



### 3<sup>rd</sup> Quarter and YTD February 2016 Interim Report to our Shareholders

The Directors are pleased to present the unaudited results of the company for the quarter ended February 29, 2016. Revenue for the quarter was \$1.77 million compared to \$1.75 million in the prior year quarter, a marginal increase of \$ 20 thousand. The revenue was generated from the total cruise passenger count of 263 thousand compared to 308 thousand in the prior year quarter, a 45 thousand or 14.5% reduction. This resulted in a spend per passenger of \$6.76 in the current quarter compared to \$5.71 in the prior quarter, an increase in yield of over 18%. The location is converting more cruise passengers into customers.

Revenue for the 9 months YTD was \$5.15 million compared to \$4.79 million in the prior period, an increase of \$360 thousand. This was generated from a total passenger count of 716 thousand compared to 775 thousand in the prior period YTD. YTD Revenues have increased by 7.5% while available passengers decreased by 7.5%. The associated spend per passenger was \$7.20 for the current year compared to \$6.18 in the prior year, a 16% improvement in yield.


Operating profit for the quarter was \$216 thousand compared to \$129 thousand for the prior year quarter, an increase of \$87 thousand. The 9 months YTD operating profit was \$734 thousand compared to \$408 thousand, a \$326 thousand improvement. Reduced Management fee charges contributed \$148 thousand of the increase. Again, the increase in operating profits over prior year was earned entirely during the second quarter.

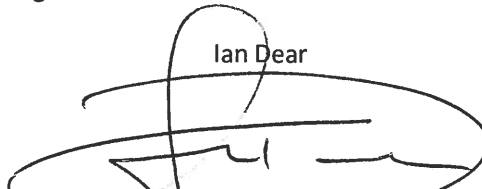
An Interim Dividend payment of US\$.0103 per share for a total payout of \$695,250.00 to all shareholders on record on February 22, 2016 was declared. Payment date was March 16, 2016.

Expenditure of fixed assets during the quarter was \$67 thousand. Total spend YTD was \$98 thousand and this was mostly for the new restaurant, the Beached Whale bar concept. We are happy to report that after protracted delays, stemming from the building approvals process for the most part, we now have a clear path to completion of this restaurant. Construction re-commenced in April and will conclude in another 6 weeks. In addition to the Beached Whale bar, construction is scheduled for the building of service bars along the beach and in the pool areas. The restaurant and bar operation is spread over a large expanse; the pool area is over a quarter acre in size. Plus lounge chairs are spread for more than 200 meters along the beach and away from current service points. The planned service bars will increase the guest experience and is anticipated to result in increased revenue.

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

John Byles

  
Director

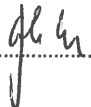
Ian Dear  
  
Director

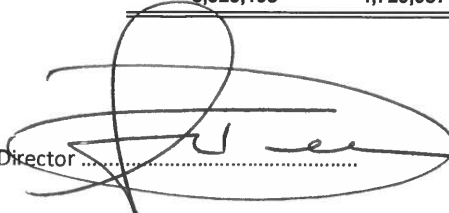
# Margaritaville (Turks) Ltd Interim Un-Audited Financial Statements



## Statement of Financial Position as at February 29, 2016

	February 29, 2016 US\$	February 28, 2015 US\$	Audited May 31, 2015 US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,856,408	3,008,992	2,943,306
Development Costs	194,145	-	194,144
	<u>3,050,553</u>	<u>3,008,992</u>	<u>3,137,450</u>
<b>Current assets</b>			
Inventories	603,835	749,899	699,788
Trade and other receivables	107,794	126,883	156,040
Owing by related companies	1,546,798	810,314	242,541
Cash and bank balance	19,213	33,849	78,463
	<u>2,277,640</u>	<u>1,720,946</u>	<u>1,176,832</u>
<b>Total assets</b>	<u><u>5,328,193</u></u>	<u><u>4,729,937</u></u>	<u><u>4,314,282</u></u>
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	522,360	522,360	522,360
Retained earnings	3,998,896	3,572,882	3,265,066
<b>Total equity</b>	<u>4,521,255</u>	<u>4,095,242</u>	<u>3,787,427</u>
<b>Non-current liabilities</b>			
Lease obligation	7,661	-	10,810
	<u>7,661</u>	<u>-</u>	<u>10,810</u>
<b>Current liabilities</b>			
Trade and other payables	790,613	618,368	503,931
Lease obligation	8,663	16,327	12,115
	<u>799,277</u>	<u>634,695</u>	<u>516,046</u>
<b>Total liabilities</b>	<u>806,938</u>	<u>634,695</u>	<u>526,856</u>
<b>Total equity and liabilities</b>	<u><u>5,328,193</u></u>	<u><u>4,729,937</u></u>	<u><u>4,314,282</u></u>

Director ..... 

Director ..... 

