Endeavour Holdings Limited

Financial Statements

30 April 2021

(Expressed in Trinidad and Tobago Dollars)

Endeavour Holdings Limited

Contents **Page**

Statement of Management's Responsibilities	1
Independent Auditor's Report	2 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 45

Endeavour Holdings Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Endeavour Holdings Limited (the Company) which comprise the statement of financial position as at 30 April 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of Company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Chief Executive Officer
27 July 2021

Chief Financial Officer
27 July 2021

Independent auditor's report

To the Shareholders of Endeavour Holdings Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Endeavour Holdings Limited (the Company) as at 30 April 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 30 April 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview



- Overall materiality: TTD$1,240,000, which represents 5% of the average profit before tax for the last 3 years.
- In addition to determining materiality, we also assessed, amongst other factors, the following in designing our audit:
  - the risk of material misstatement in the financial statements
  - significant accounting estimates
  - the risk of management override of internal controls
- Fair value measurement of investment properties

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	TTD$1,240,000
How we determined it	5% of the average profit before tax for the last 3 years
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds and used average profit before tax for the last 3 years due to the volatility of earnings.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above TT$62,000, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of investment properties *Refer to notes 2(e) and 6 to the financial statements for disclosures of related accounting policies and balances.*	
As at 30 April 2021, the Company's fair value of investment properties totaled TT$811.2 million, or 93.7% of total assets. A fair value loss adjustment of TT$26.4 million was recognised in the statement of comprehensive income as a result of the revaluation of these properties. The fair value of the investment properties is determined in accordance with the Company's valuation methodology, using the Income Approach, which requires an annual assessment to be performed by management. We focused on this area because of the significant level of judgement required in arriving at the key assumptions, including the impact of the COVID-19 pandemic as follows: • Future rental cash inflows which are based on the location, type and quality of the properties, expected occupancy rates, and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties. • Capitalisation rates which are based on actual location, size, quality and age of the properties and maintenance programs and taking into account comparable market data at the valuation date.	The approach to addressing the matter, with the assistance of our valuation experts, involved the following procedures, amongst others: • Obtained an understanding of and evaluated management's process for estimating investment property valuations, including obtaining and reviewing valuations performed by management's independent valuators. • Assessed the competence and independence of management's independent valuators and inspected the final valuation report. • Performed an independent fair value calculation for three of the investment properties and compared to the fair value recorded by management. • Tested future rental cash inflow, taking into account likely impacts due to the COVID-19 pandemic, on a sample basis, by agreeing the square footage and rental rates to the underlying signed lease contracts. • Recalculated occupancy rates based on a sample of signed lease contracts. • Evaluated and tested management's capitalisation rate assumption, using knowledge of the industry, continued impact of the COVID-19 pandemic and current and expected market conditions such as country risk premium and repo rates. • Tested the mathematical accuracy of management's calculations. The results of our procedures indicated that the assumptions used by management for determining the fair value of investment properties were not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kerry-Ann Chevalier.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
27 July 2021

Endeavour Holdings Limited

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 30 April 2021 $	2020 $
Assets			
Non-current assets			
Investment properties	6	811,200,000	837,600,000
Property, plant and equipment	7	873,210	801,171
		812,073,210	838,401,171
Current assets			
Trade and other receivables	8	12,950,362	17,450,997
Taxation refundable		19,377	–
Cash and cash equivalents	10	40,697,560	31,530,019
		53,667,299	48,981,016
Total assets		865,740,509	887,382,187
Equity and liabilities			
Equity attributable to equity holders of the company			
Share capital	13	43,058,438	43,058,438
Maintenance reserve fund	25	4,690,285	4,313,107
Retained earnings		501,672,442	497,313,823
Total equity		549,421,165	544,685,368
Non-current liabilities			
Deferred income tax liability	14	52,370,327	50,100,637
Borrowings	15	228,039,417	241,803,973
		280,409,744	291,904,610
Current liabilities			
Due to related parties	9	439,971	840,079
Borrowings	15	28,461,538	28,461,538
Trade and other payables	16	7,008,091	15,422,603
Taxation payable		–	6,067,989
		35,909,600	50,792,209
Total equity and liabilities		865,740,509	887,382,187

The notes on pages 11 to 45 are an integral part of these financial statements.

On 27 July 2021, the Board of Directors of Endeavour Holdings Limited authorised these financial statements for issue.

Director

Director

Endeavour Holdings Limited

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 April 2021 $	2020 $
Revenue from contracts with customers	18	84,705,123	88,417,695
Rental expenses	17	(30,629,388)	(22,638,524)
Net rental income		54,075,735	65,779,171
Other income/(expenses)			
Fair value adjustment on investment properties	6	(26,400,000)	(26,200,000)
Other income	18	424,737	281,660
		(25,975,263)	(25,918,340)
Expenses			
Administrative	19	(1,853,663)	(2,111,095)
Operating	20	(2,327,400)	(3,486,147)
		(4,181,063)	(5,597,242)
Operating profit		23,919,409	34,263,589
Finance costs	21	(16,525,608)	(17,742,786)
Profit before income tax		7,393,801	16,520,803
Taxation			
Current	22	(765,492)	(7,561,904)
Deferred taxation	22	(2,269,690)	(2,521,878)
		(3,035,182)	(10,083,782)
Profit for the year		4,358,619	6,437,021
Other comprehensive income		--	--
Total comprehensive income for the year		4,358,619	6,437,021
Earnings per share			
Basic earnings per share including fair value adjustment on investment properties	26	$0.13	$0.20
Basic earnings per share excluding fair value adjustment on investment properties	26	$0.94	$0.99

The notes on pages 11 to 45 are an integral part of these financial statements.

Endeavour Holdings Limited

Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Notes	Share capital $	Maintenance reserve fund $	Retained earnings $	Total equity $
Balance at 1 May 2020		43,058,438	4,313,107	497,313,823	544,685,368
Total comprehensive income for the year					
Profit for the year		--	--	4,358,619	4,358,619
Transfer to maintenance reserve	25	--	377,178	--	377,178
Balance at 30 April 2021		43,058,438	4,690,285	501,672,442	549,421,165
Balance at 1 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	25	--	377,178	--	377,178
Transactions with owners in their capacity as owners					
Issue of shares	13	11,055,238	--	--	11,055,238
Dividends for the period	24	--	--	(3,946,514)	(3,946,514)
Balance at 30 April 2020		43,058,438	4,313,107	497,313,823	544,685,368

The notes on pages 11 to 45 are an integral part of these financial statements.

