

ENDEAVOUR HOLDINGS LIMITED

Chairman's Report

I am pleased to report on the financial performance of Endeavour Holdings Limited (EHL) for the first quarter ended 31 July 2021.

Trinidad and Tobago re-introduced restrictions and other lock down measures to reduce the spread of Covid-19 cases on 29 April 2021, due to a rise in Covid 19 infections occurring at that time. These measures resulted in the closure of all non-essential services along with a curfew being imposed which restricted night-time movements. These measures were in place throughout our first quarter period 1 May 2021 to 31 July 2021, as in the case of first quarter for 2020.

The on-going economic impact of the Covid-19 pandemic, including the lockdown measures in Trinidad and Tobago, continue to affect the Company's financial performance. Profit after tax decreased from \$5.5M in July 2020 to \$3.9M in July 2021, primarily due as a result of a reduction in net rental income from \$12M to \$9.8M. Substantial discounts of \$5.7M (2020) and \$5.4M (2021) were granted primarily to the tenants of the Price Plaza Mall. The loss of a major tenant in October 2020 at Price Plaza Mall also affected the revenue from contracts with customers.

Rental discounts are included under Rental Expenses. There has been an overall reduction in Rental Expenses due to efforts to minimise expenses during the lockdown period.

Operating and Administrative expenses have remained fairly consistent increasing nominally by \$80.5K in 2021.

The Company's corporation tax rate is now zero percent (0%) as a result of the Company's shares being listed on the SME Exchange of the TTSE. Current taxation is therefore only for business levy and green fund levy taxes.

The decrease in Non-current Assets of \$26.6M is chiefly due to the revaluation write-down on Investment properties (\$26.4M) at year-end April 2021.

Current Assets had a net increase of \$4.7M comprising primarily due to an increase in Cash and cash equivalents of \$9.7M and a decrease in Trade and other receivables of \$5.1M, mainly due to reversals of property taxes recoverable at year end April 2021.

Non-current Liabilities fell by \$11.6M resulting from the principal repayments on borrowings.

Current Liabilities decreased by \$13.4M primarily due to a reduction of Trade and other payables of \$9M due to the reversal of accrued property taxes payable at April 2021 year end and the reduction in the tax liability of \$4.3M due to the zero percent (0%) corporation tax rate now applicable.

Since the end of the Company's first quarter, certain non-essential businesses were allowed to reopen in the last week of August 2021. While bars, casinos, gyms and inhouse dining are still prohibited, the Government has indicated plans to re-open the other business sectors if the number of vaccinated persons in Trinidad & Tobago increases and there is a downward trend in infection rates. The re-opening of the economy is now on the horizon and the Company remains optimistic that these new plans should result in increased economic activity.


John Aboud
Chairman
9 September 2021