

Chairman’s Report

Dear Shareholders,
I am pleased to present our report on the Group’s financial performance for the nine months ending 31 January 2024. This report aims to provide you with an overview of our company’s recent results and financial position.

Financial Performance:

The profit after tax for the nine months ended 31st January 2024 is \$29.4M, an increase of \$14M when compared to the profit after tax of \$28.0M in January 2023 (excluding the gain on the acquisition of the subsidiary in July 2022). The profit, including the gain on acquisition, amounted to \$71.7M in January 2023.

Revenue and Expenses:

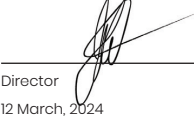
Revenue from contracts with customers recorded an increase of \$31M, increasing from \$63.6M in January 2023 to \$86.7M in January 2024. This increase can be attributed to the inclusion of nine months’ revenue from the subsidiary, as opposed to seven months in 2023, coupled with increased rental income from the new cinema at Price Plaza North from May 2023.

Rental expenses increased by \$21M from \$17.4M in January 2023 to \$19.5M in January 2024.

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

	Notes	UNAUDITED As At 31 January 2024	UNAUDITED As At 31 January 2023	AUDITED As At 30 April 2023
		\$	\$	\$
ASSETS				
Non-Current Assets				
Investment Properties		908,359,598	917,598,022	907,750,000
Property, plant and equipment		2,246,686	2,615,423	2,502,987
		<u>910,606,284</u>	<u>920,213,445</u>	<u>910,252,987</u>
CURRENT ASSETS				
Trade and other receivables		11,924,606	11,915,551	12,941,844
Loan to related parties		–	1,450,611	–
Taxation recoverable		562,833	780,444	748,066
Cash and cash equivalents		29,454,131	34,181,391	34,447,172
		<u>41,941,570</u>	<u>48,327,997</u>	<u>48,137,082</u>
		<u>952,547,854</u>	<u>968,541,442</u>	<u>958,390,069</u>
Total Assets				
EQUITY AND LIABILITIES				
<i>Equity attributable to equity holders of the company</i>				
Share capital		43,058,438	43,058,438	43,058,438
Maintenance reserve fund		3,053,642	5,349,964	5,443,112
Retained earnings		590,554,274	590,167,580	587,416,728
Total Equity		<u>636,666,354</u>	<u>638,575,982</u>	<u>635,918,278</u>
<i>Non-Current Liabilities</i>				
Deferred income tax liability		59,627,176	57,926,611	58,386,222
Borrowings		<u>197,326,440</u>	<u>75,194,475</u>	<u>230,595,442</u>
		<u>256,953,616</u>	<u>133,121,086</u>	<u>288,981,664</u>
<i>Current Liabilities</i>				
Loan from related party	3	–	45,000,000	–
Due to related parties		1,423,212	1,076,132	218,393
Borrowings		45,481,705	139,230,769	24,363,549
Trade and other payables		<u>12,022,967</u>	<u>11,537,473</u>	<u>8,908,185</u>
		<u>58,927,884</u>	<u>196,844,374</u>	<u>33,490,127</u>
		<u>952,547,854</u>	<u>968,541,442</u>	<u>958,390,069</u>
Total Equity and Liabilities				

* The subsidiary, Endeavour POS Properties Limited, formerly Massy Properties (Trinidad) Limited has been consolidated in these financial statements.


Director
12 March, 2024


Director

The increase was primarily due to the inclusion of nine months’ expenses for the subsidiary, compared to seven months in 2023. This was partially offset by to the continued reduction of rental discounts, which decreased from \$11M in 2023 to \$0.4M in 2024.

Administrative fees experienced a decrease of \$13M, dropping from \$48M in January 2023 to \$35M in January 2024. This reduction is primarily attributed to a decrease in legal and professional fees.

Operating expenses also saw a marginal increase of \$0.7M, moving from \$0.6M in January 2023 to \$1.3M in 2024, mainly due to a reduction in bad debts recoveries.

Taxation:

Our parent company currently benefits from a 0% Corporation Tax rate, Business Levy, and Green Fund Levy, due to amendments under the Finance Act 2020 granted to listed SMEs. Our subsidiary company operates at a 30% tax rate.

Financial Position:

Our Investment Properties decreased by \$9.2M as of January 2024 due to a fair value write-down of \$10.6M at year-end, net of building improvements at Price Plaza, moving from \$97.6M in January 2023 to \$90.4M in January 2024.

