

EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC – DEVELOPMENT FUND

Audited Consolidated Results as at September 30, 2020 (expressed in Barbados Dollars)

Chairman's Statement

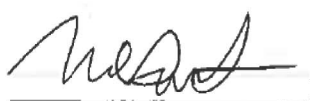
The Development Fund recorded a loss of \$1.3 million in 2020 or \$0.02 per share. This is compared to a profit of \$573 thousand recorded in 2019.

Fair value losses, vacancies at the residential properties along with carrying costs from the Development Fund's development land and increased professional fees associated with a transaction related to Worthing Great House (a property previously owned by the Development Fund) are the main drivers behind the loss.

The Development Fund owns a combination of development lands and residential units in Barbados, St. Lucia and St. Vincent and the Grenadines. The net asset value of the Development Fund at the end of 2020 was \$0.35 per share.

The share price of the Development Fund shares on the **Barbados Stock Exchange (BSE)** as at September 30, 2020 was \$0.18, a discount of 49% to the net asset value. Such a steep discount is no doubt a function of years of consistent declines in the fair value of its properties and recurrent operating losses.

We continue to seek out opportunities to divest underperforming assets and unlock shareholder value while we determine the most appropriate way to reposition our investment strategy.



Chairman

Consolidated Statement of Comprehensive Income

For the year ended September 30, 2020

	2020 \$	2019 \$
Development Fund Revenue		
Share of loss of investments accounted for using the equity method	(42,464)	(1,443)
Other income	–	7,002
Total investment income	(42,464)	5,559
Expenses		
Fair value loss/(gain) on real estate available for re-sale	600,926	(1,293,956)
Net carrying costs of real estate available for re-sale	175,268	217,955
Professional fees	358,785	113,099
Fund management fees	76,202	136,043
Investment advisor fees	76,202	136,043
Net loss on sale of real estate available for re-sale	–	112,414
Directors and subcommittee fees	800	1,440
Office and administrative expenses	3,710	8,685
Operating expenditure/(income)	1,291,893	(568,277)
Total comprehensive (loss)/income for the year	(1,334,357)	573,836
Attributable to:		
Cellular property fund shareholders	(1,334,357)	573,836
Total comprehensive (loss)/income for the year	(1,334,357)	573,836
(Loss)/profit per share – basic and diluted	\$(0.02)	\$0.01

Consolidated Statement of Financial Position

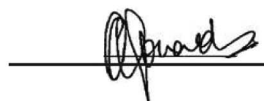
As at September 30, 2020

	2020 \$	2019 \$
Development Fund Assets		
Real estate available for re-sale	12,777,273	13,378,199
Investments in associated companies and joint arrangements	4,809,454	4,851,918
Accounts receivable and prepaid expenses	476,155	439,121
Cash and cash equivalents	1,691,546	2,562,170
Total assets	19,754,428	21,231,408
Liabilities		
Accounts payable and accrued expenses	190,110	167,718
Security and advance deposits	37,750	281,123
Due to related parties	415,565	337,207
Total liabilities	643,425	786,048
Total assets less liabilities	19,111,003	20,445,360
Equity		
Capital and reserves attributable to the Group shareholders		
Share capital	28,626,291	28,626,291
Retained deficit	(9,515,288)	(8,180,931)
Total shareholders' funds	19,111,003	20,445,360
Net asset value per share	\$0.35	\$0.38

Approved by the Board of Directors on December 28, 2020



Director



Director

Consolidated Statement of Cashflows

For the year ended September 30, 2020

	2020 \$	2019 \$
Development Fund		
Cash flows from operating activities		
Total comprehensive (loss)/income for the year	(1,334,357)	573,836
Adjustments for:		
Share of loss of investments accounted for using the equity method	42,464	1,443
Net loss on sale of real estate available for re-sale	–	112,414
Fair value gain/(impairment loss) on real estate available for re-sale	600,926	(1,293,956)
Operating loss before working capital changes	(690,967)	(606,263)
Increase in accounts receivable and prepaid expenses	(37,034)	(18,946)
Increase/(decrease) in accounts payable and accrued expenses	22,392	(31,372)
Decrease in security and advance deposits	(243,373)	(2,791)
Net increase/(decrease) in due to/from related parties	78,358	(510,022)
Net proceeds from sale of real estate available for re-sale	–	2,050,535
Purchase of real estate available for re-sale	–	(59,426)
Cash (used in)/generated from operations	(870,624)	821,715
Net cash (used in)/generated by operating activities	(870,624)	821,715
Cash flows from investing activities		
Distributions from associated companies	–	720,002
Net cash generated by investing activities	–	720,002
Net (decrease)/increase in cash and cash equivalents	(870,624)	1,541,717
Cash and cash equivalents – beginning of year	2,562,170	1,020,453
Cash and cash equivalents – end of year	1,691,546	2,562,170

Notes to the 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.

ECPF Financial results available at www.eppleylimited.com

Consolidated Statement of Changes in Equity

For the year ended September 30, 2020

	Share capital \$	Attributable to Fund shareholders Retained earnings \$	Total \$
Development Fund			
Balance at September 30, 2018	28,626,291	(8,754,767)	19,871,524
Total comprehensive income for the year	–	573,836	573,836
Balance at September 30, 2019	28,626,291	(8,180,931)	20,445,360
Total comprehensive loss for the year	–	(1,334,357)	(1,334,357)
Balance at September 30, 2020	28,626,291	(9,515,288)	19,111,003