

**EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC – VALUE FUND**

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Unaudited Consolidated Results as at June 30, 2020 (expressed in Barbados Dollars)

**Eppley Caribbean Property Fund Limited SCC- Value Fund**  
**Unaudited Consolidated Statement of Financial Position**  
**As at June 30, 2020**  
(expressed in Barbados dollars)

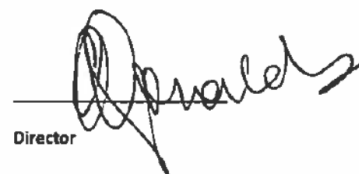
|                                          | Unaudited<br>June 30, 2020 | Unaudited<br>June 30, 2019 | Audited<br>September 30, 2019 |
|------------------------------------------|----------------------------|----------------------------|-------------------------------|
|                                          | \$                         | \$                         | \$                            |
| <b>Assets</b>                            |                            |                            |                               |
| Investment properties                    | 48,060,332                 | 26,823,250                 | 39,328,765                    |
| Investment in associated company         | 21,443,042                 | 19,885,133                 | 21,234,890                    |
| Accounts receivable and prepaid expenses | 351,518                    | 408,229                    | 390,746                       |
| Due from related parties                 | 592,188                    | 488,908                    | 518,605                       |
| Marketable securities                    | -                          | -                          | 4,000,000                     |
| Cash & cash equivalents                  | 28,603,516                 | 12,353,684                 | 34,253,482                    |
| <b>Total assets</b>                      | <b>99,050,596</b>          | <b>59,959,204</b>          | <b>99,726,488</b>             |
| <b>Liabilities</b>                       |                            |                            |                               |
| Loans payable                            | 10,700,000                 | 19,126,667                 | 10,728,501                    |
| Accounts payable and accrued expenses    | 491,794                    | 236,842                    | 495,545                       |
| Security and advanced deposits           | 339,724                    | 215,434                    | 327,021                       |
| Due to related party                     | 724,255                    | 89,808                     | -                             |
| Deferred tax                             | 42,836                     | -                          | 42,836                        |
| Corporation tax payable                  | 11,579                     | -                          | 11,579                        |
| <b>Total liabilities</b>                 | <b>12,310,188</b>          | <b>19,668,751</b>          | <b>11,605,482</b>             |
| <b>Total assets less liabilities</b>     | <b>86,740,408</b>          | <b>40,290,453</b>          | <b>88,121,006</b>             |
| <b>Equity</b>                            |                            |                            |                               |
| Share capital                            | 83,036,725                 | 37,209,540                 | 83,128,128                    |
| Other reserves                           | (215,981)                  | -                          | (79,327)                      |
| Retained earnings                        | 3,887,882                  | 3,047,226                  | 5,039,725                     |
| <b>Total shareholders' funds</b>         | <b>86,708,626</b>          | <b>40,256,766</b>          | <b>88,088,526</b>             |
| Non-controlling interests                | 31,782                     | 33,687                     | 32,480                        |
|                                          | <b>86,740,408</b>          | <b>40,290,453</b>          | <b>88,121,006</b>             |
| <b>Net asset value per share</b>         | <b>\$0.71</b>              | <b>\$0.72</b>              | <b>\$0.72</b>                 |

Approved by:



Director

August 14, 2020



Director

**Eppley Caribbean Property Fund Limited SCC- Value Fund**  
**Unaudited Consolidated Statement of Comprehensive Income**  
**For the nine-month period October 1, 2019 to June 30, 2020**  
(expressed in Barbados dollars)