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



## Statement of profit or loss and other comprehensive income for the Third Quarter to February 29, 2016

	9 Mths to February 29, 2016 US\$	3 Mths to February 29, 2016 US\$	9 Mths to February 28, 2015 US\$	3 Mths to February 28, 2015 US\$	Audited 12 Mths May 31, 2015 US\$
<b>Revenue</b>	5,153,069	1,777,070	4,792,479	1,755,139	6,171,277
<b>Cost of sales</b>	(1,386,246)	(472,761)	(1,305,691)	(493,106)	(1,903,644)
<b>Gross profit</b>	3,766,823	1,304,309	3,486,788	1,262,033	4,267,633
Other operating income	-	-	5,767	7,369	-
Administrative expenses	(2,639,260)	(955,285)	(2,545,834)	(949,410)	(3,082,379)
Management Fees	(187,500)	(62,500)	(335,476)	(122,862)	(250,000)
Promotional expenses	(19,922)	(8,557)	(21,320)	(6,407)	(25,949)
Depreciation	(185,846)	(62,098)	(182,027)	(61,333)	(246,750)
<b>Operating profit for the year</b>	734,295	215,870	407,897	129,389	662,555
Finance costs	(466)	(175)	-	-	(2,222)
<b>Profit for the year being total comprehensive income for the year</b>	<b>733,829</b>	<b>215,695</b>	<b>407,897</b>	<b>129,389</b>	<b>660,333</b>
<b>Earnings Per Share - US Cents</b>	<b>1.09</b>	<b>0.32</b>	<b>0.60</b>	<b>0.19</b>	<b>0.98</b>

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



## Statement of Cash Flows for the 9 months ended February 29, 2016

Note	February 29, 2016 US\$	February 28, 2015 US\$
<b>Cash flows from operating activities:</b>		
Profit for the year	733,829	407,897
Adjustments for:		
Depreciation and amortisation	185,846	182,027
Interest expense	466	-
	920,141	589,925
Decrease in inventories	95,953	18,441
Decrease in trade and other receivables	48,246	78,851
Increase in owing by related companies	(1,304,257)	(386,117)
Increase /(Decrease) in trade and other payables	286,682	(97,605)
	46,764	203,494
<b>Cash generated from operations</b>	<b>46,764</b>	<b>203,494</b>
Interest paid	(466)	-
<b>Net cash provided by operating activities</b>	<b>46,298</b>	<b>203,494</b>
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(98,948)	(223,377)
<b>Net cash used in investing activity</b>	<b>(98,948)</b>	<b>(223,377)</b>
<b>Cash flows from financing activity</b>		
Dividends Paid	-	-
Lease obligations paid	(6,601)	(4,737)
Repayment of bank loans	-	-
<b>Net cash used in financing activity</b>	<b>(6,601)</b>	<b>(4,737)</b>
Increase/(decrease) in cash and cash equivalents	(59,250)	(24,620)
<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>19,213</b>	<b>33,849</b>

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



## Unaudited Statement of Changes in Equity for the 9 Months to February 29, 2016

	Share Capital US\$	Retained Earnings US\$	Total US\$
<b>Balance at May 31, 2015</b>	<b>522,360</b>	<b>3,265,066</b>	<b>3,787,426</b>
<b>Changes in equity 9 months to February 29, 2016</b>			
Dividends	-	-	-
Profit for the 6 months to February 29, 2016 being total Comprehensive Income	-	733,829	733,829
<b>Balance at February 29, 2016</b>	<b>522,360</b>	<b>3,998,895</b>	<b>4,521,255</b>

## Unaudited Statement of Cash Flows for the 9 months ended February 28, 2015

	Share Capital US\$	Retained Earnings US\$	Total US\$
<b>Balance at May 31, 2014</b>	<b>522,360</b>	<b>3,164,985</b>	<b>3,687,345</b>
<b>Changes in equity 9 months to February 28, 2015</b>			
Dividends	-	-	-
Profit for the 9 months to February 28, 2015 being total Comprehensive Income	-	407,897	407,897
<b>Balance at February 28, 2015</b>	<b>522,360</b>	<b>3,572,882</b>	<b>4,095,242</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, 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 February 29, 2016

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%
NATIONAL SUPPLY CO. LTD	KINGSTON	1,200,000	1.78%
HUIXIONG LIAO	CLARENDON	1,000,000	1.48%
NEKIA LIMITED	KINGSTON	1,000,000	1.48%
PRIME ASSET MANAGEMENT LTD. - JPS	KINGSTON	1,000,000	1.48%
JCS D TRUSTEE SERVICES LTD - SIGMA VENTURE	KINGSTON	920,000	1.36%
TREVOR BERNARD	KINGSTON	750,000	1.11%
		<b>57,961,030</b>	<b>85.87%</b>

Total Ordinary Stock in issue - 67,500,000

Total Number of Stock Holders - 259

### Directors ShareHoldings

As at February 29, 2016

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 February 29, 2016

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