

1834 INVESTMENTS LIMITED

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

SIX (6) MONTHS ENDED SEPTEMBER 30, 2022

1834 INVESTMENTS LIMITED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX (6) MONTHS ENDED SEPTEMBER 30, 2022

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
SIX (6) MONTHS ENDED SEPTEMBER 30, 2022

	NOTES	Unaudited Six months September 2022 \$'000	Unaudited Six months September 2021 \$'000	Unaudited Three months September 2022 \$'000	Unaudited Three months September 2021 \$'000	Audited March 2022 \$'000
Revenue						
Operating income	4 (a)	12,281	12,995	5,864	5,594	24,340
Fair value gain on investment property		-	-	-	-	52,500
Other (loss)/gains	4 (b)	(16,239)	11,876	5,473	353	26,570
		(3,958)	24,871	11,337	5,947	103,410
Administrative expenses		(21,566)	(13,853)	(8,777)	(8,685)	(22,076)
Other operating expenses		(12,918)	(15,839)	(7,196)	(8,582)	(38,393)
Impairment gain		763	712	727	-	1,304
		(33,721)	(28,980)	(15,246)	(17,267)	(59,165)
(Loss)/ profit from operations		(37,679)	(4,109)	(3,909)	(11,320)	44,245
Finance costs		(807)	(706)	(421)	(359)	(1,450)
(Loss)/ profit from operations before other (loss)/ income		(38,486)	(4,815)	(4,330)	(11,679)	42,795
Share of (loss)/ profit from interest in associate	8	(12,997)	9,347	(10,934)	1,409	(33,224)
(Loss)/ profit from operations before taxation	3	(51,483)	4,532	(15,264)	(10,270)	9,571
Taxation credit/(charge)		3,642	(2,811)	(2,872)	(2,861)	(6,362)
(Loss)/ profit for the period/year		(47,841)	1,721	(18,136)	(13,131)	3,209
Dealt with in the financial statements of:						
Parent company		(34,844)	(5,285)	(7,202)	(14,186)	36,612
Associate		(12,997)	7,010	(10,934)	1,057	(33,399)
Special purpose entity		-	(4)	-	(2)	(4)
		(47,841)	1,721	(18,136)	(13,131)	3,209
Earnings per stock unit:						
Based on stock units in issue	6	-3.95¢	0.14¢	-1.50¢	-1.08¢	0.26¢

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, 2022

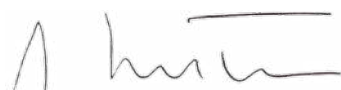
	Unaudited Six months September 2022 \$'000	Unaudited Six months September 2021 \$'000	Unaudited Three months September 2022 \$'000	Unaudited Three months September 2021 \$'000	Audited March 2022 \$'000
(Loss)/ profit for the period/year	(47,841)	1,721	(18,136)	(13,131)	3,209
Other comprehensive income / (loss):					
Items that will never be reclassified to profit or loss:					
Net (loss)/ gain on investments in equity securities designated at fair value through OCI (FVOCI)	(14,141)	4,729	(3,712)	(102)	6,697
Realised loss on disposed equity securities	-	(748)	-	(748)	-
	(14,141)	3,981	(3,712)	(850)	6,697
Items that may be reclassified to profit or loss					
Fair value adjustments on debt securities at fair value through OCI (FVOCI)	(7,442)	(2,240)	(2,799)	(3,824)	(7,280)
	(7,442)	(2,240)	(2,799)	(3,824)	(7,280)
Other comprehensive (loss)/ income for the period/ year, net of taxation	(21,583)	1,741	(6,511)	(4,674)	(583)
Total comprehensive (loss)/ income for the period/ year	(69,424)	3,462	(24,647)	(17,805)	2,626
Dealt with in the financial statements of:					
Parent company	(56,427)	(3,544)	(13,713)	(18,860)	36,029
Associate	(12,997)	7,010	(10,934)	1,057	(33,399)
Special purpose entity	-	(4)	-	(2)	(4)
	(69,424)	3,462	(24,647)	(17,805)	2,626