Endeavour Holdings Limited

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 April 2021 $	2020 $
Cash flows from operating activities			
Profit before income tax		7,393,801	16,520,803
Adjustments for:			
Fair value adjustment on investment properties	6	26,400,000	26,200,000
Finance costs	21	16,525,608	17,742,786
Loss on disposal of asset		7,776	--
Depreciation	7	211,555	508,925
Operating profit before working capital changes		50,538,740	60,972,514
Decrease in trade and other receivables		4,500,635	1,805,139
(Decrease)/increase in trade and other payables		(8,453,327)	35,917
Decrease in due from related parties		--	9,685
(Decrease)/increase in due to related parties		(400,108)	145,811
Net cash generated from operations		46,185,940	62,696,066
Interest paid		(16,029,138)	(17,323,502)
Tax paid		(6,852,858)	(8,462,570)
Net cash flows generated from operating activities		23,303,944	37,182,994
Cashflows from investing activities			
Purchase of property, plant and equipment	7	(291,370)	(654,140)
Cashflows from financing activities			
Issue of shares	13	--	11,055,238
Repayments of borrowings		(14,222,211)	(28,461,536)
Transfer to maintenance reserve fund		377,178	377,178
Dividends paid	24	--	(3,946,514)
Net cash flows used in financing activities		(13,845,033)	(20,975,634)
Increase in cash and cash equivalents		9,167,541	15,553,220
Cash and cash equivalents at beginning of the year		31,530,019	15,976,799
Cash and cash equivalents at end of the year	10	40,697,560	31,530,019

The notes on pages 11 to 45 are an integral part of these financial statements.

1 General information

Endeavour Holdings Limited is incorporated in the Republic of Trinidad and Tobago and was re-registered under the Companies Act, 1995 on 1 March 2001. On 22 April 2015, articles of amalgamation were filed with the Company Registry. The principal activity of the Company is property rental and real estate holdings. Its registered address is Tradezone No.1 El Socorro Extension Road, San Juan.

The Company is listed on the Small and Medium Enterprises (SME) stock market of the Trinidad and Tobago Stock Exchange (TTSE).

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. *Going concern*

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

b. *Basis of preparation*

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

The financial statements have been prepared under the historical cost convention, except for investment properties which have been measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

c. *Changes in accounting policies and disclosures*

(i) *New standards and interpretations not yet adopted*

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 May 2021 and have not been applied in preparing these financial statements. None of these standards are expected to have a significant effect on the financial statements of the Company.

(ii) *Changes in accounting policies*

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. These concessions take the form of either discounts or deferrals.

Discounts - Under *IFRS 9 Financial Instruments* the financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire. Rent discounts are recognised as a loss in the income statement with a corresponding reduction in the rent receivable in the period in which the reduction is contractually agreed.

Deferrals - *IFRS 15 Revenue from contracts with customers* requires the recognition of revenue when a performance obligation is satisfied. Deferred rent is recognised in the period in which it is deferred.

2 **Significant accounting policies (continued)**

d. *Foreign currency translation*

(i) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within finance costs or income. All other foreign exchange gains and losses are presented separately on the statement of comprehensive income.

e. *Investment properties*

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs (Note l).

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment property under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are periodically performed by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. Annually, management reviews these valuations and make the necessary amendments to the valuations if key assumptions and inputs have changed.

These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

2 **Significant accounting policies (continued)**

e. *Investment properties (continued)*

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions such as the capitalisation rate, vacancy levels and outgoings which market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in the statement of comprehensive income. Investment properties are derecognised when they have been disposed.

Where the Company disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of comprehensive income within net gain from fair value adjustment on investment property.

f. *Property, plant and equipment*

Property, plant and equipment comprise mainly fixtures and fittings and leasehold improvements and is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributed to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land and buildings are not depreciated. Depreciation on other assets is calculated using the reducing balance basis to allocate their cost to their residual values over their estimated useful lives, or in the case of leasehold improvements, the shorter lease term as follows:

Furniture, fixtures and equipment	-	20%
Motor vehicles	-	25%
Leasehold improvements	-	33 1/3%
Office improvements	-	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

g. *Impairment of non-financial assets*

Assets that are subject to amortisation are reviewed for impairment at a minimum on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

2 **Significant accounting policies (continued)**

h. *Financial assets*

Trade receivables are amounts due from customers for rental income earned during the ordinary course of business. If receipt of funds is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

(i) *Classification*

The Company classifies its financial assets at amortised cost.

Trade receivables are amounts due from tenants for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 to 90 days and therefore are all classified as current.

(ii) *Recognition and derecognition*

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) *Measurement*

The Company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them initially at fair value and subsequently at amortised cost using the effective interest method, less impairment provision. The Company holds trade receivables with the objective to collect contractual cash flows.

(iv) *Impairment of financial assets*

The Company applies the simplified approach for trade receivables as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company applies specific provisions for higher risk accounts using a risk-based methodology based on certain factors, including tenant profile and the nature of products sold or services rendered. All other non-specific accounts were grouped together and aged using a ‘provisions matrix’. Scaled loss rates were then calculated based in historical payment profiles and applied to the different aging buckets as of the statement of financial position date. The loss rates were adjusted to incorporate forward-looking information.

i. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2 **Significant accounting policies (continued)**

j. *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and at bank and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

k. *Borrowings*

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as non-current liabilities in the statement of financial position when the first repayment begins twelve months after statement of financial position date.

l. *Borrowing costs*

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of comprehensive income in the financial year in which they occurred.

m. *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, if any, are shown in equity as a deduction, net of tax, from the proceeds.

n. *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable than an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2 **Significant accounting policies (continued)**

n. *Provisions (continued)*

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

o. *Trade payables*

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

p. *Maintenance reserve*

The purpose of the maintenance reserve fund is to ensure the availability of funds for the major capital expenditure for Briar Place as per tenants' lease terms. The reserve is charged at a rate of fifty cents per square foot. The Company covers the maintenance reserve for leases that exclude the charge and for vacant units, this charge is included in rental expenses. The full amount is transferred to maintenance reserve fund within equity.

q. *Revenue recognition*

Revenue includes rental income, service charges (common area maintenance) and reimbursable electricity income.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Revenue from service and electricity charges is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Some property management contracts may include multiple elements of service, which are provided to tenants. The Company assesses whether individual elements of service in contract are separate performance obligations. Where the contracts include multiple performance obligations, and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the stand-alone selling prices. Where these selling prices are not directly observable, they are estimated based on an expected cost. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services, this consideration may include discounts and rebates.

