

ENDEAVOUR HOLDINGS LIMITED

Chairman's Report

I am pleased to report on the financial performance of Endeavour Holdings Limited (EHL) for the half year period ended October 31, 2020.

The business environment in the country continued to be affected by the Covid 19 pandemic as health regulations remained in place during the period.

From June 1, 2020 there was a phased resumption of business activities with various restrictions and guidelines on operations and opening hours that continued into October 2020.

After tax profits decreased by \$4.7M (28%) from \$16.7M in October 2019 as compared to \$12.0M in October 2020.

This was primarily due to a decrease in revenue by \$9.1M (27%) from \$33.3M for half year ended October 2019 to \$24.2M for the half year ended October 2020 which was due to extended concessions granted primarily to tenants in Price Plaza Mall.

Rental expenses decreased by \$2.3M (18%) from \$12.5M for half year ended October 2019 to \$10.2M for half year ended July 2020 due to cost reduction exercises carried out to alleviate the effects of reduced income.

Operating expenses increased by \$0.6M as primarily due to provisions for Expected Credit Losses in keeping with the requirements of IFRS 9.

The reduction in taxes of \$3.9M (80%) from \$4.9M at October 2019 to \$1.0M at October 2020 was due to the reduction in the profit before income tax and the reduced tax rate of 10% for listed SMEs.

Non-current assets decreased by \$25.4M from \$864M at October 2019 to \$838.6M at October 2020 due to investment properties revaluations made at financial year end April 2020.

Current assets increased by \$18.2M from \$40.1M at October 2019 to \$58.3M at October 2020 primarily due to increase in cash balances from monies received from the IPO in November 2019 and the deferral of the principal payment on the October 2020 bond installment.

Non-current liabilities have fallen from \$304M in October 2019 to \$293M in October 2020 as debt principal payments for the March 2020 installment were paid.

Current liabilities fell by \$5.0M, as both trade and taxation payables have been reduced.

The increased equity of \$11M resulted from share capital raised by the IPO in December 2019.

The Company previously advised that on October 9, 2020 notice was received from Trinbago Commercial Development Company Limited, the operators of MovieTowne, that they were vacating the leased premises at Price Plaza, Chaguanas with effect from October 31, 2020. The Company is exploring options for a replacement tenant and or new use and is also awaiting legal advice on this matter. Further information will be provided in due course as more information becomes available.

EHL management is very confident that with the expected availability of vaccines for the Covid 19 there will be a positive effect on the business environment and normalization of the operations will occur in the coming months.

Our primary focus is to work with our tenants to ensure they survive this pandemic and maintain their tenancies which will ultimately redound to the benefit of our shareholders.

We are confident that with prudent and skillful navigation of this period we will emerge a more resilient company.



John Aboud
Chairman
December 14, 2020

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

	UNAUDITED As At 31st October 2020 \$	UNAUDITED As At 31st October 2019 \$	AUDITED As At 30th April 2020 \$
Assets			
Non-Current Assets			
Investment Properties	837,600,000	863,800,000	837,600,000
Property, plant and equipment	1,013,040	205,047	801,171
	<u>838,613,040</u>	<u>864,005,047</u>	<u>838,401,171</u>
Current Assets			
Trade and other receivables	13,920,408	16,442,894	17,450,997
Cash and cash equivalents	44,410,579	23,693,295	31,530,019
	<u>58,330,987</u>	<u>40,136,189</u>	<u>48,981,016</u>
Total Assets	<u>896,944,027</u>	<u>904,141,236</u>	<u>887,382,187</u>
Equity and Liabilities			
<i>Equity attributable to equity holders of the company</i>			
Share capital	43,058,438	32,003,200	43,058,438
Maintenance reserve fund	4,501,696	4,124,518	4,313,107
Retained earnings	509,348,531	511,560,859	497,313,823
Total Equity	<u>556,908,665</u>	<u>547,688,577</u>	<u>544,685,368</u>
Non-Current Liabilities			
Deferred income tax liability	51,235,482	48,839,698	50,100,637
Borrowings	241,999,584	255,778,338	241,803,973
	<u>293,235,066</u>	<u>304,618,036</u>	<u>291,904,610</u>
Current Liabilities			
Due to related parties	467,110	1,033,824	840,079
Borrowings	28,461,538	28,461,538	28,461,538
Trade and other payables	14,848,979	15,493,817	15,422,603
Taxation payable	3,022,669	6,845,444	6,067,989
	<u>46,800,296</u>	<u>51,834,623</u>	<u>50,792,209</u>
Total Equity and Liabilities	<u>896,944,027</u>	<u>904,141,236</u>	<u>887,382,187</u>

