

# EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC – DEVELOPMENT FUND

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

### Chairman's Statement

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

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

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

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

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

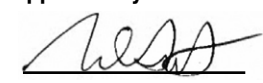


Chairman

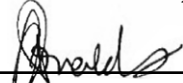
### Consolidated Statement of Financial Position As at September 30, 2020

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

Approved by the Board of Directors on December 28, 2020



Director



Director

### Consolidated Statement of Comprehensive Income For the year ended September 30, 2020

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

### Consolidated Statement of Changes in Equity For the year ended September 30, 2020

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

### Consolidated Statement of Cashflows For the year ended September 30, 2020

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

### Notes to the Consolidated Financial Statements

#### Note 1: Basis of Preparation

The abridged financial statements do not include accounting policies and the notes that are contained in the financial statements. The financial statements were prepared in accordance with International Financial Reporting Standards.

ECPF Financial results available at [www.eppleylimited.com](http://www.eppleylimited.com)