2 **Significant accounting policies (continued)**

q. *Revenue recognition (continued)*

A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

When the Company is acting as an agent, the reimbursable cost is recorded as revenue.

The Company pays sales commissions in order to secure certain contracts; these sales commissions are assessed to be an incremental cost of obtaining a contract. Sales commissions are recognised in the period in which the expense is incurred.

r. *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

s. *Current and deferred income tax*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 **Significant accounting policies (continued)**

s. *Current and deferred income tax (continued)*

The Company's business model for investment properties is to hold for rental income until possible sale, although there are no specific plans for sale. The Company's business model is not to substantially consume all economic benefits of the investment properties over time through use. As such the presumption of recovery through sale is not rebutted. The deferred tax is then calculated based on the temporary differences and tax consequences arising from recovery through sale.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

t. *Leases*

At inception, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset

At inception or on assessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

u. *Dividend distribution*

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved.

v. *Operating segments*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Company has determined that its chief operating decision-maker is the chief executive officer (CEO) of the Company.

3 **Financial risk management**

a. *Financial risk factors*

The Company's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. Risk management is carried out by the finance department under policies approved by the Company's shareholders. There is no exposure to fair value interest rate risk or price risk as there are no financial instruments carried at fair value. There is no exposure to cash flow interest rate risk as there are no financial instruments with variable rates. There have been no changes to policies and procedures compared to prior year.

(i) *Market risk*

Foreign exchange risk

The Company does not operate internationally and is thus not exposed to foreign exchange risk arising from various currency exposures. The majority of the Company's financial assets, financial liabilities and rental income is determined and collected in Trinidad and Tobago dollars (TTD). However, there is some rental income billed in United States Dollars (USD), for which there is exposure to foreign exchange risk.

At 30 April 2021 if the USD had weakened/strengthened by 0.7% (2020: 0.6%), against the TTD with all other variables held constant, post-tax profit for the year would have been $8,970 higher/lower (2020: $4,143 higher/lower), mainly as a result of foreign exchange gains/losses on translation of USD denominated trade receivables.

(ii) *Credit risk*

Credit risk is the risk of default on financial assets that may arise from a counterparty failing to make payments or honour an obligation. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only reputable local institutions are accepted. Customers consist of third parties who are involved in medium to long term contracts and as such risk of default is not considered significant, or are long standing customers with no history of default. Credit limits were exceeded during the reporting period, but management does not expect any significant losses from non-performance by these counterparties.

The following is a summary of the Company's maximum exposure to credit risk.

	2021 $	2020 $
Cash and cash equivalents	40,697,560	31,530,019
Trade and other receivables	12,950,362	17,450,997
Total	53,647,922	48,981,016

The Company's trade and other receivables are subject to the Expected Credit Loss (ECL) model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was NIL.

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

Incorporation of forward-looking information

Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified indicators such as trends in days outstanding, concentration risk and macroeconomic fundamentals specific to our industry to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The simplified approach

The Company applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the ECL, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivables are reasonable.

The simplified approach eliminates the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred. Accordingly, a lifetime expected loss allowance is used from day one. To measure the lifetime loss allowance, the Company first considers whether any individual tenant accounts require specific provisions.

Loss rates are then assigned to these accounts based on qualitative and quantitative factors using a Loss Given Default matrix. All other non-specific trade receivables and work in progress are then grouped based on shared credit risk characteristics and the days past due.

The expected loss rates for non-specific accounts are based on the payment profiles of sales over a period of 12 months starting 1 May 2020 and ending on 30 April 2021 and the corresponding historical credit losses experienced within this period.

Assets written off

Trade and other receivables are written off when there is no reasonable expectation of recovery. The Company categorises a receivable for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts.

Where receivables have been written off, the Company continues to engage in enforcement activity as necessary, to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Over the term of the financial asset, the Company accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Company considers historical loss rates for the financial assets and adjusts for forward looking macroeconomic data. The Company provides for credit losses on financial assets as follows:

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

	Current $	30 to 90 days past due $	More than 90 days past due $	Total $
At 30 April 2021				
Trade receivable	6,301,877	4,659,650	10,188,287	21,149,814
Loss allowance	--	--	3,083,633	3,083,633
Expected loss rate	0%	0%	30%	15%

	Current $	30 to 90 days past due $	More than 90 days past due $	Total $
At 30 April 2020				
Trade receivable	10,632,179	6,490,788	6,489,759	23,612,726
Loss allowance	--	--	--	--
Expected loss rate	0%	0%	0%	0%

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities.

The expected collection and repayment dates of assets and liabilities are important factors in assessing the liquidity of this Company.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $
As at 30 April 2021				
Borrowings	46,754,043	150,171,272	44,847,622	72,978,547
Due to related parties	439,971	--	--	--
Trade and other payables, excluding non-financial liabilities	6,874,324	--	--	--
	54,068,338	15,171,272	44,847,622	72,978,547

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(iii) *Liquidity risk (continued)*

	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $
As at 30 April 2020				
Borrowings	47,650,192	60,740,598	148,576,351	80,051,395
Due to related parties	840,079	--	--	--
Trade and other payables, excluding non-financial liabilities	15,047,411	--	--	--
	63,537,682	60,740,598	148,576,351	80,051,395

b. *Capital risk management*

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and other stakeholders and to maintain an optimal capital structure.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. The decrease in this ratio was due to repayment of loans during the fiscal year. There have been no changes to policies and procedures from prior year.