|                                                              | Unaudited<br>nine-month period ended | Unaudited<br>nine-month period ended | Audited<br>Year ended |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|-----------------------|
|                                                              | October 1, 2019 - June<br>30, 2020   | October 1, 2018 – June<br>30, 2019   | September 30, 2019    |
|                                                              | \$                                   | \$                                   | \$                    |
| <b>Revenue</b>                                               |                                      |                                      |                       |
| Net rental income                                            | 2,154,260                            | 1,096,892                            | 1,800,499             |
| Fair value (losses)/gains on investment property             | (220,477)                            | 40,000                               | 2,019,150             |
| Share of profit of investments using equity accounting       | 1,168,152                            | 1,598,173                            | 2,947,930             |
| Gain on bargain purchase                                     | -                                    | -                                    | 74,325                |
| Interest income                                              | 582,716                              | 92,713                               | 149,714               |
| Other income                                                 | 423                                  | 90,074                               | 1,869                 |
| <b>Total investment income</b>                               | <b>3,685,074</b>                     | <b>2,917,852</b>                     | <b>6,993,487</b>      |
| <b>Expenses</b>                                              |                                      |                                      |                       |
| Interest Expense                                             | 367,701                              | 399,735                              | 634,125               |
| Fund management fees                                         | 490,962                              | 224,335                              | 298,137               |
| Investment advisor fees                                      | 490,962                              | 224,335                              | 298,137               |
| Professional fees                                            | 256,409                              | 133,124                              | 187,339               |
| Directors and subcommittee fees                              | 2,400                                | 1,920                                | 2,560                 |
| Office and administrative expenses                           | 25,730                               | 31,416                               | 45,562                |
| Impairment (gain)/charge for receivables                     | (24,221)                             | 11,087                               | 76,317                |
| Net foreign exchange loss                                    | 310,600                              | -                                    | 1,565,676             |
| <b>Operating expenditure</b>                                 | <b>1,920,543</b>                     | <b>1,025,952</b>                     | <b>3,107,853</b>      |
| <b>Profit before tax</b>                                     | <b>1,764,531</b>                     | <b>1,891,900</b>                     | <b>3,885,634</b>      |
| Taxation                                                     | -                                    | -                                    | (2,442)               |
| <b>Net profit for the year</b>                               | <b>1,764,531</b>                     | <b>1,891,900</b>                     | <b>3,883,192</b>      |
| <b>Other comprehensive income:</b>                           |                                      |                                      |                       |
| <i>Items that will not be reclassified to profit or loss</i> |                                      |                                      |                       |
| Exchange differences on translation of foreign operations    | 136,654                              | -                                    | 79,327                |
| <b>Total comprehensive income for the year</b>               | <b>1,901,185</b>                     | <b>1,891,900</b>                     | <b>3,962,519</b>      |
| <b>Attributable to:</b>                                      |                                      |                                      |                       |
| Cellular property fund shareholders                          | 1,765,229                            | 1,857,767                            | 3,850,266             |
| Non-controlling interests                                    | (698)                                | 34,133                               | 32,926                |
| <b>Total comprehensive income for the period</b>             | <b>1,764,531</b>                     | <b>1,891,900</b>                     | <b>3,883,192</b>      |
| <b>Earnings per share – basic and diluted</b>                | <b>\$0.01</b>                        | <b>\$0.03</b>                        | <b>\$0.06</b>         |

**Eppley Caribbean Property Fund Limited SCC- Value Fund**  
**Unaudited Consolidated Statement of Changes in Equity**  
**For the nine-month period October 1, 2019 to June 30, 2020**  
(expressed in Barbados dollars)

|                                             | Attributable to Fund shareholders |                   |                   |                              | Total<br>\$       |
|---------------------------------------------|-----------------------------------|-------------------|-------------------|------------------------------|-------------------|
|                                             | Share<br>capital                  | Other<br>Reserves | Retained earnings | Non-controlling<br>interests |                   |
|                                             | \$                                | \$                | \$                | \$                           |                   |
| <b>Balance- September 30, 2018</b>          | <b>37,209,540</b>                 | -                 | <b>2,525,125</b>  | <b>2,902,055</b>             | <b>42,636,720</b> |
| Shares Issues                               | 47,237,127                        | -                 | -                 | -                            | 47,237,127        |
| Share issue costs                           | (1,318,539)                       | -                 | -                 | -                            | (1,318,539)       |
| Translation reserves                        | -                                 | (79,327)          | -                 | -                            | (79,327)          |
| Distributions to non- controlling interests | -                                 | -                 | -                 | (2,902,501)                  | (2,902,501)       |
| Dividend declared (2.4 cents per share)     | -                                 | -                 | (1,335,666)       | -                            | (1,335,666)       |
| Income for the year                         | -                                 | -                 | 3,850,266         | 32,926                       | 3,883,192         |
| <b>Balance- September 30, 2019</b>          | <b>83,128,128</b>                 | <b>(79,327)</b>   | <b>5,039,725</b>  | <b>32,480</b>                | <b>88,121,006</b> |
| Repurchase of issued shares                 | (91,403)                          | -                 | 15,287            | -                            | (76,116)          |
| Translation reserves                        | -                                 | (136,654)         | -                 | -                            | (136,654)         |
| Dividend declared (2.4 cents per share)     | -                                 | -                 | (2,932,359)       | -                            | (2,932,359)       |
| Income for the period                       | -                                 | -                 | 1,765,229         | (698)                        | 1,764,531         |
| <b>Balance- June 30, 2020</b>               | <b>83,036,725</b>                 | <b>(215,981)</b>  | <b>3,887,882</b>  | <b>31,782</b>                | <b>86,740,408</b> |

