

ENDEAVOUR HOLDINGS LIMITED

Chairman's Report

I am pleased to report on financial performance of Endeavour Holdings Limited (EHL) for the half year ended October 31, 2019.

During the first half period May 1, 2019 to October 31, 2019 of the financial year May 2019 to April 2020, the economic climate in the country remained fairly flat.

For the first half period May 1, 2019 to October 31, 2019, EHL's profit after tax decreased by \$1.3M from \$18.0M in 2018 to \$16.7M in 2019.

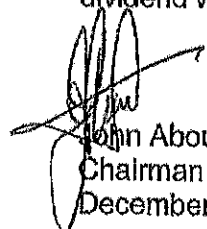
This was attributable to a decrease in EHL's revenue in the sum of \$0.5M which was primarily due to adjustments made by EHL to certain existing rental terms and arrangements. Additionally, rental expenses increased by \$1.8M. This increase was due to non-recurrent type maintenance expenses incurred during the period for painting, landscaping, air-conditioning and security camera systems. Administrative and operating expenses decreased marginally by \$0.1M and finance costs decreased by \$0.8M due to the reduction on the principal of EHL's existing loan arrangements.

EHL adopted IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers as of May 1, 2018 and there continues to be no impact to the results of the company up to the half year ended October 31, 2019.

EHL's total asset base remained stable at \$904M (which comprises mainly of the properties valued at \$864 million) as at October 31, 2019 as compared to \$901M at October 31, 2018. There were no acquisitions or disposals of properties during the period. EHL continues to enjoy very high occupancy levels and a stabilized tenant base.

EHL's borrowings decreased by \$28 million from \$283.0M at October 31, 2018 to \$255.0M as at October 31, 2019 as a result of the repayment of principal. EHL expects that there will continue to be a reduction in finance costs and increase in equity as the principal on the existing loan arrangements is paid down.

EHL continues to show stable performance towards the financial year ending April 30, 2020 and the Board has accordingly declared an interim dividend of \$0.12 per Ordinary Share to all shareholders of record as of December 23, 2019. It is expected that the dividend will be paid on January 22, 2019.



John Aboud
Chairman
December 11, 2019

Endeavour Holdings Limited
Statement of Financial Position
(Expressed in Trinidad and Tobago Dollars)

	UNAUDITED As At 31 October 2019 \$	UNAUDITED As At 31 October 2018 \$	AUDITED As At 30 April 2019 \$
Assets			
Non-Current Assets			
Investment Property	863,800,000	861,000,000	863,800,000
Property, plant and equipment	205,047	1,881,870	655,956
	<u>864,005,047</u>	<u>862,881,870</u>	<u>864,455,956</u>
Current Assets			
Trade and other receivables	16,442,894	16,942,132	19,256,136
Due from related parties	-	300	9,685
Cash and cash equivalents	23,693,295	22,160,660	16,284,227
	<u>40,136,189</u>	<u>39,103,092</u>	<u>35,550,048</u>
Total Assets	<u>904,141,236</u>	<u>901,984,962</u>	<u>900,006,004</u>
Equity and Liabilities			
Equity attributable to equity holders of the company			
Stated capital	32,003,200	32,003,200	32,003,200
Maintenance reserve fund	4,124,518	3,747,342	3,935,929
Retained earnings	511,560,859	484,935,990	494,823,316
Total Equity	<u>547,688,577</u>	<u>520,686,532</u>	<u>530,762,445</u>
Non-Current Liabilities			
Deferred income tax liability	48,839,698	46,177,716	47,578,759
Borrowings	255,778,938	283,723,163	269,807,854
	<u>304,618,036</u>	<u>329,900,879</u>	<u>317,386,613</u>
Current Liabilities			
Due to related parties	1,033,824	-	694,268
Borrowings	28,461,538	28,461,538	28,461,538
Trade and other payables	15,493,817	16,052,438	15,425,057
Taxation payable	6,845,444	6,883,555	6,968,655
Bank overdraft	-	-	307,428
	<u>51,834,623</u>	<u>51,397,551</u>	<u>51,856,946</u>
Total Equity and Liabilities	<u>904,141,236</u>	<u>901,984,962</u>	<u>900,006,004</u>

Director

Date: 11 December, 2019

Director

Endeavour Holdings Limited
Statement of Comprehensive Income
(Expressed in Trinidad and Tobago Dollars)

