



## Second Quarter 2016 Interim Report to our Shareholders

The Directors are pleased to present the unaudited results of the company for the quarter ended November 30, 2015. Revenue for the quarter was \$1.65 million compared to \$1.32 million in the prior year quarter, an increase of over \$ 300 thousand or 24.7%. This produced EBITDA of \$309 thousand compared to \$95 thousand in the prior year quarter; an increase of \$214 thousand. Revenues were generated from total passenger count for the quarter of 220 thousand compared to 216 thousand in the prior year. This resulted in an average spend of \$7.50 compared to \$6.11 for the prior year quarter.

Revenue for the half year was \$3.38 million compared to \$3.03 million in the prior year, an increase of 11.1%. EBITDA for the half year returned \$614 thousand compared to \$398 thousand in the six months of the prior year. The increase in Revenues and EBITDA were realized almost entirely during the second quarter. In fact, this second quarter is the highest second quarter in the history of the location. YTD spend per passenger is \$7.44 compared to \$6.50 in the prior year.

Second quarter Cost of sales at 26.9% was an improvement over prior year quarter ratio of 27.6%. The Cost of Sales for the half year was 27.1% compared to 26.8% for 6 months in the prior year. The performance of the new menu rolled out last year is achieving the expected benefits. All operating expenses were in line with expectations and matched favorably with the prior year ratios. Two exceptions to this were the cost of energy and rent charges. Electricity and propane had savings compared to prior year and this is with increased business in the current year. Improvement in global oil price was responsible for this. Rent charges had savings compared to prior year as well; this is in keeping with the reduced passenger counts for current year compared to prior year.

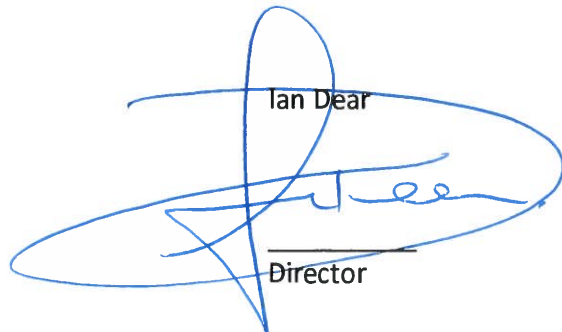
We continue to work closely with our landlords, Carnival Corporation to increase the ship calls to the Grand Turk Cruise Centre, along with the time spent in port.

We wish to thank our many shareholders and partners for their continued confidence and support for our company. We look forward to another successful year of maximizing shareholder returns.

John Byles

  
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Director

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Director

# Margaritaville (Turks) Ltd Interim Un-Audited Financial Statements



## Statement of Financial Position as at November 30, 2015

	November 30, 2015 US\$	November 30, 2014 US\$	Audited May 31, 2015 US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,840,394	2,933,659	2,943,306
Development Costs	194,145	-	194,144
	<b>3,034,539</b>	<b>2,933,659</b>	<b>3,137,450</b>
<b>Current assets</b>			
Inventories	706,291	739,200	699,788
Trade and other receivables	145,600	133,508	156,040
Owing by related companies	1,480,862	1,109,692	242,541
Cash and bank balance	24,977	(15,262)	78,463
	<b>2,357,730</b>	<b>1,967,138</b>	<b>1,176,832</b>
<b>Total assets</b>	<b>5,392,269</b>	<b>4,900,798</b>	<b>4,314,282</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	522,360	522,360	522,360
Retained earnings	3,783,201	3,443,494	3,265,066
<b>Total equity</b>	<b>4,305,561</b>	<b>3,965,853</b>	<b>3,787,427</b>
<b>Non-current liabilities</b>			
Lease obligation	7,661	-	10,810
	<b>7,661</b>	<b>-</b>	<b>10,810</b>
<b>Liabilities</b>			
Trade and other payables	1,067,272	917,527	503,931
Lease obligation	11,776	17,417	12,115
	<b>1,079,047</b>	<b>934,944</b>	<b>516,046</b>
<b>Total liabilities</b>	<b>1,086,708</b>	<b>934,944</b>	<b>526,856</b>
<b>Total equity and liabilities</b>	<b>5,392,269</b>	<b>4,900,798</b>	<b>4,314,282</b>

Director .....

Director .....

# Margaritaville (Turks) Ltd Interim Un-Audited Financial Statements



## Statement of profit or loss and other comprehensive income for the Second Quarter to November 30, 2015

	6 Months to November 30, 2015 US\$	3 Months to November 30, 2015 US\$	6 Months to November 30, 2014 US\$	3 Months to November 30, 2014 US\$	Audited 12 Mths May 31, 2015 US\$
<b>Revenue</b>	3,375,999	1,650,448	3,037,340	1,323,220	6,171,277
<b>Cost of sales</b>	(913,485)	(443,234)	(812,585)	(365,343)	(1,903,644)
<b>Gross profit</b>	2,462,514	1,207,214	2,224,755	957,877	4,267,633
Other operating income	-	-	11	-	-
Administrative expenses	(1,683,976)	(829,364)	(1,598,037)	(762,799)	(3,082,379)
Management Fees	(125,000)	(62,500)	(212,614)	(92,626)	(250,000)
Promotional expenses	(11,365)	(5,479)	(14,912)	(7,167)	(25,949)
Depreciation	(123,748)	(62,444)	(120,694)	(61,674)	(246,750)
<b>Operating profit for the year</b>	518,425	247,427	278,508	33,611	662,555
Finance costs	(291)	(175)	-	-	(2,222)
<b>Profit for the year being total comprehensive income for the year</b>	<b>518,134</b>	<b>247,253</b>	<b>278,508</b>	<b>33,611</b>	<b>660,333</b>
<b>Earnings Per Share - US Cents</b>	<b>0.77</b>	<b>0.37</b>	<b>0.41</b>	<b>0.05</b>	<b>0.98</b>