**Eppley Caribbean Property Fund Limited SCC- Value Fund**  
**Unaudited Consolidated Statement of Changes in Equity**  
**For the nine-month period October 1, 2018 to June 30, 2019**  
(expressed in Barbados dollars)

|                                                | Attributable to Fund shareholders |                   |                              |  | Total<br>\$       |
|------------------------------------------------|-----------------------------------|-------------------|------------------------------|--|-------------------|
|                                                | Share<br>capital                  | Retained earnings | Non-controlling<br>interests |  |                   |
|                                                | \$                                | \$                | \$                           |  |                   |
| <b>Balance- September 30, 2017</b>             | <b>37,209,540</b>                 | <b>5,273,834</b>  | <b>3,055,520</b>             |  | <b>45,538,894</b> |
| Dividend declared (3.5 cents per share)        | -                                 | (1,947,846)       | -                            |  | (1,947,846)       |
| Distributions to non- controlling interests    | -                                 | -                 | (215,000)                    |  | (215,000)         |
| Total comprehensive (loss)/income for the year | -                                 | (800,863)         | 61,535                       |  | (739,328)         |
| <b>Balance- September 30, 2018</b>             | <b>37,209,540</b>                 | <b>2,525,125</b>  | <b>2,902,055</b>             |  | <b>42,636,720</b> |
| Distributions to non- controlling interests    | -                                 | -                 | (2,902,501)                  |  | (2,902,501)       |
| Dividend declared (2.4 cents per share)        | -                                 | (1,335,666)       | -                            |  | (1,335,666)       |
| Income for the period                          | -                                 | 1,857,767         | 34,133                       |  | 1,891,900         |
| <b>Balance- June 30, 2019</b>                  | <b>37,209,540</b>                 | <b>3,047,226</b>  | <b>33,687</b>                |  | <b>40,290,453</b> |

**Eppley Caribbean Property Fund Limited SCC- Value Fund**  
**Unaudited Consolidated Statement of Cashflows**  
**For the nine-month period October 1, 2019 to June 30, 2020**  
(expressed in Barbados dollars)