	2021 $	2020 $
Total borrowings (Note 15)	256,500,955	270,265,511
Less: Cash and cash equivalents (Note 10)	(40,697,560)	(31,530,019)
Net debt	215,803,395	238,735,492
Total equity	549,421,165	544,685,368
Total capital	765,224,560	783,420,860
Gearing ratio	28%	30%

3 **Financial risk management (continued)**

b. *Capital risk management (continued)*

The following are the loan covenants arising from the borrowings (Note 15):

Covenant

(i)	Minimum debt service coverage ratio of 1.25:1	EBITDA	$50,530,964	1.08
		Total debt repayment	$46,754,043	
(ii)	Minimum free cashflow to total debt repayment of 1.0:1	Free cash flow	$24,217,950	0.52
		Total debt repayment	$46,754,043	
(iii)	Maximum total financial debt to tangible fixed assets of 50%	Total financial debt	$256,500,955	32%
		Tangible fixed asset	$812,073,210	

c. *Fair value estimation*

The carrying value less impairment provision of trade receivables, cash and cash equivalents and payables are assumed to approximate their fair values.

There were no investments measured at fair value at year end.

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) *Fair value measurement of investment properties*

The fair value of investment properties is determined by using valuation techniques which includes certain key judgements and assumptions such as the future rental cash inflow and capitalisation rates. See Note 6.

(ii) *Impairment assessment of non-financial assets of the Company*

Estimates are required in determining the recoverable amount of assets to assess whether an impairment exists. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An asset is impaired when its carrying amount exceeds its recoverable amount. IAS 36 'Impairment of non-financial assets' describes some indicators that an impairment loss may have occurred. If any of those indicators are present, the Company will make a formal estimate of recoverable amount. At the statement of financial position date, the market capitalisation of the Company was significantly less than the net assets of the Company. As such, management determined that an impairment assessment was required to determine if the net assets of the Company were impaired. See Note 28.

b. *Critical judgments in applying the entity's accounting policies*

(i) *Deferred tax on investment properties*

The Company has not rebutted the presumption contained within IAS 12 'Income Taxes' that the carrying amount of the investment properties will be recovered through sale.

The Company's business model is based on possible sale, although it currently has no specific plans to sell the investment properties and there is no business model to substantially consume all the economic benefits of the investment property over time. Accordingly, the deferred income tax implications have been calculated based on the tax consequences of sale.

(ii) *Property tax*

The Property Tax Act 2009 gives rise to a present legal obligation; however an estimate of the likely outflow is unable to be reliably measured. As such, the property tax obligation is recognised as a contingent liability in accordance with IAS 37 'Provisions, contingent liabilities and contingent assets'. See Note 27.

5 **Operating segment**

The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Company has determined that its chief operating decision-maker is the chief executive officer (CEO) of the Company, Mr. Anthony Rahael.

Management has determined there is one operating segment – Investment Property based on the reports reviewed by the CEO in making strategic decisions.

The operating segment derives its revenue primarily from rental income from lessees. The Company's main business activities is reported within the above segment. There is also a corporate office function which carries out support functions in the areas of accounting, information technology and human resources and is not considered an operating segment as its activities and expenses incurred are only incidental to the core business. Although not an operating segment, results for the corporate activities are also presented to show how the segmental information presented below reconciles to the statement of comprehensive income.

The segment information provided to the CEO for the operating segment for the year ended 30 April 2021 is as follows:

	Investment properties $	Corporate office $	Total $
Total segment revenue:			
Revenue and other income from external customers	85,053,130	76,730	85,129,860
Operating profit/(loss)	25,503,202	(1,583,793)	23,919,409
Included in operating profit:			
Depreciation	208,039	3,516	211,555
Fair value adjustment on investment properties	(26,400,000)	--	(26,400,000)
Not included in operating profit			
Interest expense	15,950,313	575,295	16,525,608
Income tax expense	3,035,182	--	3,035,182

The segment information provided to the CEO for the operating segment for the year ended 30 April 2020 is as follows:

	Investment properties $	Corporate office $	Total $
Total segment revenue:			
Revenue and other income from external customers	88,572,246	127,109	88,699,355
Operating profit/(loss)	37,083,389	(2,819,800)	34,263,589
Included in operating profit:			
Depreciation	66,266	442,659	508,925
Fair value adjustment on investment properties	(26,200,000)	--	(26,200,000)
Not included in operating profit			
Interest expense	17,170,682	572,104	17,742,786
Income tax expense	10,083,782	--	10,083,782

5 **Operating segment (continued)**

The CEO assesses the performance of the operating segment based on a measure of operating profit. The operating profit and profit or loss of the Company's operating segments reported to the CEO are measured in a manner consistent with that in profit or loss. A reconciliation of operating profit to profit before tax is therefore not presented separately.

The amounts provided to the CEO in respect of total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset. As all assets and liabilities have been allocated to the one operating/reportable segment, reconciliation of the reportable segment's assets to total assets, and of the reportable segment's liabilities to total liabilities, are not presented.

The breakdown of revenue from all services is as follows:

Analysis of revenue by category	**2021** **$**	**2020** **$**
Rental income		
- shopping mall	34,052,310	33,948,115
- commercial rental	35,549,072	36,522,855
- light industrial	4,158,000	5,042,000
Total rental income	73,759,382	75,512,970
Service and management charges	11,370,478	13,186,385
Total revenue	85,129,860	88,699,355

Revenues are derived from a large number of tenants and in 2021, there were 2 tenants who contributed more than 10% of the Company's revenue. Revenues from these tenants amounted to $15,998,018 (2020: $17,066,529) and are included within the commercial rental segment.