The accompanying notes form an integral part of the financial statements

1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	NOTES	Unaudited as at September 30, 2022 \$'000	Unaudited as at September 30, 2021 \$'000	Audited as at March 31, 2022 \$'000
ASSETS				
Property, plant and equipment		26	280	28
Investment properties		545,000	492,500	545,000
Long-term receivables		-	17,107	-
Interest in associate	8	286,865	340,271	299,862
Investments		314,291	397,341	349,787
Cash and cash equivalents		213,529	23,448	220,086
Securities purchased under resale agreements		359,968	348,076	359,364
Trade and other receivables		18,418	20,626	43,682
Taxation recoverable		32,672	25,093	31,561
Total assets		1,770,769	1,664,742	1,849,370
EQUITY & LIABILITIES				
EQUITY				
Share capital		605,622	605,622	605,622
Reserves		837,814	908,074	907,238
Total equity attributable to equity holders of parent		1,443,436	1,513,696	1,512,860
LIABILITIES				
Deferred tax liability		4,607	2,308	8,675
Bank overdraft		54,337	-	-
Accounts payable		268,389	38,975	266,511
Note payable		-	109,763	61,324
Total liabilities		327,333	151,046	336,510
Total equity and liabilities		1,770,769	1,664,742	1,849,370

On behalf of the Board on November 11, 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
SIX (6) MONTHS ENDED SEPTEMBER 30, 2022

	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, 2021	605,622	427,943	42,259	(34,873)	469,283	1,510,234
Total comprehensive income for the period						
Profit for the period	-	-	-	-	1,721	1,721
Other comprehensive (loss)/ income:						
Fair value adjustments on debt securities at FVOCI	-	-	(2,240)	-	-	(2,240)
Net gain on investments in equity securities designated at fair value through OCI	-	-	4,729	-	-	4,729
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	-	-	(11,037)	-	12,778	1,741
Total comprehensive (loss) / income for the period, net taxation	-	-	(11,037)	-	14,499	3,462
Balances as at September 30, 2021	605,622	427,943	31,222	(34,873)	483,782	1,513,696
Balances as at March 31, 2022	605,622	427,943	26,531	(34,873)	487,637	1,512,860
Total comprehensive (loss) / income for the period						
Loss for the period	-	-	-	-	(47,841)	(47,841)
Other comprehensive loss:						
Fair value adjustments on debt securities at FVOCI	-	-	(7,442)	-	-	(7,442)
Net loss on investments in equity securities designated at fair value through OCI	-	-	(14,141)	-	-	(14,141)
Other comprehensive loss for the period, net of taxation	-	-	(21,583)	-	-	(21,583)
Total comprehensive loss for the period, net taxation	-	-	(21,583)	-	(47,841)	(69,424)
Balances as at September 30, 2022	605,622	427,943	4,948	(34,873)	439,796	1,443,436