# Margaritaville (Turks) Ltd Interim Un-Audited Financial Statements



## Statement of Cash Flows for the 6 months ended November 30, 2015

Note	November 30, 2015 US\$	November 30, 2014 US\$
<b>Cash flows from operating activities:</b>		
Profit for the year	518,134	278,508
Adjustments for:		
Depreciation and amortisation	123,748	120,694
Interest expense	291	-
	<b>642,173</b>	<b>399,202</b>
(Increase)/decrease in inventories	(6,503)	29,140
Decrease in trade and other receivables	10,440	72,226
(Increase) in owing by related companies	(1,238,321)	(685,495)
Increase in trade and other payables	563,815	201,554
	<b>(28,395)</b>	<b>16,627</b>
<b>Cash generated from operations</b>	<b>(28,395)</b>	<b>16,627</b>
Interest paid	(291)	-
<b>Net cash provided by operating activities</b>	<b>(28,686)</b>	<b>16,627</b>
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(21,651)	(86,711)
<b>Net cash used in investing activity</b>	<b>(21,651)</b>	<b>(86,711)</b>
<b>Cash flows from financing activity</b>		
Dividends Paid	-	-
Lease obligations paid	(3,149)	(3,647)
Repayment of bank loans	-	-
<b>Net cash used in financing activity</b>	<b>(3,149)</b>	<b>(3,647)</b>
Increase/(decrease) in cash and cash equivalents	(53,486)	(73,731)
<b>Cash and cash equivalents at beginning of year</b>	<b>78,463</b>	<b>58,469</b>
<b>Cash and cash equivalents at end of period</b>	<b>24,977</b>	<b>(15,262)</b>

# Margaritaville (Turks) Ltd Interim Un-Audited Financial Statements



## Statement of Changes in Equity for the 6 Months to November 30, 2015

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2015	522,360	3,265,066	3,787,426
Changes in equity 6 months to November 30, 2015			
Dividends	-	-	-
Profit for the 6 months to November 30, 2015 being total Comprehensive Income	-	518,134	518,134
Balance at November 30, 2015	522,360	3,783,200	4,305,560

## Unaudited Statement of Changes in Equity for the 6 Months to November 30, 2014

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2014	522,360	3,164,985	3,687,345
Changes in equity 6 months to November 30, 2014			
Dividends	-	-	-
Profit for the 6 months to November 30, 2014 being total Comprehensive Income	-	278,508	278,508
Balance at November 30, 2014	522,360	3,443,493	3,965,853



## Notes to the Financial Statements

### **1 Identification**

The company was incorporated under the Laws of Turks and Caicos Islands on July 15, 2004 and commenced operations in February 2006. Its registered office is P.O. Box 127, Richmond House, Leeward Highway, Providenciales, Turks and Caicos Islands.

The company's shares were listed on the Main Market of the Jamaica Stock Exchange on April 11, 2014.

Its main activity during the quarter was the operation of a Margaritaville branded bar and restaurant.

The company is a subsidiary of Margaritaville Caribbean Limited, a company registered under the Bahamas IBC Act of 2000.

The company's principal place of business is located at Grand Turks Cruise Centre, White Sands, Turks and Caicos Island.

### **2. Basis of preparation**

#### **(i) Statement of compliance and basis of preparation**

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared under the historical cost convention, except for certain non-financial assets measured at fair value.

(ii) There have been no changes in accounting policies since the most recent audited accounts as at May 31, 2015.

### **3 Functional and presentation currency:**

The financial statements are prepared and presented in United States dollars, which is the functional currency of the company.

## Margaritaville (Turks) Ltd

### Top Ten ShareHoldings

As at November 30, 2015

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE CARIBBEAN LTD.	NASSAU, BAHAMAS	46,343,445	68.66%
LANNAMAN & MORRIS (SHIPPING) LIMITED	KINGSTON	1,993,117	2.95%
PAUL FRASER	MANCHESTER	1,993,117	2.95%
PROVEN INVESTMENT LIMITED	CASTRIES, ST LUCIA	1,761,351	2.61%
NCB CAPITAL MARKETS X TRADING A/C	KINGSTON	1,320,122	1.96%
NATIONAL SUPPLY CO. LTD	KINGSTON	1,200,000	1.78%
HUIXIONG LIAO	CLARENDON	1,000,000	1.48%
BARBARA M. LEVY	KINGSTON	1,000,000	1.48%
NEKIA LIMITED	KINGSTON	1,000,000	1.48%
PRIME ASSET MANAGEMENT LTD. - JPS	KINGSTON	1,000,000	1.48%
		<b>58,611,152</b>	<b>86.83%</b>

Total Ordinary Stock in issue - 67,500,000

Total Number of Stock Holders - 215

### Directors ShareHoldings

As at November 30, 2015

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
HERRICK WINSTON DEAR	-	-	-	0.0%
PETER K. MELHADO	-	-	-	0.0%
IAN B. DEAR	-	46,343,445	46,343,445	68.7%
JOHN G. BYLES	-	-	-	0.0%
ROLAND P CLARKE	40,000	-	40,000	0.1%
	<b>40,000</b>	<b>46,343,445</b>	<b>46,383,445</b>	<b>68.72%</b>

### Senior Managers ShareHoldings

As at November 30, 2015

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
MARK SUTHERLAND	-	-	-	0.0%
BRYAN KNIPP	-	-	-	0.0%
PATRICK MULLET	-	-	-	0.0%
TERRY ANN HATHAWAY	-	-	-	0.0%
	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>