6 **Investment properties**

Year ended 30 April 2021

	1 May 2020 **$**	**Fair value adjustment** **$**	**30 April 2021** **$**
Shopping mall	390,800,000	(8,900,000)	381,900,000
Commercial rental	404,500,000	(15,800,000)	388,700,000
Light industrial property	42,300,000	(1,700,000)	40,600,000
Total carrying value	837,600,000	(26,400,000)	811,200,000

6 **Investment properties (continued)**

Year ended 30 April 2020

	1 May 2019 $	Fair value adjustment $	30 April 2020 $
Shopping mall	418,600,000	(27,800,000)	390,800,000
Commercial rental	402,800,000	1,700,000	404,500,000
Light industrial property	42,400,000	(100,000)	42,300,000
Total carrying value	863,800,000	(26,200,000)	837,600,000

All investment properties in the current and prior year are classified as Level 3 in the fair value hierarchy as per IFRS 13 Fair Value Measurement as the inputs for the valuations are not based on observable market data.

There were no investment properties measured at cost.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers in fair value hierarchy levels in the current year.

At 30 April 2021, the Company had no unprovided contractual obligations for future repairs and maintenance (2020: Nil).

Bank borrowings are secured on investment properties valued at $811,200,000 (2020: $837,600,000), see Note 15.

Direct operating expenses recognised in the statement of comprehensive income of $30,629,388 (2020: $22,638,524) relate to investment properties that were let throughout the year (Note 17).

6 **Investment properties (continued)**

Sensitivity analysis of investment properties for 2021

Future rental cash inflow

The properties were sensitised using future cash flows in respect of rent and vacancy assumptions.

Segment	Current valuation $	5% Rent reduction impact $	5% Increased vacancy impact $
Shopping mall	381,900,000	359,000,000	362,700,000
Commercial rental	388,700,000	368,900,000	379,800,000
Light industrial property	40,600,000	38,000,000	38,000,000
	811,200,000	765,900,000	780,500,000

6 **Investment properties (continued)**

Sensitivity analysis of investment properties for 2021 (continued)

Capitalisation rates

Property	Cap rate %	Current valuation $	Impact $	Cap rate (.5% higher) %	Impact $	Cap rate (.5% lower) %
Lot 17 D to H Garden Road	9.25	70,600,000	67,000,000	9.75	74,700,000	8.75
Briar Place, Sweet Briar Road, St Clair	8.00	170,200,000	160,300,000	8.50	181,600,000	7.50
Lot 1# Price Plaza Mall	8.50	185,700,000	174,300,000	9.00	197,600,000	8.00
Price Plaza North Car Park Area	8.00	72,200,000	67,900,000	8.50	77,000,000	7.50
Price Plaza South	8.00	124,000,000	116,700,00	8.50	132,900,000	7.50
Lot H Price Plaza - Superpharm Chaguanas	8.00	29,200,000	27,500,000	8.50	31,200,000	7.50
#2 Kairi Road, Valsayn - Superpharm Valsayn	8.25	17,900,000	16,900,000	8.75	19,100,000	7.75
Lot #2 South Trunk, - Superpharm Gulf View	8.25	74,200,000	69,900,000	8.75	78,900,000	7.75
Lot L1A Columbus Boulevard Westmoorings - Superpharm	8.25	26,600,000	25,100,000	8.75	28,300,000	7.75
Tumpuna Park Limited	8.50	40,600,000	38,300,000	9.00	43,100,000	8.00
		811,200,000	763,900,000		864,400,000	

6 **Investment properties (continued)**

Sensitivity analysis of investment properties for 2020

Future rental cash inflow

The properties were sensitised using future cash flows in respect of rent and vacancy assumptions.

Segment	Current valuation $	5% Rent reduction impact $	5% Increased vacancy impact $
Shopping mall	390,800,000	370,300,000	374,000,000
Commercial rental	404,500,000	383,700,000	395,800,000
Light industrial property	42,300,000	39,800,000	42,300,000
	837,600,000	793,800,000	812,100,000

6 **Investment properties (continued)**

Sensitivity analysis of investment properties for 2020 (continued)

Capitalisation rates

Property	Cap rate %	Current valuation $	Impact $	Cap rate (.5% higher) %	Impact $	Cap rate (.5% lower) %
Lot 17 D to H Garden Road	9.25	92,400,000	87,600,000	9.75	97,600,000	8.75
Briar Place, Sweet Briar Road, St Clair	8.00	164,200,000	154,600,000	8.50	175,200,000	7.50
Lot 1# Price Plaza Mall	8.00	200,500,000	188,700,000	8.50	213,800,000	7.50
Price Plaza North Car Park Area	8.00	72,200,000	67,900,000	8.50	77,000,000	7.50
Price Plaza South	8.50	118,100,000	111,600,000	9.00	125,500,000	8.00
Lot H Price Plaza - Superpharm Chaguanas	8.00	29,200,000	27,500,000	8.50	31,200,000	7.50
#2 Kairi Road, Valsayn - Superpharm Valsayn	8.25	17,900,000	16,900,000	8.75	19,100,000	7.75
Lot #2 South Trunk, - Superpharm Gulf View	8.25	74,200,000	69,900,000	8.75	78,900,000	7.75
Lot L1A Columbus Boulevard Westmoorings - Superpharm	8.25	26,600,000	25,100,000	8.75	28,300,000	7.75
Tumpuna Park Limited	8.50	42,300,000	39,900,000	9.00	44,900,000	8.00
		837,600,000	789,700,000		891,500,000	

6 **Investment properties (continued)**

Valuation processes of the Company

Three of the Company's investment properties were valued at 30 April 2021 using the Income Approach by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment property valued. These properties are: Lot 17 D to H Garden Road; Lot #1 Price Plaza Mall and Price Plaza South.

The Company's management performed the valuation of the remaining investment properties in the current year and prior year using the Income Approach Valuation method. The management team comprises of individuals with over 120 years of combined experience in property conceptualisation development, construction and management of a diverse portfolio of premier properties in Trinidad and Tobago. This method is used to estimate the value of properties which are regarded as investments and moreover, where the basis of arriving at the market price is directly related to the income which the property is producing or capable of producing.

Annual Rental Value is determined either from the actual rent income or calculated through the use of comparable rates and relevant expenses, outgoings and estimated vacancies are deducted from the rental income to arrive at a net income position. This figure is then capitalised using rates of return or yields from analysis of similar type transactions or against benchmarked interest parameters in addition to considering current market conditions and outlook.