Trade and Other Receivables remained consistent at \$11.9M. Trade and Other Payables increased by \$0.5M from \$11.5M in January 2023 to \$12.0M in January 2024.

The non-current portion of borrowings increased by \$122.1M resulting from new loans of \$125M by the Company and \$40M by the subsidiary.

The current portion of borrowings decreased by \$122.1M due to the repayment of the \$125M portion of the bond in March 2023.

The related party loan of \$45M was paid off in February 2023.

Dividends:

A Final dividend of 40 cents per common share, for the financial year ended 30 April 2023 was paid in July 2023. Interim dividends for the financial year ending 30 April 2024 of 40 cents per common share was paid on 13 December 2023.

Amalgamation:

On 31 January 2024, the Company, and its wholly owned subsidiary, Endeavour POS Properties Limited were amalgamated. Operations will now be conducted under EHL as the surviving entity.

In conclusion, your Board is confident that a degree of stability has returned with occupancy levels almost to Pre-pandemic levels. We are actively pursuing opportunities at home and within the CARICOM region that will redound to the benefit of shareholders in the medium to long term.


John Aboud
Chairman
12 March 2024

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

	UNAUDITED Nine Months Ended 31 January 2024	UNAUDITED Nine Months Ended 31 January 2023	AUDITED Year Ended 30 April 2023
	\$	\$	\$
Cash flows from operating activities			
Profit before income tax	31,760,119	72,808,124	70,579,590
Adjustments for:			
Fair value adjustment on investment properties	–	–	10,602,154
Finance costs	10,970,973	11,914,375	16,756,288
Gain on acquisition of subsidiary	–	(43,724,135)	(43,724,135)
Depreciation	386,411	442,743	606,894
Operating profit before working capital changes	<u>43,117,503</u>	<u>41,441,107</u>	<u>54,820,791</u>
Decrease in inventories	–	44,622	
(Increase)/decrease in trade and other receivables	1,017,238	2,601,069	(910,976)
Decrease/(increase) in trade and other payables	502,234	928,837	3,568,559
(Increase) in loan to related party	–	(1,450,611)	–
(Decrease) in due from related party	–	(30,375)	–
Increase/(decrease) in due to related party	<u>1,204,820</u>	<u>903,573</u>	<u>(9,149)</u>
Net cash generated from operations	45,841,795	44,438,222	57,469,225
Interest paid	(7,874,183)	(8,909,996)	(16,218,640)
Tax paid	(886,292)	260,132	(79,073)
Net cash inflow from operating activities	<u>37,081,320</u>	<u>35,788,358</u>	<u>41,171,512</u>
Cashflow from investing activities			
Purchase of property, plant and equipment	(130,110)	(6,140)	(57,853)
Acquisition of subsidiary, net of cash acquired	–	(45,463,718)	(44,388,975)
Additions to investment property	(609,598)	(4,198,022)	(4,952,154)
Cash used in investing activities	<u>(739,708)</u>	<u>(49,667,880)</u>	<u>(49,398,982)</u>
Cashflow from financing activities			
Repayment of borrowings	(12,635,087)	(14,230,770)	210,500,000
Long term loans received	–	45,000,000	(184,231,055)
Transfer (from)/to maintenance reserve fund	(2,389,470)	282,501	375,649
Dividend paid	(26,310,096)	(13,250,657)	(13,155,048)
Cash (used)/provided by financing activities	<u>(41,334,653)</u>	<u>17,801,074</u>	<u>13,489,546</u>
(Decrease)/Increase in cash and cash equivalents	(4,993,041)	3,921,552	5,262,076
Cash and cash equivalents at beginning of the period	34,447,172	30,259,839	29,185,096
Cash and cash equivalents at end of the period	<u>29,454,131</u>	<u>34,181,391</u>	<u>34,447,172</u>

* The subsidiary, Endeavour POS Properties Limited, formerly Massy Properties (Trinidad) Limited has been consolidated in these financial statements.