|                                                                              | <u>Unaudited</u><br><u>nine-month period</u><br><u>October 1, 2019 –</u><br><u>June 30, 2020</u> | <u>Unaudited</u><br><u>nine-month period</u><br><u>October 1, 2018 –</u><br><u>June 30, 2019</u> | <u>Audited</u><br><u>Year ended</u><br><u>September 30, 2019</u> |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
|                                                                              | \$                                                                                               | \$                                                                                               | \$                                                               |
| <b>Cash flows from operating activities</b>                                  |                                                                                                  |                                                                                                  |                                                                  |
| Total comprehensive income for the period                                    | <b>1,764,531</b>                                                                                 | <b>1,891,900</b>                                                                                 | <b>3,885,634</b>                                                 |
| Adjustment for:                                                              |                                                                                                  |                                                                                                  |                                                                  |
| Fair value losses/(gains) on investment property                             | 220,477                                                                                          | (40,000)                                                                                         | (2,019,150)                                                      |
| Net foreign exchange loss                                                    | 310,600                                                                                          | -                                                                                                | 1,565,676                                                        |
| Share of gains of investments accounted for using the equity method          | (1,168,152)                                                                                      | (1,598,173)                                                                                      | (2,947,930)                                                      |
| Depreciation                                                                 | 1,518                                                                                            | -                                                                                                | -                                                                |
| Interest income                                                              | (582,716)                                                                                        | (92,713)                                                                                         | (149,714)                                                        |
| Interest expense                                                             | 367,701                                                                                          | 399,735                                                                                          | 634,125                                                          |
| <b>Operating income before working capital changes</b>                       | <b>913,959</b>                                                                                   | <b>560,749</b>                                                                                   | <b>968,641</b>                                                   |
| Net increase in accounts receivable and prepaid expenses                     | (121,657)                                                                                        | (130,463)                                                                                        | (46,723)                                                         |
| Net increase in due to/from related parties                                  | 826,332                                                                                          | 448,129                                                                                          | 330,217                                                          |
| Net decrease in loans receivable                                             | -                                                                                                | 6,500,000                                                                                        | 6,500,000                                                        |
| Net increase/(decrease) in accounts payable and accrued expenses             | 12,338                                                                                           | (1,943,679)                                                                                      | (1,570,546)                                                      |
| Increase/(decrease) in security deposits                                     | 16,028                                                                                           | (17,567)                                                                                         | 94,020                                                           |
| Additions to investment property                                             | (9,312,477)                                                                                      | (9,013,250)                                                                                      | (12,872,552)                                                     |
| Decrease/(Increase) in marketable securities                                 | 4,000,000                                                                                        | -                                                                                                | (4,000,000)                                                      |
| <b>Cash used in operations</b>                                               | <b>(3,665,477)</b>                                                                               | <b>(3,596,081)</b>                                                                               | <b>(10,596,943)</b>                                              |
| Interest received                                                            | 582,716                                                                                          | 92,713                                                                                           | 117,979                                                          |
| Interest paid                                                                | (248,077)                                                                                        | (201,351)                                                                                        | (633,749)                                                        |
| <b>Net cash used in operating activities</b>                                 | <b>(3,330,838)</b>                                                                               | <b>(3,704,719)</b>                                                                               | <b>(11,112,713)</b>                                              |
| <b>Cash flows from investing activities</b>                                  |                                                                                                  |                                                                                                  |                                                                  |
| Distributions from associated companies                                      | 960,000                                                                                          | 1,710,713                                                                                        | 1,710,711                                                        |
| <b>Net cash generated from financing activities</b>                          | <b>960,000</b>                                                                                   | <b>1,710,713</b>                                                                                 | <b>1,710,711</b>                                                 |
| <b>Cash flows from financing activities</b>                                  |                                                                                                  |                                                                                                  |                                                                  |
| Net proceeds from issuance of share                                          | -                                                                                                | -                                                                                                | 39,061,220                                                       |
| Shares repurchased                                                           | (76,116)                                                                                         | -                                                                                                | -                                                                |
| Distributions to non-controlling interests                                   | -                                                                                                | (2,902,501)                                                                                      | (2,902,501)                                                      |
| Dividends paid                                                               | (2,932,359)                                                                                      | (1,335,666)                                                                                      | (1,335,666)                                                      |
| Loans received                                                               | -                                                                                                | 8,348,284                                                                                        | 8,348,284                                                        |
| Loans repaid                                                                 | (147,625)                                                                                        | -                                                                                                | (7,855,100)                                                      |
| <b>Net cash (used in)/generated from financing activities</b>                | <b>(3,156,100)</b>                                                                               | <b>4,110,117</b>                                                                                 | <b>35,316,237</b>                                                |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                  | <b>(5,526,938)</b>                                                                               | <b>2,116,111</b>                                                                                 | <b>25,914,235</b>                                                |
| <b>Effects of foreign exchange rate changes on cash and cash equivalents</b> | <b>(123,028)</b>                                                                                 | <b>-</b>                                                                                         | <b>(1,930,061)</b>                                               |
| <b>Cash and cash equivalents at beginning of the period</b>                  | <b>34,253,482</b>                                                                                | <b>10,237,573</b>                                                                                | <b>10,237,573</b>                                                |
| <b>Cash and cash equivalents at end of the period</b>                        | <b>28,603,516</b>                                                                                | <b>12,353,684</b>                                                                                | <b>34,221,747</b>                                                |

**Eppley Caribbean Property Fund Limited SCC – Value Fund**

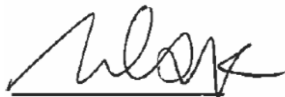
Directors' Statement – For the nine-month period October 1, 2019 – June 30, 2020

The **Eppley Caribbean Property Fund Limited SCC**- Value Fund share realised a profit of \$1,764,531 for the nine-month period October 1, 2019 – June 30, 2020 (unaudited) compared to a profit of \$1,891,900 for the same period in 2019 (unaudited).

The net asset value is \$0.71 per share and \$0.72 at June 30, 2020. The net assets are \$86.7 million compared to \$40.3 million at the end of June 2019.

The share price of the Value Fund shares on the **Barbados Stock Exchange (BSE)** as at June 30, 2020 was \$0.57, a discount of 20% to the net asset value.

During the period, shares repurchased amounted to 102,699 units. The purpose of this acquisition is to unlock shareholder value by purchasing shares at a price that is a significant discount to our book value per share, consistent with the strategy disclosed in our prospectus and our recently released Annual Report. Our balance sheet provided the source of funds for this acquisition.

A handwritten signature in black ink, appearing to be 'W. Jones', written over a horizontal line.

Chairman

## Notes to the Unaudited Consolidated Financial Statements

### Note 1: Basis of Preparation

The abridged financial statements do not include accounting policies and the notes that are contained in the financial statements. The financial statements were prepared in accordance with International Financial Reporting Standards.

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