Investment type properties are more heterogeneous than others and accordingly it is usually difficult to obtain useful comparable information, except for rental values. For all properties, their current use equates to the highest and best use.

At each financial year end, Management:
- verifies all major inputs to calculate outgoings;
- assesses property income potential via rent rolls; and
- identifies appropriate capitalisation rates to apply to the cash flows.

As part of the assessment, the finance department reviews the key assumptions used in determining the fair value and the reasons for these movements.

a. *Future rental cash inflow*

Based on the location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties. Management also made adjustments to the future rental cash inflow based on our knowledge of tenants experiencing difficulty where discounts have been granted in the past.

b. *Maintenance costs*

Including necessary investments to maintain functionality of the property for its expected useful life.

c. *Capitalisation rates*

Based on actual location, size, quality and age of the properties and maintenance programs and taking into account comparable property market data at the valuation date.

d. *COVID-19 Pandemic*

Management has carried out an extensive review and considered the impact of COVID-19 in the assumptions used to derive the fair value of Investment Properties. With the continued uncertainty and challenges presented by COVID-19, management will continue to monitor further developments and determine what further impact these will have on the portfolio.

7 **Property, plant and equipment**

	Furniture, fixtures and equipment $	Leasehold improvements $	Total $
At 30 April 2019			
Cost	863,518	5,154,921	6,018,439
Accumulated depreciation	(645,825)	(4,716,658)	(5,362,483)
Net book amount	217,693	438,263	655,956
Year ended 30 April 2020			
Opening net book amount	217,693	438,263	655,956
Additions	654,140	--	654,140
Depreciation charge	(70,662)	(438,263)	(508,925)
Closing net book amount	801,171	--	801,171
At 30 April 2020			
Cost	1,517,658	5,154,921	6,672,579
Accumulated depreciation	(716,487)	(5,154,921)	(5,871,408)
Net book amount	801,171	--	801,171
Year ended 30 April 2021			
Opening net book amount	801,171	--	801,171
Additions	291,370	--	291,370
Disposals	(7,776)	--	(7,776)
Depreciation charge	(211,555)	--	(211,555)
Closing net book amount	873,210	--	873,210
At 30 April 2021			
Cost	1,471,918	5,154,921	6,626,839
Accumulated depreciation	(598,708)	(5,154,921)	(5,753,629)
Net book amount	873,210	--	873,210

8 **Trade and other receivables**

	2021 $	2020 $
Gross rent and CAM receivable	21,149,814	23,612,726
Less provision for impairment – specific	(5,716,107)	(6,705,115)
Less provision for impairment – expected credit loss	(3,083,633)	--
Rent and CAM receivable, net of provision for impairment	12,350,074	16,907,611
Insurance prepaid	600,288	543,386
	12,950,362	17,450,997

The estimated fair values of receivables are the discounted amount of the estimated future cash flows expected to be received and approximate their carrying amounts. Expected cash flows are discounted at current market rates to determine fair values. Details about the Company's impairment policies and calculation of the loss allowance are provided in Note 3a(ii).

Property tax receivable included in Gross rent and CAM receivables in 2020 ($6,511,695) has been reversed. See Note 4b, Note 16 and Note 27.

The Company is faced with increased concentration risk in the current year with respect to trade receivables, as there are a number of tenants within the Shopping Mall segment that have been negatively impacted by COVID-19. A provision is recognised for amounts not expected to be recovered.

Movements in the accumulated impairment losses on trade receivables were as follows:

Accumulated impairment losses at 1 May	6,705,115	3,856,578
Additional impairment losses recognised during the year	2,094,625	2,848,527
Accumulated impairment losses at 30 April	8,799,740	6,705,115

The carrying value of trade and other receivables approximates the fair value. The Company does not hold any collateral as security. Trade receivables denominated in USD amount to $1,438,244 (2020: $729,993).

The other classes within trade and other receivables do not contain impaired assets.

9 **Related party transactions**

a. *Identity of related parties*

The ownership of the Company is as follows:

Company	**2021**	**2020**
Endeavour ABRA Holdings Limited	97.31%	97.31%
Public Shareholders	2.69%	2.69%

b. *Related party transactions and balances*

The following transactions were carried out with related parties:

The balances below are interest free and there are no fixed repayment terms.

	1 May 2020 $	**Purchases $**	**Payments $**	**30 April 2021 $**
Due to related parties				
Amalgamated Security Services Limited	433,178	1,169,339	(1,449,179)	153,338
Amera Caribbean Development Limited	285,946	3,499,446	(3,566,378)	219,014
Albertwood Limited	46,195	556,667	(600,026)	2,836
Wazifa Services Limited	74,760	827,092	(837,069)	64,783
	840,079	6,052,544	(6,452,652)	439,971

	1 May 2019 $	**Purchases $**	**Payments $**	**30 April 2020 $**
Due to related parties				
Amalgamated Security Services Limited	323,819	1,736,984	(1,627,625)	433,178
Amera Caribbean Development Limited	293,006	3,723,330	(3,730,390)	285,946
Albertwood Limited	1,651	545,172	(500,628)	46,195
Wazifa Services Limited	75,792	883,280	(884,312)	74,760
Endeavour ABRA Holdings Limited	--	3,840,384	(3,840,384)	--
	694,268	6,888,766	(10,583,339)	840,079

9 **Related party transactions (continued)**

b. *Related party transactions and balances (continued)*

The balance payable to Amalgamated Security Services Limited represents security services provided to Endeavour Holdings Limited during the period.

Amera Caribbean Development Limited represents property management services as well as asset management services provided.

Endeavour Holdings Limited also has a rental agreement with Albertwood Limited for rental of premises of $467,468 (2020: $467,823) (Note 17).

	1 May 2019 $	Purchases/ advances/transfers $	Payments $	30 April 2020 $
Due from related parties				
Intercompany	9,685	9,060	(18,745)	--
	9,685	9,060	(18,745)	--

c. *Transactions with key management personnel*

Personnel services for the Company are outsourced to Amera Caribbean Development Limited, who retains staff. The management fees paid amounted to $2,458,096 (2020: $2,695,735).

