	2020 <u>\$'000</u>	2021 <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the period/year	(16,805)	655	81,082
Adjustments for:			
Income tax charge	1,361	3,959	7,578
Depreciation	756	1,099	1,355
Deferred taxation	4,891	3,837	(1,892)
Interest income	(12,686)	(12,590)	(16,529)
Interest expense	1,075	607	956
Increase in fair value of investment properties	-	-	(55,403)
Share of loss/(profit) of associate, net of tax	8 (a) 30,802	(11,877) *	(12,737)
Impairment gain	(712)	(547)	(1,204)
(Gain)/ loss on sale of bond	(1,715)	11,126	11,126
Unrealised foreign exchange loss on note payable	6,780	-	-
(Increase) / decrease in the fair value of units	(798)	337	(2,588)
Operating profit/(loss) before changes in working capital	12,949	(3,394)	11,744
Changes in:			
Trade and other receivables	8,374	1,366	(4,493)
Dividend received, net	-	-	27,672
Accounts payable	8 (b) 224,285	(2,943)	(16,745)
Interest paid	(1,075)	(607)	(956)
Tax paid	(15,443)	(5,645) *	(11,335)
Net cash provided by / (used in) operations	229,090	(11,223)	5,887
Cash flows from investing activities			
Interest received	13,255	16,285	16,699
Interest in associates	-	25,312	(1,213)
Securities purchased under resale agreements	(57,551)	(26,447)	(33,597)
Proceeds from settlement of bonds	10,416	31,540	31,540
Investments, net	14,391	(15,626)	(156,679)
Long-term receivable	(1,210)	(1,703)	1,802
Dividends income	-	-	(2,360)
Net cash (used in) / provided by investing activities	(20,699)	29,361	(143,808)
Cash flows from financing activity			
Distributions	-	(48,278)	(47,043)
Proceeds of note payable	-	-	108,660
Net cash (used in) / provided by financing activities	-	(48,278)	61,617
Net increase / (decrease) in cash and cash equivalents	208,391	(30,140)	(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	242,663	80,436	34,272
Represented by:			
Cash and cash equivalents	8 (b) 242,663	80,436	34,272

*-Restated 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)
NINE (9) MONTHS ENDED DECEMBER 31, 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)
NINE (9) MONTHS ENDED DECEMBER 31, 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 nine months ended December 31, 2021 show a net loss before taxation of approximately \$11 million (2020: Profit of \$8 million). The net loss before taxation is mainly attributable to the share of loss from interest in associate of \$30 million, which arose on the disposal of Duke Street and Johns Lane properties owned by Manhart Properties Limited ("MPL"), a subsidiary company of the associate, Jamaica Joint Venture Investment Company Limited ("JJVI").
4. In comparing the financial statements for the nine months period ended December 31, 2021 with those of the comparative period, the following should be noted:
 - (a) Operating income of \$20 million (2020: \$15 million) represents investment income, rental income dividend income and interest on loans. The increase in operating income is attributable to dividend income of \$6 million, relative to the prior year's nine months amount of \$1 million.
 - (b) Other gains of \$44 million (2020: \$38 million) mainly comprises gains on the revaluation of foreign currency assets and investment revaluation. The comparative increase in other gains for the nine months to December 31, 2021 was driven by higher rate of foreign exchange movement on USD balances in the period, relative to the prior year's nine months to December 31, 2020.

1834 INVESTMENTS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED DECEMBER 31, 2021

5. Group financial statements

The group financial statements for the nine months ended December 31, 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 December 31, 2021 was \$0.76; the opening price at April 1, 2021 was \$1.00. No dividend was declared during the quarter ended December 31, 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 30 million gross share of loss (2020: \$16 million), representing gross share of profits.

(a) **Interest in associate:**

	<u>\$'000</u>
Balance as at March 31, 2021	333,261
Gross share of loss for the nine months period	(30,317)
Taxation on share of profit (i)	<u>(485)</u>
Balance as at December 31, 2021	<u><u>302,459</u></u>

- (i) This relates to the 50% gross share of profit of \$1.94 million from City Properties Limited which is a subsidiary of JJVI.
- (b) Related to the sale of property at Duke Street and Johns Lane in Kingston by MPL (a JJVI subsidiary), cash and cash equivalents increased \$221 million due to the receipt of net sale proceeds on behalf of MPL. Accounts payable were also increased to reflect the pending transfer of cash to MPL.