

## **ENDEAVOUR HOLDINGS LIMITED**

### **Chairman's Report**

Dear Shareholders,

I am pleased to present our report on the financial performance for the three months ending 31 July 2023. This report aims to provide you with an overview of our company's recent results and financial position.

#### **Financial Performance:**

In the post-acquisition phase, we have consolidated the Statement of Comprehensive Income and Statement of Financial Position of the subsidiary, Endeavour POS Ltd, into EHL's books as of 8 July 2022.

Profit after tax of \$11.0M in July 2023 increased by \$1.6M when compared with the profit after tax of \$9.4M excluding gain on acquisition of the subsidiary in July 2022. Profit including gain on acquisition was \$53.4M in July 2022.

#### **Revenue and Expenses:**

Revenue from contracts with customers increased by \$1.3M, rising from \$20.9M in July 2022 to \$22.2M in July 2023. This increase can be attributed to the inclusion of three months' revenue from the subsidiary, compared to only one month in 2022.

Rental expenses increased by \$0.4M going from \$5.9M in July 2022 to \$6.3M in July 2023. This change is primarily due to the continued reduction of rental discounts, decreasing from \$0.7M in 2022 to \$0.1M in 2023. It is important to note that this increase was offset by the inclusion of three months' expenses for the subsidiary, compared to just one month in 2022.

Administrative fees decreased by \$0.6M, dropping from \$1.5M in July 2022 to \$0.9M in July 2023. This reduction is mainly attributed to a decrease in legal fees. Operating expenses also decreased by \$0.2M going from \$0.1M in July 2022 to (\$0.1M) in 2023, primarily due to a reduction in the provision for bad debts.

#### **Taxation:**

Our 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 \$5.2M as of July 2023 due to a fair value write-down of \$10.6M at year-end, net of building improvements at Price Plaza, moving from \$913.0M in July 2022 to \$908.0M in July 2023. Trade and Other Receivables increased by \$1M from July 2022, primarily due to a reduction in trade receivables offset by an increase in prepaid expenses. Trade and Other Payables decreased by \$0.2M from July 2022.

Borrowings decreased by \$19.0M, reflecting principal repayments of \$14.0M, repayment of loan from related party of \$45.0M and a new \$40.0M loan obtained by the subsidiary.

**Dividends:**

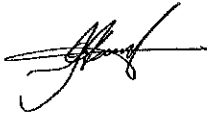
Interim dividends of 40 cents per common share were declared on June 23, 2023, and paid in July 2023.

EHL's management is satisfied that its strategy for retaining and attracting new tenants continues to bring stability to the business. We thank our tenants, shareholders, suppliers and staff for their continued support.

In conclusion, as the Chairman, on behalf of the esteemed members of the Board of Directors, I would like to assure our valued Shareholders that Endeavour is steadily recuperating from a somewhat turbulent post-COVID era.

Our unwavering commitment remains focused on ensuring that all our assets yield favorable returns for our shareholders while fostering contentment among our tenants in their occupancy of our properties. I am delighted to announce the successful completion of the acquisition of Massy Properties. In the forthcoming period, we shall commence the necessary repairs and upgrades. Through these enhancements, we are optimistic that our financial performance will continue to strengthen our bottom line.

I would like to express my heartfelt gratitude to our dedicated Board Members for their invaluable guidance and unwavering support. I would also like to commend our exceptional Management Team for effectively executing their mandates.



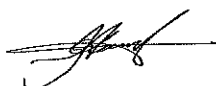
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John Aboud  
Chairman  
September 14, 2023

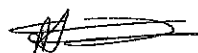
**Endeavour Holdings Limited**  
**Consolidated Statement of Financial Position**  
*(Expressed in Trinidad and Tobago Dollars)*

	UNAUDITED	UNAUDITED	AUDITED
	As At 31 July 2023	As At 31 July 2022	As At 30 April 2023
Notes	\$	\$	\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Investment properties	908,174,599	913,400,000	907,750,000
Property, plant and equipment	2,427,031	2,927,123	2,502,987
	<u>910,601,630</u>	<u>916,327,123</u>	<u>910,252,987</u>
<b>Current Assets</b>			
Trade and other receivables	14,029,879	13,074,294	12,941,844
Loan to related parties	-	1,395,263	-
Inventories	-	32,244	-
Taxation recoverable	747,551	470,914	748,066
Cash and cash equivalents	34,986,869	45,939,762	34,447,172
	<u>49,764,299</u>	<u>60,912,477</u>	<u>48,137,082</u>
<b>Total Assets</b>	<u><u>960,365,929</u></u>	<u><u>977,239,600</u></u>	<u><u>958,390,069</u></u>
<b>Equity and Liabilities</b>			
<i>Equity attributable to equity holders of the company</i>			
Share capital	43,058,438	43,058,438	43,058,438
Maintenance reserve fund	5,536,258	5,161,757	5,443,112
Retained earnings	585,357,841	585,231,959	587,416,728
Total Equity	<u>633,952,537</u>	<u>633,452,154</u>	<u>635,918,278</u>
<b>Non-Current Liabilities</b>			
Deferred income tax liability	58,799,874	57,007,386	58,386,222
Borrowings	222,684,796	89,317,973	230,595,442
	<u>281,484,670</u>	<u>146,325,359</u>	<u>288,981,664</u>
<b>Current Liabilities</b>			
Loan from related party	4	45,256,438	-
Due to related parties	823,114	911,048	218,393
Borrowings	32,211,205	139,230,769	24,363,549
Trade and other payables	11,894,403	12,058,925	8,908,185
Taxation payable	-	4,907	-
Bank overdraft	-	-	-
	<u>44,928,722</u>	<u>197,462,087</u>	<u>33,490,127</u>
<b>Total Equity and Liabilities</b>	<u><u>960,365,929</u></u>	<u><u>977,239,600</u></u>	<u><u>958,390,069</u></u>