Director

Date: December 14, 2020

Director

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

	UNAUDITED 6 Months Ended 31st October 2020 \$	UNAUDITED 6 Months Ended 31st October 2019 \$	AUDITED Year Ended 30th April 2020 \$
Revenue from contracts with customers	34,507,508	45,860,701	88,417,695
Rental Expenses	(10,249,314)	(12,540,284)	(22,638,524)
Net Rental Income	24,258,194	33,320,417	65,779,171
Other Income			
Fair value adjustment on investment property	-	-	(26,200,000)
Other income	265,196	118,139	281,660
	265,196	118,139	(25,918,340)
Expenses			
Administrative	(743,098)	(805,873)	(2,111,095)
Operating	(1,214,862)	(534,279)	(3,486,147)
	(1,957,960)	(1,340,152)	(5,597,243)
Operating Profit	22,565,430	32,098,404	34,263,588
Finance costs	(8,357,809)	(9,134,646)	(17,742,786)
Profit before income tax	14,207,621	22,963,758	16,520,803
Taxation			
Current	(1,038,068)	(4,965,276)	(7,561,904)
Deferred taxation	(1,134,845)	(1,260,939)	(2,521,878)
	(2,172,913)	(6,226,215)	(10,083,782)
Profit for the period	12,034,708	16,737,543	6,437,021
Other comprehensive income	-	-	-
Total comprehensive income	12,034,708	16,737,543	6,437,021
Earnings per share			
Basic earnings per share including fair value adjustment on investment properties	\$ 0.37	\$ 0.52	\$ 0.20
Basic earnings per share excluding fair value adjustment on investment properties	\$ 0.37	\$ 0.52	\$ 0.99

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 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>
Year ended 30th April 2020				
Balance At 1st May 2019	32,003,200	3,935,929	494,823,316	530,762,445
Total comprehensive Income for the year				
Profit for the year	-	-	6,437,021	6,437,021
Transfer to maintenance reserve	-	377,178	-	377,178
Transactions with owners in their capacity as owners				
Issue of shares	11,055,238			11,055,238
Dividends for the period	-	-	(3,946,514)	(3,946,514)
Other comprehensive income for the period	-	-	-	-
Balance At 30th April 2020	<u>43,058,438</u>	<u>4,313,107</u>	<u>497,313,823</u>	<u>544,685,368</u>
Period ended 31st October 2020				
Balance At 1st May 2020	43,058,438	4,313,107	497,313,823	544,685,368
Total comprehensive Income for the period				
Profit for the period	-	-	12,034,708	12,034,708
Transfer to maintenance reserve	-	188,589	-	188,589
Transactions with owners in their capacity as owners				
Issue of shares	-	-	-	-
Dividends for the period	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Balance At 31st October 2020	<u>43,058,438</u>	<u>4,501,696</u>	<u>509,348,531</u>	<u>556,908,665</u>

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

	UNAUDITED 6 Months Ended 31st October 2020 \$	UNAUDITED 6 Months Ended 31st October 2019 \$	AUDITED YEAR ENDED 30th April 2020 \$
Cash flows from operating activities			
Profit before income tax	14,207,621	22,963,758	16,520,803
<i>Adjustments for:</i>			
Fair value adjustment on investment properties	-	-	26,200,000
Finance costs	8,357,809	9,134,646	17,742,786
Depreciation	37,565	457,031	508,925
Operating profit before working capital changes	22,602,995	32,555,435	60,972,514
(Increase)/decrease in trade and other receivables	3,530,589	2,813,242	1,805,139
(Decrease)/Increase in trade and other payables	654,029	53,617	35,917
Decrease in due from related party	-	9,685	9,685
Increase/(decrease) in due to related party	(372,969)	339,556	145,811
Net cash generated from operations	26,414,644	35,771,535	62,969,066
Interest paid	(9,389,847)	(8,918,251)	(17,323,502)
Tax paid	(4,083,390)	(5,088,488)	(8,462,570)
Net cash inflow from operating activities	12,941,407	21,764,796	37,182,994
Cashflow from investing activities			
Purchase of property, plant and equipment	(249,436)	(6,122)	(654,140)
Cashflow from financing activities			
Proceeds from issue of shares	-	-	11,055,238
Repayment of borrowings	-	(14,230,767)	(28,461,536)
Transfer to maintenance reserve fund	188,589	188,589	377,178
Dividend paid	-	-	(3,946,514)
Cash provided by financing activities	188,589	(14,042,178)	(20,975,634)
Increase in cash and cash equivalents	12,880,560	7,716,496	15,553,220
Cash and cash equivalents at beginning of the period	31,530,019	15,976,799	15,976,799
Cash and cash equivalents at end of the period	44,410,579	23,693,295	31,530,019

Endeavour Holdings Limited

Notes to the summary financial statements for the six months ended 31st October, 2020

The accompanying notes are an integral part of these financial statements.

1) Basis of Accounting

These summary financial statements have been prepared by Management in accordance with International Financial Reporting Standards.

2) Significant Accounting Policies

The principal accounting policies used in the preparation of these summary financial statements are consistent with those used in the preparation and disclosed in the audited financial statements for the year ended 30th April, 2020.