	2021 $	2020 $
Key management compensation		
Directors' fees	286,000	288,000

There were no guarantees or collateral given to or received from any related party.

10 **Cash and cash equivalents**

	2021 $	2020 $
Cash and cash equivalents	40,697,560	31,530,019

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

Cash and cash equivalents, excluding bank overdraft	40,697,560	31,530,019

11 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Assets as per statement of financial position

	2021 $	2020 $
Loans and receivables		
Trade and other receivables, excluding prepayments	12,350,074	16,907,611
Cash and cash equivalents	40,697,560	31,530,019
Total	53,047,634	48,437,630

Liabilities as per statement of financial position

Other financial liabilities measured at amortised cost		
Borrowings	256,500,955	270,265,511
Trade and other payables, excluding non-financial liabilities	6,874,324	15,047,411
Due to related parties	439,971	840,079
Total	263,815,250	286,153,001

Prepayments and non-financial liabilities are excluded from the receivables and payables figures above, as this analysis is only required for financial instruments.

12 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables		
Counterparties without external credit rating:		
Existing customers (more than 6 months) with some defaults in the past	6,301,877	10,632,179
Cash at bank and short-term bank deposits		
Local banks/cash in hand:		
Cash in bank	40,692,560	31,525,019
Cash in hand	5,000	5,000
	40,697,560	31,530,019

Cash at bank is held with reputable local financial institutions.

13 **Share capital**

	2021 $	2020 $
Issued and fully paid		
32,887,619 (2020: 32,003,200) ordinary shares of no par value	43,058,438	32,003,200
Issued 884,419 ordinary shares of no par value	--	11,055,238
	43,058,438	43,058,438

The Company had an Initial Public Offering (IPO) that closed on 15 November 2019 and became listed on the Small and Medium Enterprises (SME) stock market of the Trinidad and Tobago Stock Exchange (TTSE) on 12 December 2019.

884,419 new ordinary shares were issued at the offer price of $12.50 to the subscribers of the IPO.

The total authorised number of no par value shares is unlimited. All issued shares are fully paid.

14 **Deferred income tax liability**

Deferred income taxes are calculated in full on temporary differences under the liability method. Deferred income tax is computed using a rate of 30% (2020: 30%).

The movement in the deferred income tax account is as follows:

Deferred tax liability – investment properties	2021 $	2020 $
Beginning of the year	50,100,637	47,578,759
Charge for the year (Note 22)	2,269,690	2,521,878
End of year	52,370,327	50,100,637

15 **Borrowings**

2021			2020		
Current $	Non-current $	Total $	Current $	Non-current $	Total $
28,461,538	228,039,417	256,500,955	28,461,538	241,803,973	270,265,511

The borrowings include amounts secured on investment properties to the market value of $811,200,000 (2020: $837,600,000) (Note 6). The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

This bond was granted by First Citizens Trustee Services Limited on 30 September 2015. It is repayable in three tranches.

15 **Borrowings (continued)**

The security held over this facility is a first demand debenture over the fixed and floating assets of the company: the properties located at Price Plaza Chaguanas Lot#1 Price Plaza, Superpharm, Lot H Price Plaza, Chaguanas, Superpharm, #2 Kariri Road Valsayn, Superpharm Lot1 A Columbus Boulevard Westmoorings, Superpharm-Gulf View, Briar Place, #10 Sweet Briar Road St Clair, Ministry of National Security, Lot 17D to H Garden Road, Aranguez and Tumpuna Park LP# 155 Tumpuna Road Guanapo. It is stamped to cover $400 million, as well as the assignment of all risk insurance.

Tranche A is over seven (7) years with a rate of interest fixed at 5.50% per annum and a total value of $240 million. Tranche A - Equal semi-annual payments of principal payable in arrears commencing six months after issue date with a 50% balloon payment due at maturity. The maturity date of this facility is 30th March 2023. The effective interest rate is 2.87%.

Tranche B is over fifteen (15) years with a rate of interest fixed at 6.25% per annum and a total value of $120 million. Tranche B - Equal semi-annual payments of principal payable in arrears commencing six months after issue date. The maturity date of this facility is 30th March 2031. The effective interest rate is 3.48%.

Tranche C is over twenty (20) years with a rate of interest fixed at 6.90% per annum and a total value of $40 million. Tranche C - Equal semi-annual payments of principal payable in arrears commencing six months after issue date. The maturity date of this facility is 30th March 2036. The effective interest rate is 3.53%.

The principal sum due on each Tranche of the Bonds on 30 September 2020 were deferred by six months and all subsequent payments of principal have been deferred by six months.

16 **Trade and other payables**

	2021 $	2020 $
Tenant deposits	4,202,497	3,541,101
Accruals	1,641,456	10,145,391
Accounts payable	1,030,371	1,360,919
Value – added tax	133,767	375,192
	7,008,091	15,422,603

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Property tax which was included in Accruals in 2020 ($8,067,355) has been reversed and treated as a contingent liability. See Note 4b and Note 27.

17 **Rental expenses**

	2021 $	2020 $
Discounts	12,625,512	--
Electricity	4,606,581	5,720,587
Repairs and maintenance	3,707,581	3,560,669
Security	3,421,450	4,451,744
Management fees	3,162,580	3,400,219
Janitorial and landscaping	1,611,847	2,072,238
Insurance	1,511,458	1,451,404
Rental - premises	467,648	469,323
Maintenance reserve expense	337,440	333,564
Advertising and promotion	219,741	372,530
Depreciation	211,555	70,662
Commissions	99,507	322,447
Telephone, cable and internet	45,943	50,371
General expenses	22,042	48,977
Loss on disposal of asset	7,776	--
Rates and taxes	(1,429,273)	316,789
	30,629,388	22,638,524

The Company has granted discounts to tenants due to COVID-19 restrictions on business operations. These discounts are included in rental expenses in 2021. Discounts granted on 2020 totaling $1,654,733 were netted off against rental income.