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

	UNAUDITED Nine Months Ended 31 January 2024	UNAUDITED Nine Months Ended 31 January 2023	AUDITED Year Ended 30 April 2023
	\$	\$	\$
Revenue from contracts with customers	66,730,105	63,566,311	84,626,730
Rental Expenses	(19,516,960)	(17,423,323)	(25,218,483)
Net Rental Income	<u>47,213,145</u>	<u>46,142,988</u>	<u>59,408,247</u>
Other income			
Fair value adjustment on investment properties	–	–	(10,602,154)
Other income	314,421	280,485	392,023
	<u>314,421</u>	<u>280,485</u>	<u>(10,210,131)</u>
Expenses			
Administrative	(3,536,434)	(4,780,845)	(6,017,758)
Operating	(1,260,040)	(644,264)	431,385
	<u>(4,796,474)</u>	<u>(5,425,109)</u>	<u>(5,586,373)</u>
Operating Profit	42,731,092	40,998,364	43,611,743
Gain on acquisition of subsidiary	–	43,724,135	43,724,135
Finance costs	(10,970,973)	(11,914,375)	(16,756,288)
Profit before income tax	<u>31,760,119</u>	<u>72,808,124</u>	<u>70,579,590</u>
Taxation			
Current	(1,071,524)	260,132	197,426
Deferred taxation	(1,240,953)	(1,378,837)	(1,838,449)
	<u>(2,312,477)</u>	<u>(1,118,705)</u>	<u>(1,641,023)</u>
Profit for the period	29,447,642	71,689,419	68,938,567
Other comprehensive income	–	–	–
Total comprehensive income for the period	<u>29,447,642</u>	<u>71,689,419</u>	<u>68,938,567</u>
Earnings per share			
Basic earnings per share including fair value adjustment on investment properties and gain on acquisition of subsidiary	<u>\$0.90</u>	<u>\$2.18</u>	<u>\$2.10</u>
Basic earnings per share excluding fair value adjustment on investment properties and gain on acquisition of subsidiary	<u>\$0.90</u>	<u>\$0.85</u>	<u>\$1.09</u>

* The subsidiary, Endeavour POS Properties Limited, formerly Massy Properties (Trinidad) Limited has been consolidated in these financial statements.

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

	Share Capital \$	Maintenance Reserves \$	Retained Earnings \$	Total Equity \$
Period ended 31 January 2023				
Balance At 1 May 2022	43,058,438	5,067,463	531,633,209	579,759,110
Total comprehensive income for the period				
Profit for the period	–	–	71,689,419	71,689,419
Transfer to maintenance reserve	–	282,501	–	282,501
Transactions with owners in their capacity as owners				
Dividends for the period	–	–	(13,155,048)	(13,155,048)
Balance At 31 January 2023	<u>43,058,438</u>	<u>5,349,964</u>	<u>590,167,580</u>	<u>638,575,982</u>
Year ended 30 April 2023				
Balance At 1 May 2022	43,058,438	5,067,463	531,633,209	579,759,110
Total comprehensive income for the year				
Profit for the year	–	–	68,938,567	68,938,567
Transfer to maintenance reserve	–	375,649	–	375,649
Transactions with owners in their capacity as owners				
Dividends for the period	–	–	(13,155,048)	(13,155,048)
Balance At 30 April 2023	<u>43,058,438</u>	<u>5,443,112</u>	<u>587,416,728</u>	<u>635,918,278</u>
Period ended 31 January 2024				
Balance At 1 May 2023	43,058,438	5,443,112	587,416,728	635,918,278
Total comprehensive income for the period				
Profit for the period	–	–	29,447,642	29,447,642
Transfer from maintenance reserve	–	(2,389,470)	–	(2,389,470)
Transactions with owners in their capacity as owners				
Dividends for the period	–	–	(26,310,096)	(26,310,096)
Balance At 31 January 2024	<u>43,058,438</u>	<u>3,053,642</u>	<u>590,554,274</u>	<u>636,666,354</u>

Endeavour Holdings Limited

Notes to the summary financial statements for the nine months ended
31 January 2024

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

1) Basis of Accounting

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

2) Significant Accounting Policies

The principal accounting policies used in the preparation of these summary financial statements are consistent with those used in the preparation and disclosed in the audited financial statements for the year ended 30 April 2023.

3) Loan from Related Party

This was a temporary loan in the sum of \$45 million was granted by a related party to facilitate the purchase of the subsidiary (MPTL) and was taken over by a financial institution in February 2023.

4) Amalgamation

On 31 January 2024, EHL and its wholly owned subsidiary, Endeavour POS Properties Limited were amalgamated.

Operations will now be conducted under EHL as the surviving entity.