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, 2022

	NOTE	Unaudited Six (6) months ended September 30, 2022 \$'000	Unaudited Six (6) months ended September 30, 2021 \$'000	Audited Year ended March 31, 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/ profit for the period/year		(47,841)	1,721	3,209
Adjustments for:				
Income tax charge		426	2,856	40
Depreciation		2	504	756
Deferred taxation		(4,068)	(45)	6,322
Interest income		(8,393)	(8,666)	(16,609)
Interest expense		807	706	1,311
Decrease in fair value of bond funds		-	-	4,395
Increase in fair value of investment properties		-	-	(52,500)
Share of profit / (loss) of associate, net of tax	8	12,997	(7,010)	33,399
Impairment gain		(763)	(712)	(1,304)
(Gain) / loss on sale of bond		-	(1,715)	9,336
Loss/ (gain) on foreign exchange rate changes		5,040	8,900	1,730
Decrease/ (increase) in the fair value of units		1,059	(1,323)	(401)
Operating loss before changes in working capital		<u>(40,734)</u>	<u>(4,784)</u>	<u>(10,316)</u>
Changes in:				
Other receivables		27,062	8,200	(12,553)
Dividend received, net		-	-	6,747
Accounts payable		1,880	(192)	227,342
Interest paid		(807)	(708)	(1,311)
Tax paid		(1,537)	(12,271)	(15,924)
Net cash (used in)/ provided by operations		<u>(14,136)</u>	<u>(9,755)</u>	<u>193,985</u>
Cash flows from investing activities				
Interest received		7,357	9,497	16,663
Securities purchased under resale agreements		(3,655)	(51,790)	(57,159)
Proceeds from settlement of bonds		-	10,416	45,379
Investments, net		12,854	32,216	26,561
Long-term receivable		-	(220)	16,887
Dividends income		-	-	(6,747)
Net cash provided by investing activities		<u>16,556</u>	<u>119</u>	<u>41,584</u>
Cash flows from financing activity				
Proceeds of note payable		-	-	61,324
Repayment of note payable		(61,324)	-	(108,660)
Net cash used in financing activities		<u>(61,324)</u>	<u>-</u>	<u>(47,336)</u>
Effect of exchange rates on cash and cash equivalents		(1,990)	(1,188)	(2,419)
Net (decrease)/ increase in cash and cash equivalents		<u>(60,894)</u>	<u>(10,824)</u>	<u>185,814</u>
Cash and cash equivalents at beginning of period/ year		<u>220,086</u>	<u>34,272</u>	<u>34,272</u>
Cash and cash equivalents at end of period/ year		<u>159,192</u>	<u>23,448</u>	<u>220,086</u>
Represented by:				
Bank overdraft		(54,337)	-	-
Cash and cash equivalents		213,529	23,448	220,086
		<u>159,192</u>	<u>23,448</u>	<u>220,086</u>

*-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)
SIX (6) MONTHS ENDED SEPTEMBER 30, 2022

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, 2022. 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, 2022.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended March 31, 2022.

(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)
SIX (6) MONTHS ENDED SEPTEMBER 30, 2022

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 translated 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 translated.

Exchange gains or losses arising on the settlement of monetary items and on the translation 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, 2022 show a loss from operations before taxation of approximately (\$51 million) (2021: \$5 million).
4. In comparing the financial statements for the six months period ended September 30, 2022 with those of the comparative period, the following should be noted:
 - (a) Operating income of \$12 million (2021: \$13 million) represents investment income, rental income and interest on loans.
 - (b) Other (loss)/gains of (\$16 million) (2021: \$12 million) mainly comprises loss on the revaluation of foreign currency assets and investment revaluation. The comparative reduction for the six months to September 30, 2022 was attributable to appreciation in the foreign exchange movement relative to the prior year's six months to September 30, 2021 when the exchange rate depreciated.

1834 INVESTMENTS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
SIX (6) MONTHS ENDED SEPTEMBER 30, 2022

5. Group financial statements

The group financial statements for the six months ended September 30, 2022 include the company, its associate (Jamaica Joint Venture Investment Company Limited) and special purpose entity (The Gleaner Company Limited Employees Investment Trust).

6. Earnings per stock unit

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 September 30, 2022 was \$1.14; the opening price at April 1, 2022 was \$0.85. No dividend was declared during the quarter ended September 30, 2022.

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 (\$13 million) (2021: \$9 million), representing gross share of (loss)/profits.

Interest in associate:

	<u>\$'000</u>
Balance as at March 31, 2022	299,862
Gross share of loss for the six months period	(12,997)
Taxation	<u>-</u>
Balance as at September 30, 2022	<u>286,865</u>

9. Events after the reporting period

Subsequent to the 1834 Investments Limited shareholders approving a Scheme of Arrangement on August 10, 2022, the company will seek the final sanction of the Supreme Court of Judicature of Jamaica by November 24, 2022, in order to make the Scheme of Arrangement effective. The Scheme of Arrangement allows for the assets and liabilities of the company to be amalgamated with Radio Jamaica Limited, in exchange for an agreed consideration to be paid to the company's shareholders. On the conclusion of the process, shares in the company shall be cancelled, and the company shall be struck off the Register of Companies.

