ENDEAVOUR
HOLDINGS LTD.

Chairman's Report

I am pleased to report on financial performance of Endeavour Holdings Limited (EHL) for the third quarter ended January 31, 2020.

During the period May 1, 2019 to January 31, 2020 of the financial year ending April 2020, the economic environment remain challenging as the country continues to experience slow macroeconomic improvement.

Despite the flat economic climate the Company in November 2019 successfully launched its Initial Public Offering (IPO) and became listed as a Small Medium Entity (SME) on the Trinidad & Tobago Stock Exchange on December 12, 2019.

For the three quarters period May 1, 2019 to January 31, 2020, EHL's profit after tax decreased by $1.0M from $27.4M in 2019 compared to $26.4M in 2020.

This net $1.0M decrease was due to a decrease in EHL's revenue in the sum of $0.9M which was primarily due to adjustments made by EHL to certain existing rental terms and arrangements. Additionally, rental expenses increased by $2.2M due to non-recurrent type maintenance expenses incurred during the period for painting, landscaping, air-conditioning, canopies, car parks, drainage and plumbing/sewer repairs. Administrative expenses increased by $0.7M primarily due to one-off legal fees and advertising for the IPO. On the other hand, operating expenses decreased by $0.6M primarily because of reduction in depreciation for leasehold improvements and finance costs decreased by $1.2M due to the continued reduction on the principal of EHL's existing loan arrangements. Also,current taxation decreased by $0.8M from $7.9M in January 2019 to $7.1M in January 2020. This was due to the Company using the applicable corporation tax rate of 10% post listing date which is available for new companies listed on the TTSE SME market. This rate will be applicable for the ensuing five years and thus the full effect of this reduction will be seen from our next financial year ending April 2021.

EHL adopted IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers as of May 1, 2018 and there continues to be no impact to the results of the company up to the third quarter ended January, 2020.

EHL's total assets base increased by $18.6M from $907M at January 2019 to $926M at January 2020 primarily due to the proceeds from the IPO. Included in the $926M is the property portfolio valued at $864 million. There were no acquisitions, disposals or revaluations of properties during the period. EHL continues to enjoy very high occupancy levels and a stabilized tenant base.

EHL's borrowings decreased by $28 million from $283.0M at January 31, 2019 to $255.0M as at January 31, 2020 as a result of the repayment of principal. EHL expects continued reduction in finance costs and increase in equity as the principal on the existing loan arrangements is paid down.

In December 2019 the Company retained its Cari A + rating on its Bonds portfolio from Caribbean Information & Credit rating Services Limited (CariCRIS).

Share Capital increased by $11M from $32M in January 31, 2019 to $43M as at January 31,2020 as a result of the IPO subscriptions and issue of 884,419 new shares at $12.50.

The Board declared an interim dividend of $0.12 per Ordinary Share to all shareholders of record as of December 23, 2019 which was paid on January 22, 2019.

EHL continues to show stable performance and achieving its targets towards the financial year ending April 30, 2020.

John Aboud
Chairman
March 11, 2020

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

	UNAUDITED As At 31st January 2020 $	UNAUDITED As At 31st January 2019 $	AUDITED As At 30th April 2019 $
Assets			
Non-Current Assets			
Investment Properties	863,800,000	861,000,000	863,800,000
Property, plant and equipment	843,684	1,431,646	655,956
	864,643,684	862,431,646	864,455,956
Current Assets			
Trade and other receivables	18,664,960	19,259,710	19,256,136
Due from related parties	-	-	9,685
Cash and cash equivalents	43,242,251	25,637,526	16,284,227
	61,907,211	44,897,236	35,550,048
Total Assets	926,550,895	907,328,882	900,006,004
Equity and Liabilities			
Equity attributable to equity holders of the company			
Share capital	43,058,438	32,003,200	32,003,200
Maintenance reserve fund	4,218,812	3,836,014	3,935,929
Retained earnings	517,361,470	484,307,741	494,823,316
Total Equity	564,638,720	520,146,955	530,762,445
Non-Current Liabilities			
Deferred income tax liability	49,470,168	46,878,237	47,578,759
Borrowings	255,914,582	283,893,741	269,807,854
	305,384,750	330,771,978	317,386,613
Current Liabilities			
Due to related parties	915,073	-	694,268
Borrowings	28,461,538	28,461,538	28,461,538
Trade and other payables	20,712,253	20,639,303	15,425,057
Taxation payable	6,438,561	7,309,109	6,968,655
Bank overdraft	-	-	307,428
	56,527,425	56,409,950	51,856,946
Total Equity and Liabilities	926,550,895	907,328,882	900,006,004