\* The 100% acquisition of Massy Properties (Trinidad) Limited was completed on 8 July 2022 and has been consolidated in these financial statements.



Director



Director

Date: 14 September 2023

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

	UNAUDITED Three Months Ended 31 July 2023 \$	UNAUDITED Three Months Ended 31 July 2022 \$	AUDITED Year Ended 30 April 2023 \$
<b>Revenue from contracts with customers</b>	22,154,385	20,981,187	84,626,730
<b>Rental Expenses</b>	<u>(6,286,624)</u>	<u>(5,855,322)</u>	<u>(25,218,483)</u>
<b>Net Rental Income</b>	<u>15,867,761</u>	<u>15,125,865</u>	<u>59,408,247</u>
<b>Other Income</b>			
Fair value adjustment on investment properties	-	-	(10,602,154)
Other income	<u>150,740</u>	<u>73,993</u>	<u>392,023</u>
	<u>150,740</u>	<u>73,993</u>	<u>(10,210,131)</u>
<b>Expenses</b>			
Administrative	(911,923)	(1,477,090)	(6,017,758)
Operating	<u>100,464</u>	<u>(98,553)</u>	<u>431,385</u>
	<u>(811,459)</u>	<u>(1,575,643)</u>	<u>(5,586,373)</u>
<b>Operating Profit</b>	15,207,042	13,624,215	43,611,743
Gain on acquisition of subsidiary	-	44,187,852	43,724,135
Finance costs	<u>(3,671,845)</u>	<u>(3,748,798)</u>	<u>(16,756,288)</u>
<b>Profit before income tax</b>	<u>11,535,197</u>	<u>54,063,269</u>	<u>70,579,590</u>
<b>Taxation</b>			
Current	(25,385)	(4,907)	197,426
Deferred taxation	<u>(413,651)</u>	<u>(459,612)</u>	<u>(1,838,449)</u>
	<u>(439,036)</u>	<u>(464,519)</u>	<u>(1,641,023)</u>
<b>Profit for the period</b>	11,096,161	53,598,750	68,938,567
<b>Other comprehensive income</b>	-	-	-
<b>Total comprehensive income for the period</b>	<u>11,096,161</u>	<u>53,598,750</u>	<u>68,938,567</u>
<b>Earnings per share</b>			
Basic earnings per share including fair value adjustment on investment properties and gain on acquisition of subsidiary	<u>\$ 0.34</u>	<u>\$ 1.63</u>	<u>\$ 2.10</u>
Basic earnings per share excluding fair value adjustment on investment properties and gain on acquisition of subsidiary	<u>\$ 0.34</u>	<u>\$ 0.29</u>	<u>\$ 1.09</u>

\* The 100% acquisition of Massy Properties (Trinidad) Limited was completed on 8 July 2022 and has been consolidated in these financial statements.

