



### First quarter 2015 Interim report to our shareholders

The Directors are pleased to present the unaudited results of the company for the quarter ended August 31, 2014. Revenues of \$1.7 million were generated for the quarter; this represents a 31% increase over revenues for the same period last year. The increase in revenues translated into a net profit increased of 21% over prior year period to produce \$ 245 thousand for the quarter.

Containment of costs continues to be a focus, cost of sales improved by 1% point compared to prior year. Expenditure on combined fixed and variable administrative and operating costs was 20% more than prior year. However, when expressed as a ratio of revenues, there was improvement by 6% points over prior year.

The new menu being rolled out across the group was introduced to the company during the quarter. The initial feedback based on social media comments and reports of the team in the restaurants has been extremely positive to date. We expect to build on this new momentum for the rest of the year. Construction of the new restaurant will commence during the second quarter and is expected to be operational by the third quarter.

The increase trend in passenger arrivals is projected to continue into calendar 2015. The staff is quite motivated at the prospect of surpassing the previous highest revenue for the company in any fiscal year.

Herrick Dear  
  
Chairman

Ian Dear  
  
Director

## Margaritaville (Turks) Ltd.

### Top Ten ShareHoldings

As at August 31, 2014

<b>NAMES</b>		<b>VOLUME</b>	<b>PERCENTAGE</b>
MARGARITAVILLE CARIBBEAN LTD.	NASSAU, BAHAMAS	46,343,445	68.7%
LANNAMAN & MORRIS (SHIPPING) LIMITED	KINGSTON	1,993,117	3.0%
PAUL FRASER	MANCHESTER	1,993,117	3.0%
NCB CAPITAL MARKETS X TRADING A/C	KINGSTON	1,795,870	2.7%
PROVEN INVESTMENT LIMITED	CASTRIES, ST LUCIA	1,761,351	2.6%
NATIONAL SUPPLY CO. LTD	KINGSTON	1,200,000	1.8%
HUIXIONG LIAO	CLARENDON	1,000,000	1.5%
BARBARA M. LEVY	KINGSTON	1,000,000	1.5%
NEKIA LIMITED	KINGSTON	1,000,000	1.5%
PRIME ASSET MANAGEMENT LTD. - JPS	KINGSTON	1,000,000	1.5%
		<b>59,086,900</b>	<b>87.5%</b>

Total Ordinary Stock in issue - 67,500,000

Total Number of Stock Holders - 214

### Directors ShareHoldings

As at August 31, 2014

<b>NAMES</b>	<b>VOLUME</b>	<b>PERCENTAGE</b>
HERRICK WINSTON DEAR	-	0.0%
PETER K. MELHADO	-	0.0%
IAN B. DEAR *	-	0.0%
JOHN G. BYLES	-	0.0%
ROLAND P CLARKE **	130,000	0.2%
	<b>130,000</b>	<b>0.2%</b>

\* Connected to Margaritaville Caribbean Ltd.

\*\* 100,000 of the shares on account are held in trust for fellow staff members and is in the process of transfer.

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



## Un-Audited Statement of financial position as at August 31, 2014

	August 31, 2014	May 31, 2014
	US\$	US\$
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,998,177	2,967,642
	<b>2,998,177</b>	<b>2,967,642</b>
<b>Current assets</b>		
Inventories	772,694	768,340
Trade and other receivables	162,508	205,734
Owing by related companies	987,423	424,197
Cash and bank balance	3,687	58,469
	<b>1,926,313</b>	<b>1,456,740</b>
<b>Total assets</b>	<b>4,924,490</b>	<b>4,424,382</b>
<b>Equity</b>		
<b>Capital and reserves</b>		
Share capital	522,360	522,360
Retained earnings	3,409,881	3,164,985
<b>Total equity</b>	<b>3,932,241</b>	<b>3,687,345</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	972,717	715,973
Lease obligation	19,532	21,064
	<b>992,249</b>	<b>737,037</b>
<b>Total liabilities</b>	<b>992,249</b>	<b>737,037</b>
<b>Total equity and liabilities</b>	<b>4,924,490</b>	<b>4,424,382</b>

Director.....

Director.....

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



## Un-Audited Statement of profit or loss and other comprehensive income for 3 Months to August 31, 2014

	31-Aug-14	31-Aug-13	12 Mths May 31, 2014
	US\$	US\$	US\$
<b>Revenue</b>	<b>1,714,120</b>	<b>1,310,676</b>	<b>6,220,917</b>
<b>Cost of sales</b>	<b>(447,242)</b>	<b>(359,796)</b>	<b>(1,885,726)</b>
<b>Gross Profit</b>	<b>1,266,878</b>	<b>950,880</b>	<b>4,335,191</b>
Administrative expenses	(955,792)	(701,766)	(3,303,575)
Promotional expenses	(7,745)	(3,997)	(90,037)
Depreciation	(59,020)	(40,847)	(211,045)
Other operating expenses	575	(1,902)	-
<b>Operating profit for the year</b>	<b>244,896</b>	<b>202,370</b>	<b>730,534</b>
Finance costs	-	(290)	(7,596)
<b>Profit for the year being total comprehensive income for the year</b>	<b>244,896</b>	<b>202,080</b>	<b>722,938</b>
<b>Earnings per share - US cents</b>	<b>0.38</b>	<b>0.32</b>	<b>1.15</b>

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



## Un-Audited Statement of cash flows for the 3 months ended August 31, 2014

	31-Aug-14 US\$	31-Aug-13 US\$
<b>Cash flows from operating activities:</b>		
Profit for the year	244,896	202,080
Adjustments for:		
Depreciation and amortisation	59,020	40,847
Interest expense	-	290
	<b>303,916</b>	<b>243,216</b>
(Increase)/Decrease in inventories	(4,354)	18,367
Decrease/(increase) in trade and other receivables	43,226	9,281
(Increase)/decrease in owing by related companies	(563,226)	(367,715)
Increase /(Decrease) in trade and other payables	256,742	(14,162)
	<b>36,304</b>	<b>(111,013)</b>
Interest paid	-	(290)
<b>Net cash provided by operating activities</b>	<b>36,304</b>	<b>(111,303)</b>
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(89,555)	-
<b>Net cash used in investing activity</b>	<b>(89,555)</b>	<b>-</b>
<b>Cash flows from financing activity</b>		
Lease Obligations	(1,532)	-
Repayment of bank loans	-	-
<b>Net cash used in financing activity</b>	<b>(1,532)</b>	<b>-</b>
<b>Increase in cash and cash equivalents</b>	<b>(54,783)</b>	<b>(111,303)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>58,469</b>	<b>87,132</b>
<b>Cash and cash equivalents at end of year</b>	<b>3,686</b>	<b>(24,171)</b>

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



## Un-Audited Statement of changes in equity for the YTD August 31, 2014

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2014	522,360	3,164,985	3,687,345
<b>Changes in equity August YTD 2014:</b>			
Profit for the YTD August 2014 being total Comprehensive Income	-	244,896	244,896
Dividends Paid		-	-
<b>Balance at August 31, 2014</b>	<b>522,360</b>	<b>3,409,881</b>	<b>3,932,241</b>

## Un-Audited Statement of changes in equity for the YTD August 31, 2013

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2013	1	4,297,645	4,297,646
<b>Changes in equity 2014 August YTD</b>			
Profit for the YTD August 2013 being total Comprehensive Income	-	202,080	202,080
Dividends Paid		-	-
<b>Balance at August 31, 2013</b>	<b>1</b>	<b>4,499,725</b>	<b>4,499,726</b>



## 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, Providencials, 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, 2014.

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

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