18 **Revenue from contracts with customers**

Rental income	70,636,482	72,309,933
Common area maintenance (CAM)	9,820,900	10,892,660
Electricity income	4,247,741	5,215,102
	84,705,123	88,417,695

Other income

Other income	77,763	134,303
Water income	14,970	13,349
Bank interest	792	2,805
Reimbursable income	331,212	131,203
	424,737	281,660

18 **Revenue from contracts with customers (continued)**

The period of leases whereby the Company leases out its investment properties under operating leases is three years or more.

Contingent rents in 2021 and 2020 recognised as income were nil. The Company's revenue is primarily generated from property assets, which are held in Trinidad and Tobago. The breakdown of the major components of revenue from external customers by rental type is disclosed in Note 5, Segment information.

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 15% of the Company's revenues.

Revenue recognised in relation to services to tenants and third-party property management charges is recognised over time.

Assets and liabilities related to contracts with customers

There were no Contract assets and liabilities relating to service contracts with customers during the year.

Significant changes in contract assets and liabilities

There were no significant changes in contract assets and liabilities.

Revenue recognised in relation to contract liabilities

There was no revenue recognised in the current reporting period that relates to performance obligations satisfied in a prior year in respect of both financial years.

Unsatisfied contracts

There were no unsatisfied performance obligations resulting from fixed price service and property management contracts.

Assets recognised from costs to obtain a contract

The Company has not incurred costs to obtain specific contracts that did not meet the practical expedient available under IFRS 15 for the 2021 and 2020 financial years.

19 **Administrative expenses**

	2021 $	2020 $
Legal and professional	779,258	923,198
Management fees	728,485	784,186
Audit fees	345,920	403,711
	1,853,663	2,111,095

20 **Operating expenses**

	2021 $	2020 $
Depreciation	--	438,263
Bad debts	2,072,544	2,477,424
Advertising and public relations	143,541	480,442
Printing, postage and stationery	58,597	53,685
Telephone	30,556	30,331
Rental - cable and internet	21,773	5,212
General expenses	270	--
Travel	120	190
Transport	--	600
	2,327,400	3,486,147

21 **Finance costs**

Interest on borrowings	16,416,239	17,628,103
Finance charges	100,000	100,541
Bank charges and interest	9,369	14,142
	16,525,608	17,742,786

22 **Income tax expense**

Current taxation		
Corporation tax	--	7,296,059
Green fund levy	255,164	265,845
Business levy	510,328	--
Total current tax	765,492	7,561,904
Deferred tax (Note 14)		
Charge for the year	2,269,690	2,521,878
Tax charge in statement of comprehensive income	3,035,182	10,083,782

22 **Income tax expense (continued)**

The tax on profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profits as follows:

	2021 $	2020 $
Profit before tax	7,393,801	16,520,803
Tax calculated at statutory rate of 0% (2020:30%)	--	4,956,241
Loss effect at reduced rate	--	2,954,345
	--	7,910,586
Tax effects of:		
- Income not subject to tax	--	(1,313,718)
- fair value adjustment	--	2,620,000
- Other permanent differences	--	(1,920,810)
Deferred tax	2,269,690	2,521,879
Business levy	510,328	--
Green fund levy	255,164	265,845
Tax charge in statement of comprehensive income	3,035,182	10,083,782

The Company is listed on the Small and Medium Enterprises (SME) market on the Trinidad & Tobago Stock Exchange (TTSE). Under the Finance Act, 2020 effective January 1, 2021 the Corporation Tax rate for a listed SME was changed from ten 10% to 0% for first 5 years from listing, 15% for the succeeding 5 years and the standard rate of tax of 30% thereafter.

Deferred tax liability is calculated at the corporation tax rate of 30% (2020: 30%).

23 **Impact of Covid-19 pandemic**

On 30 April 2021 the country returned to lockdown restrictions and closure of non-essential business, and limited opening hours for certain essential businesses. This was also followed by a State of Emergency declaration and the imposition of curfew hours.

The country also embarked on its vaccination program but is experiencing problems with sourcing and delivery of the vaccines due to the worldwide shortage and thus the projected timeline for achieving herd immunity is uncertain.

Variants are also emerging worldwide this is also providing a level of uncertainty concerning vaccine effectiveness against these variants.

23 Impact of Covid-19 pandemic (continued)

This situation is constantly changing and the impact on the business may arise that we are currently not aware of.

The disruption is currently expected to be temporary but there is uncertainty around the duration as it is dependent on a reduction in cases, deaths, and achieving a high level of vaccinated population.

As such the ultimate impact of the pandemic on the Company's future results of operations, financial position, liquidity, or capital resources cannot be reasonably estimated at this time.

24 Dividends

No dividends were declared for the year (2020: $3,946,514 ($0.12 per share)).

There were no dividends payable in respect of financial years ended 30 April 2020 and 30 April 2021.

25 Maintenance reserve fund

The maintenance reserve fund was recognised directly into equity. The purpose of this reserve is for the replacement of fixed assets at Briar Place.

26 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted number of ordinary shares in issue during the year.

	2021 $	2020 $
Profit attributable to shareholders	4,358,619	6,437,021
Number of common shares in issue during the year	32,887,619	32,887,619
Basic earnings per share including fair value adjustment on investment properties	$0.13	$0.20
Basic earnings per share excluding fair value adjustment on investment properties	$0.94	$0.99

The Company has no dilutive potential ordinary shares. The diluted earnings per share are the same as the basic earnings per share.

27 Commitments and contingencies

There were no capital commitments for financial year ends 2020 and 2021.

The Company has a legal obligation for the payment of property taxes based on the Property Tax Act which was assented to on 31 December 2009 and the subsequent amendments and waivers. The Act provides for the Government to commence the collection of property tax after the Valuation Division of the Ministry of Finance has completed 50% of the assessment of properties in Trinidad and Tobago. The Company's properties have not been assessed by the Valuation Division to enable a quantification of the likely impact of this liability. As such, no provision has been recorded in these financial statements.

28 Impairment assessment of non- financial assets of the Company

At the statement of financial position date, the market capitalisation of the Company was significantly less than the net assets of the Company. Given this indicator of impairment, management performed an impairment assessment to determine if the net assets of the Company were impaired. The most significant asset group included on the statement of financial position is investment properties of $811,200,000 (2020: $837,600,000) which are carried at fair value, see Note 6.