**Endeavour Holdings Limited**  
**Consolidated Statement of Cashflows**  
*(Expressed in Trinidad and Tobago Dollars)*

	UNAUDITED Three Months Ended 31 July 2023 \$	UNAUDITED Three Months Ended 31 July 2022 \$	AUDITED Year Ended 30 April 2023 \$
<b>Cash flows from operating activities</b>			
Profit before income tax	11,535,197	54,063,269	70,579,590
<i>Adjustments for:</i>			
Fair value adjustment on investment properties	-	-	10,602,154
Finance costs	3,671,845	3,748,798	16,756,288
Gain on acquisition of subsidiary	-	(44,187,852)	(43,724,135)
Loss on disposal of asset	-	3,805	-
Depreciation	133,906	121,096	606,894
Operating profit before working capital changes	15,340,948	13,749,116	54,820,791
Decrease in inventories	-	12,378	
(increase)/decrease in trade and other receivables	(1,088,035)	1,411,953	(910,976)
(Decrease)/decrease in trade and other payables	(157,175)	793,503	3,568,559
(Increase) in loan to related party	-	(1,395,263)	-
Increase/(decrease) in due to related party	604,722	683,506	(9,149)
Net cash generated from operations	14,700,460	15,255,193	57,469,225
Interest paid	(510,453)	(2,807)	(16,218,640)
Tax (paid)	(24,871)	-	(79,073)
<b>Net cash inflow from operating activities</b>	<u>14,165,136</u>	<u>15,252,386</u>	<u>41,171,512</u>
<b>Cashflow from investing activities</b>			
Purchase of property, plant and equipment	(57,950)	-	(57,853)
Acquisition of subsidiary, net of cash acquired	-	(45,000,000)	(44,388,975)
Additions to investment property	(424,599)	-	(4,952,154)
<b>Cash used in investing activities</b>	<u>(482,549)</u>	<u>(45,000,000)</u>	<u>(49,398,982)</u>
<b>Cashflow from financing activities</b>			
Repayment of borrowings	(80,988)	76,805	210,500,000
Long term loans received	-	45,256,438	(184,231,055)
Transfer to maintenance reserve fund	93,146	94,294	375,649
Dividend paid	(13,155,048)	-	(13,155,048)
<b>Cash provided by financing activities</b>	<u>(13,142,890)</u>	<u>45,427,537</u>	<u>13,489,546</u>
<b>Increase/(Decrease) in cash and cash equivalents</b>	539,697	15,679,923	5,262,076
<b>Cash and cash equivalents at beginning of the period</b>	<u>34,447,172</u>	<u>30,259,839</u>	<u>29,185,096</u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>34,986,869</u></u>	<u><u>45,939,762</u></u>	<u><u>34,447,172</u></u>

\* The 100% acquisition of Massy Properties (Trinidad) Limited was completed on 8 July 2022 and has been consolidated in these financial statements.

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

	Share Capital \$	Maintenance Reserves \$	Retained Earnings \$	Total Equity \$
<b>Period ended 31 July 2022</b>				
<b>Balance At 1 May 2021</b>	43,058,438	5,067,463	531,633,209	579,759,110
<b>Total comprehensive Income for the period</b>				
Profit for the period	-	-	53,598,750	53,598,750
Transfer to maintenance reserve	-	94,294		94,294
<b>Balance At 31 July 2022</b>	<u>43,058,438</u>	<u>5,161,757</u>	<u>585,231,959</u>	<u>633,452,154</u>
<b>Year ended 30 April 2023</b>				
<b>Balance At 1 May 2022</b>	43,058,438	5,067,463	531,633,209	579,759,110
<b>Total comprehensive Income for the year</b>				
Profit for the year	-	-	68,938,567	68,938,567
Transfer to maintenance reserve	-	375,649	-	375,649
<b>Transactions with owners in their capacity as owners</b>				
Dividends for the period	-	-	(13,155,048)	(13,155,048)
<b>Balance At 30 April 2023</b>	<u>43,058,438</u>	<u>5,443,112</u>	<u>587,416,728</u>	<u>635,918,278</u>
<b>Period ended 31 July 2023</b>				
<b>Balance At 1 May 2023</b>	43,058,438	5,443,112	587,416,728	635,918,278
<b>Total comprehensive Income for the period</b>				
Profit for the period	-	-	11,096,161	11,096,161
Transfer to maintenance reserve	-	93,146	-	93,146
<b>Transactions with owners in their capacity as owners</b>				
Dividends for the period	-	-	(13,155,048)	(13,155,048)
<b>Balance At 31 July 2023</b>	<u>43,058,438</u>	<u>5,536,258</u>	<u>585,357,841</u>	<u>633,952,537</u>

## Endeavour Holdings Limited

### Notes to the summary consolidated financial statements for the three months ended 31 July 2023

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) Acquisition of Subsidiary

(a) This represents the acquisition costs of 100% of the Issued shares of Massy Properties (Trinidad) Limited (MPTL) on 8 July 2022 for \$45M and the excess of the Net Assets at Fair Values below over the acquisition price, in accordance with IFRS 3 Business Combinations.

Recognised amount of MPTL's Identifiable Net Assets at Fair Values as at 8 July 2022

Investment Properties	\$	90,000,000.00
Plant and Equipment	\$	1,256,730.00
Trade & Other Receivables	\$	366,949.00
Inventories	\$	44,621.00
Cash and cash equivalents	\$	1,074,743.00
Accounts and Other Payables	\$	(1,420,466.00)
Deferred Tax	\$	(2,134,725.00)
<b>NET FAIR VALUE</b>	<b>\$</b>	<b>89,187,852.00</b>

MPTL has been consolidated in these financial statements at 31 July 2023.

(b) This represents the excess of the Net Assets at Fair Values over the purchase price of the investment in MPTL.

#### 4) Loan from Related Party

This is an unsecured temporary loan in the sum of \$ 45 million plus accrued interest that was granted by a related party to facilitate the purchase of the subsidiary (MPTL) at an interest rate of 6.5% per annum.

This loan was repaid in February 2023 from the proceeds of a long term loan taken out by the subsidiary company.