	UNAUDITED 6 Months Ended 31st October 2019 \$	UNAUDITED 6 Months Ended 31st October 2018 \$	AUDITED Year Ended 30th April 2019 \$
Revenue from contracts with customers	45,860,701	46,395,176	93,033,736
Rental Expenses	(12,540,284)	(10,704,658)	(21,653,934)
Net Rental Income	33,320,417	35,690,518	71,379,802
Other Income			
Fair value adjustment on investment property	-	-	2,800,000
Other income	118,139	81,051	272,111
	118,139	81,051	3,072,111
Expenses			
Administrative	(805,873)	(402,602)	(1,478,442)
Operating	(534,279)	(1,054,661)	(3,004,293)
	(1,340,152)	(1,457,263)	(4,482,735)
Operating Profit	32,098,404	34,314,306	69,969,178
Finance costs	(9,134,646)	(9,922,489)	(19,424,376)
Profit before income tax	22,963,758	24,391,817	50,544,802
Taxation			
Current	(4,965,276)	(4,966,639)	(9,781,255)
Deferred taxation	(1,260,939)	(1,401,044)	(2,802,087)
	(6,226,215)	(6,367,683)	(12,583,342)
Profit for the period	16,737,543	18,024,134	37,961,460
Other comprehensive income	-	-	-
Total comprehensive income	16,737,543	18,024,134	37,961,460
Earnings per share			
Basic earnings per share including fair value adjustment on investment properties	\$ 0.52	\$ 0.56	\$ 1.18
Basic earnings per share excluding fair value adjustment on investment properties	\$ 0.52	\$ 0.56	\$ 1.10

Endeavour Holdings Limited
Statement of Changes in Equity
(Expressed In Trinidad and Tobago Dollars)

	Share Capital \$	Maintenance Reserves \$	Retained Earnings \$	Total Equity \$
Period ended 31st October 2018				
Balance At 1st May 2018	32,003,200	3,558,757	466,911,856	502,473,813
Total comprehensive Income for the period				
Profit for the period			18,024,134	18,024,134
Transfer to maintenance reserve		188,585		188,585
Transactions with owners in their capacity as owners				
Dividends for the period			-	-
Other comprehensive income for the period				-
Balance At 31st October 2018	<u>32,003,200</u>	<u>3,747,342</u>	<u>484,935,990</u>	<u>520,686,532</u>
Year ended 30th April 2019				
Balance At 1 May 2018	32,003,200	3,558,757	466,911,856	502,473,813
Total comprehensive Income for the year				
Profit for the year			37,961,460	37,961,460
Transfer to maintenance reserve		377,172		377,172
Transactions with owners in their capacity as owners				
Dividends for the period			(10,050,000)	(10,050,000)
Other comprehensive income for the year				-
Balance At 30 April 2019	<u>32,003,200</u>	<u>3,935,929</u>	<u>494,823,316</u>	<u>530,762,445</u>
Period ended 31st October 2019				
Balance At 1st May 2019	32,003,200	3,935,929	494,823,316	530,762,445
Total comprehensive Income for the period				
Profit for the period			16,737,543	16,737,543
Transfer to maintenance reserve		188,589		188,589
Transactions with owners in their capacity as owners				
Dividends for the period			-	-
Other comprehensive income for the period				-
Balance At 31st October 2019	<u>32,003,200</u>	<u>4,124,518</u>	<u>511,560,859</u>	<u>547,688,577</u>

The policies used in the preparation of these summary financial statements for the half year ended 31 October 2019 are consistent with those used in the preparation of the audited financial statements for the year ended 30 April 2019.

Endeavour Holdings Limited
Cashflow Statement
(Expressed in Trinidad and Tobago Dollars)

	UNAUDITED 6 MONTHS ENDED 31st October 2019 \$	UNAUDITED 6 MONTHS ENDED 31st October 2018 \$	AUDITED YEAR ENDED 30th April 2019 \$
Cash flows from operating activities			
Profit before income tax	22,963,758	24,391,817	50,544,802
<i>Adjustments for:</i>			
Fair value adjustment on investment property	-	-	(2,800,000)
Finance costs	9,134,646	9,922,489	19,424,376
Loss on disposal of asset	-	-	286,463
Depreciation	457,031	898,872	1,838,324
Operating profit before working capital changes	32,555,435	35,213,178	69,293,965
Increase/(decrease) in trade and other receivables	2,813,242	831,593	(1,482,411)
(Decrease)/Increase in trade and other payables	53,618	(77,694)	(705,096)
Decrease in due from related party	9,685	672,240	662,855
Increase/(decrease) in due to related party	339,558	(583,479)	110,789
Net cash generated from operations	35,771,536	36,055,838	67,880,102
Interest paid	(8,918,251)	(10,404,208)	(18,888,996)
Tax paid	(5,088,488)	(4,966,638)	(10,177,874)
Net cash inflow from operating activities	21,764,796	20,684,992	38,813,232
Cashflow from investing activities			
Purchase of property, plant and equipment	(6,122)	(6,754)	(6,755)
Cashflow from financing activities			
Repayment of borrowings	(14,230,767)	(14,010,851)	(28,461,538)
Transfer to maintenance reserve fund	188,589	188,585	377,172
Dividend paid	-	-	(10,050,000)
Cash provided by financing activities	(14,042,178)	(13,822,266)	(38,134,366)
Increase in cash and cash equivalents	7,716,496	6,855,972	672,111
Cash and cash equivalents at beginning of the period	15,976,799	15,304,688	15,304,688
Cash and cash equivalents at end of the period	23,693,295	22,160,660	15,976,799