



## **Margaritaville (Turks) Ltd**

**Second Quarter Report 2015**

**Period Ended November 30, 2014**



### **Second quarter 2015 Interim report to our shareholders**

The Directors are pleased to present the unaudited results of the company for the second quarter ended November 30, 2014 and the half year period ending on the same date. Revenue of US\$ 1.3 million was generated for the second quarter producing EBITDA of US\$ 187 thousand before Management Fee charges of US\$ 92 thousand. Revenue for the prior period was US\$ 1.4 million and this resulted in EBITDA of US\$ 278 thousand.

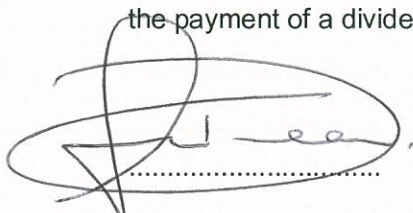
Total number of cruise passengers entering the port had a marginally increase of 5% for the second quarter but this was well below the 34% increase recorded in the first quarter. Combined passenger increase for the half year was 19%. The second quarter had a higher than usual number of ship cancellations due to high seas.

Revenue for the half year achieved US\$ 3.0 million or an 11% increase over prior year. EBITDA for the half year was US\$ 612 thousand before management fee charges of US\$ 212 thousand. EBITDA for the prior period was US\$ 521 thousand. Reduction in Costs of Sales as a ratio of Revenue due to continued Procurement and Logistics rationalization contributed to the improved EBITDA.

The new menu rollout has been a success; guest satisfaction levels have been improved based on the social media reports and the anticipated improvements in the time required to fulfill the customer orders is being realized.

We are in constant dialogue with our Landlords as to the commencement date of construction on the South Beach Restaurant and Bar. Based on the timelines projected for obtaining building and other necessary approvals, we anticipate that construction will commence prior to the end of February 2015.

The performance and outlook of the company continues to be buoyant with a strong third and fourth quarter anticipated. Additionally, the board will be meeting on February 3, 2015 to consider the payment of a dividend to shareholders.



Director



Director



## Margaritaville (Turks) Ltd

### Top Ten ShareHoldings

As at November 30, 2014

NAMES		VOLUME	PERCENTAGE
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 - 216

### Directors ShareHoldings

As at November 30, 2014

NAMES	VOLUME	PERCENTAGE
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.

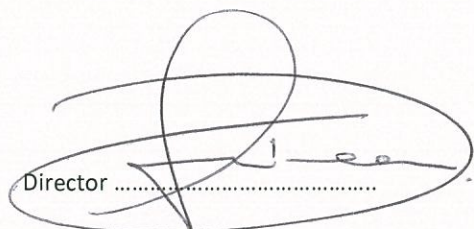
\*\* 100,000 of the shares on account are held in trust for fellow staff members and is in the process of transfer.

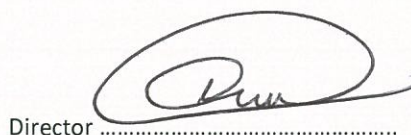
# Margaritaville (Turks) Ltd Interim Un-Audited Financial Statements



## Statement of Financial Position as at November 30, 2014

	November 30, 2014 US\$	November 30, 2013 US\$	Audited May 31, 2014 US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,933,659	2,924,925	2,967,642
	<b>2,933,659</b>	<b>2,924,925</b>	<b>2,967,642</b>
<b>Current assets</b>			
Inventories	739,200	655,841	768,340
Trade and other receivables	133,508	158,748	205,734
Owing by related companies	1,109,692	-	424,197
Cash and bank balance	(15,262)	26,273	58,469
	<b>1,967,138</b>	<b>840,863</b>	<b>1,456,740</b>
<b>Total assets</b>	<b>4,900,798</b>	<b>3,765,788</b>	<b>4,424,382</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	522,360	1.00	522,360
Retained earnings	3,443,494	3,040,099	3,164,985
<b>Total equity</b>	<b>3,965,853</b>	<b>3,040,100</b>	<b>3,687,345</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	917,527	725,688	715,973
Lease obligation	17,417	-	21,064
	<b>934,944</b>	<b>725,688</b>	<b>737,037</b>
<b>Total liabilities</b>	<b>934,944</b>	<b>725,688</b>	<b>737,037</b>
<b>Total equity and liabilities</b>	<b>4,900,798</b>	<b>3,765,788</b>	<b>4,424,382</b>

  
 Director .....