Director

Director

Date: March 11, 2020

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

	Share Capital $	Maintenance Reserves $	Retained Earnings $	Total Equity $
Period ended 31st January 2019				
Balance At 1st May 2018	32,003,200	3,558,757	466,911,856	502,473,813
Total comprehensive Income for the period				
Profit for the period	-	-	27,445,885	27,445,885
Transfer to maintenance reserve	-	277,257	-	277,257
Transactions with owners in their capacity as owners				
Dividends for the period	-	-	(10,050,000)	(10,050,000)
Other comprehensive income for the period	-	-	-	-
Balance At 31st January 2019	32,003,200	3,836,014	484,307,741	520,146,955
Year ended 30th April 2019				
Balance At 1st May 2018	32,003,200	3,558,757	466,911,856	502,473,813
Total comprehensive Income for the year				
Profit for the year	-	-	37,961,460	37,961,460
Transfer to maintenance reserve	-	377,172	-	377,172
Transactions with owners in their capacity as owners				
Dividends for the period	-	-	(10,050,000)	(10,050,000)
Other comprehensive income for the period	-	-	-	-
Balance At 30th April 2019	32,003,200	3,935,929	494,823,316	530,762,445
Period ended 31st January 2020				
Balance At 1st May 2019	32,003,200	3,935,929	494,823,316	530,762,445
Total comprehensive Income for the period				
Profit for the period	-	-	26,484,668	26,484,668
Transfer to maintenance reserve	-	282,883	-	282,883
Transactions with owners in their capacity as owners				
Issue of shares	11,055,238	-	-	11,055,238
Dividends for the period	-	-	(3,946,514)	(3,946,514)
Other comprehensive income for the period	-	-	-	-
Balance At 31st January 2020	43,058,438	4,218,812	517,361,470	564,638,720

The policies used in the preparation of these summary financial statements for the three quarters ended January 31, 2020 are consistent with those used in the preparation of the audited financial statements for year ended April 30, 2019.

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

	UNAUDITED 9 Months Ended 31st January 2020 $	UNAUDITED 9 Months Ended 31st January 2019 $	AUDITED Year Ended 30th April 2019 $
Revenue from contracts with customers	69,081,572	69,999,607	93,033,736
Rental Expenses	(17,919,731)	(15,745,064)	(21,653,934)
Net Rental Income	51,161,841	54,254,543	71,379,802
Other Income			
Fair value adjustment on investment property	-	-	2,800,000
Other income	228,071	156,955	272,111
	228,071	156,955	3,072,111
Expenses			
Administrative	(1,491,676)	(738,927)	(1,478,442)
Operating	(949,579)	(1,529,304)	(3,004,293)
	(2,441,255)	(2,268,231)	(4,482,735)
Operating Profit	48,948,657	52,143,267	69,969,178
Finance costs	(13,473,516)	(14,683,994)	(19,424,376)
Profit before income tax	35,475,141	37,459,273	50,544,802
Taxation			
Current	(7,099,064)	(7,911,823)	(9,781,255)
Deferred taxation	(1,891,409)	(2,101,565)	(2,802,087)
	(8,990,473)	(10,013,388)	(12,583,342)
Profit for the period	26,484,668	27,445,885	37,961,460
Other comprehensive income	-	-	-
Total comprehensive income	26,484,668	27,445,885	37,961,460
Earnings per share			
Basic earnings per share including fair value adjustment on investment properties	$ 0.81	$ 0.86	$ 1.18
Basic earnings per share excluding fair value adjustment on investment properties	$ 0.81	$ 0.86	$ 1.10

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

	UNAUDITED 9 Months Ended 31st January 2020 $	UNAUDITED 9 Months Ended 31st January 2019 $	AUDITED YEAR ENDED 30th April 2019 $
Cash flows from operating activities			
Profit before income tax	35,475,141	37,459,273	50,544,802
Adjustments for:			
Fair value adjustment on investment properties	-	-	(2,800,000)
Finance costs	13,473,516	14,683,994	19,424,376
Loss on disposal of asset	-	-	286,463
Depreciation	466,412	1,349,096	1,838,324
Operating profit before working capital changes	49,415,069	53,492,363	69,293,965
Increase/(decrease) in trade and other receivables	591,176	(1,485,985)	(1,482,411)
(Decrease)/Increase in trade and other payables	1,071,977	5,013,365	(705,096)
Decrease in due from related party	9,685	672,540	662,855
Increase/(decrease) in due to related party	220,805	(583,479)	110,789
Net cash generated from operations	1,893,643	3,616,441	(1,413,863)
Interest paid	(8,920,800)	(14,740,156)	(18,888,996)
Tax paid	(7,629,160)	(7,911,824)	(10,177,874)
Net cash inflow from operating activities	34,758,752	34,456,824	38,813,232
Cashflow from investing activities			
Purchase of property, plant and equipment	(654,140)	(6,755)	(6,755)
Cashflow from financing activities			
Proceeds from issue of shares	11,055,238	-	-
Repayment of borrowings	(14,230,767)	(14,344,489)	(28,461,538)
Transfer to maintenance reserve fund	282,883	277,257	377,172
Dividend paid	(3,946,514)	(10,050,000)	(10,050,000)
Cash provided by financing activities	(6,839,160)	(24,117,232)	(38,134,366)
Increase in cash and cash equivalents	27,265,452	10,332,838	672,111
Cash and cash equivalents at beginning of the period	15,976,799	15,304,688	15,304,688
Cash and cash equivalents at end of the period	43,242,251	25,637,526	15,976,799