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



## Statement of Profit or Loss and other Comprehensive Income for 6 Months to November 30, 2014

	Six Mths to November 2014	Three Mths to November 2014	Six Mths to November 2013	Three Mths to November 2013	Audited 12 Mths to May 2013
	US\$	US\$	US\$	US\$	US\$
<b>Revenue</b>	3,037,340	1,323,220	2,741,011	1,430,335	6,220,917
<b>Cost of sales</b>	(812,585)	(365,343)	(772,036)	(412,240)	(1,885,726)
<b>Gross profit</b>	2,224,755	957,877	1,968,975	1,018,095	4,335,191
Other operating income	11	-	-	-	-
Administrative expenses	(1,596,424)	(760,621)	(1,436,491)	(734,725)	(2,946,475)
Management Fees	(212,614)	(92,626)	-	-	(357,100)
Promotional expenses	(14,912)	(7,167)	(10,228)	(6,232)	(90,037)
Depreciation	(120,694)	(61,674)	(78,477)	(37,630)	(211,045)
Other operating expenses	(1,613)	(2,178)	(600)	1,302	-
<b>Operating profit for the year</b>	278,508	33,611	443,179	240,810	730,534
Finance costs	-	-	(725)	(435)	(7,596)
<b>Profit for the year being total comprehensive income for the year</b>	278,508	33,611	442,454	240,374	722,938
<b>Earnings Per Share - US Cents</b>	<b>0.41</b>	<b>0.05</b>	<b>0.66</b>	<b>0.36</b>	<b>1.07</b>

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



## Statement of Cash Flows for the 6 months ended November 30, 2014

	Six Mths to November 2014 US\$	Six Mths to November 2013 US\$
<b>Cash flows from operating activities:</b>		
Profit for the year	278,508	442,454
Adjustments for:		
Depreciation and amortisation	120,694	78,477
Interest expense	-	725
	<b>399,202</b>	<b>521,656</b>
(Increase)/Decrease in inventories	29,140	76,940
Decrease/(increase) in trade and other receivables	72,226	(18,578)
(Increase)/decrease in owing by related companies	(685,495)	1,104,797
Increase /(Decrease) in trade and other payables	201,554	135,320
	<b>16,627</b>	<b>1,820,135</b>
<b>Cash generated from operations</b>	<b>16,627</b>	<b>1,820,135</b>
Interest paid	-	(725)
<b>Net cash provided by operating activities</b>	<b>16,627</b>	<b>1,819,410</b>
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(86,711)	(180,268)
<b>Net cash used in investing activity</b>	<b>(86,711)</b>	<b>(180,268)</b>
<b>Cash flows from financing activity</b>		
Dividends Paid	-	(1,700,000)
Lease Obligations	(3,647)	
Repayment of bank loans	-	-
<b>Net cash used in financing activity</b>	<b>(3,647)</b>	<b>(1,700,000)</b>
<b>Increase in cash and cash equivalents</b>	<b>(73,731)</b>	<b>(60,858)</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>(15,262)</b>	<b>26,274</b>



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



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

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

## Statement of Changes in Equity for the 6 Months to November 30, 2013

	Share Capital US\$	Retained Earnings US\$	Total US\$
<b>Balance at May 31, 2013</b>	1	4,297,645	4,297,646
<b>Changes in equity 6 months to November 30, 2013</b>			
Dividends	-	(1,700,000)	(1,700,000)
Profit for the 6 months to November 30, 2013 being total Comprehensive Income	-	442,454	442,454
<b>Balance at November 30, 2013</b>	<b>1</b>	<b>3,040,099</b>	<b>3,040,100</b>

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



## 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, 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.