



### Third Quarter 2017 Interim Report to our Shareholders

The Directors are pleased to present the Un-Audited results of the company for the third Quarter ended February 28, 2017.

Revenue for the Quarter was US\$ 1.82 million, compared to US\$ 1.78 million in the same Quarter, prior year. Net Profit for the Quarter was US\$ 161,353 compared to US\$ 215,695 in the prior year Quarter. A significant increase in the processing costs for work permit fees (by more than 100% when compared to prior year) was the major factor for the decline.

Revenues for the nine months to February 2017 achieved US\$ 4.64 million, compared to US\$ 5.15 million in the prior year nine months. The \$ 510,000 variance in revenues is directly attributable to the unusual adverse weather patterns experienced by the location during the second Quarter that resulted in the cancellation of 22 ship calls. An additional 6 ship call cancellations were recorded in the third Quarter. The company has never before experienced similar cancellations of ship calls, due to the effects of rough seas, in any nine month period prior.

Net profit for the nine months stands at US\$ 339,122 compared to US\$ 733,829 in the prior year. Loss of revenues, resulting from the ship call cancellations, is the major factor in the fall off in Net Profit for the nine months to date.

Beached Whale Bar and Grill continues to perform ahead of expectations and has been a great addition to the offerings on the Port. Despite having less total passengers visiting the Port during the Quarter, combined revenue surpassed that of the comparable prior year quarter. Beached Whale Bar and Grill was a key factor in this better yield.

Cost of sales ratio of 26.53% for the Quarter improved marginally compared to the 26.60% for the prior year Quarter. Cost of sale for the year to date at 26.54% compares favorably to the 26.90% achieved in the prior year nine months. Actual expenditure on wages and other administrative and operating expenditures combined, increased marginally during the Quarter and YTD, with the exception being work permit processing fees as aforementioned. There are a number of expense categories that are more fixed in nature, to include management salaries and benefits, utilities, banking charges and property insurance. These will experience marginal variation with revenue changes.

Expenditure on fixed assets during the quarter was US\$ 89,000 and for the year to date US\$ 388,000. This was spent in part to update equipment, complete the Beached Whale Bar and Grill, upgrade the existing tables and chairs and build out additional service points along the beach. A total of four additional service points are being built and are at varying stages of completion.

The company paid an interim dividend of \$803,254 in the Quarter to all shareholders on record at December 2, 2016.

We thank our shareholders and partners for the continued support and confidence.

Ian Dear

Director

John Byles

Director

# Margaritaville (Turks) Ltd

## UnAudited Statement of Financial Position as at February 28, 2017

	February 28, 2017 US\$	Audited May 31, 2016 US\$
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,177,023	2,946,196
Development Costs	136,711	161,786
	<u>3,313,734</u>	<u>3,107,982</u>
<b>Current assets</b>		
Inventories	784,478	745,585
Trade and other receivables	68,551	125,969
Owing by related companies	277,154	685,148
Cash and bank balance	29,787	31,425
	<u>1,159,970</u>	<u>1,588,127</u>
<b>Total assets</b>	<u><u>4,473,703</u></u>	<u><u>4,696,109</u></u>
<b>Equity</b>		
<b>Capital and reserves</b>		
Share capital	522,360	522,360
Retained earnings	3,039,874	3,504,006
<b>Total equity</b>	<u>3,562,234</u>	<u>4,026,366</u>
<b>Non-current liabilities</b>		
Lease obligation	1,778	1,778
	<u>1,778</u>	<u>1,778</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	906,485	655,993
Lease obligation	3,206	11,972
	<u>909,692</u>	<u>667,965</u>
<b>Total liabilities</b>	<u>911,470</u>	<u>669,743</u>
<b>Total equity and liabilities</b>	<u><u>4,473,703</u></u>	<u><u>4,696,109</u></u>

Director .....

Director .....

## Margaritaville (Turks) Ltd

### Unaudited Statement of profit or loss and other comprehensive income for 9 Months to Fe 28, 2017

	9 Mths YTD February 28, 2017 US\$	Q3 February 28, 2017 US\$	9 Mths YTD February 29, 2016 US\$	Q3 February 29, 2016 US\$	Audited 12 Mths May 31, 2016 US\$
Revenue	4,639,815	1,824,557	5,153,069	1,777,070	6,855,281
Cost of sales	(1,231,194)	(484,030)	(1,386,246)	(472,761)	(2,081,832)
Gross profit	3,408,621	1,340,528	3,766,823	1,304,309	4,773,449
Administrative expenses	(2,671,887)	(1,046,688)	(2,639,260)	(955,285)	(3,250,963)
Management Fees	(187,500)	(62,500)	(187,500)	(62,500)	(250,000)
Promotional expenses	(28,353)	(12,661)	(19,922)	(8,557)	(26,575)
Depreciation	(181,234)	(57,151)	(185,846)	(62,098)	(309,783)
Operating profit for the year	339,647	161,527	734,295	215,870	936,128
Finance costs	(525)	(175)	(466)	(175)	(1,938)
Profit for the year being total comprehensive income for the year	339,122	161,353	733,829	215,695	934,190
Earnings Per Share - US Cents	0.50	0.24	1.09	0.32	1.38

# Margaritaville (Turks) Ltd

## UnAudited Statement of Cash Flows for the 9 months ended February 28, 2017

	February 28, 2017 US\$	February 29, 2016 US\$
Note		
<b>Cash flows from operating activities:</b>		
Profit for the year	339,122	733,829
Adjustments for:		
Depreciation and amortisation	181,234	185,846
Interest expense	525	466
	520,881	920,141
(Increase)/decrease in inventories	(38,893)	95,953
(Increase)/decrease in trade and other receivables	57,418	48,246
(Increase)/decrease in owing by related companies	407,994	(1,304,257)
Increase /(Decrease) in trade and other payables	250,492	286,682
	1,197,893	46,764
<b>Cash generated from operations</b>	1,197,893	46,764
Interest paid	(525)	(466)
<b>Net cash provided by operating activities</b>	1,197,369	46,298
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(386,990)	(98,948)
<b>Net cash used in investing activity</b>	(386,990)	(98,948)
<b>Cash flows from financing activity</b>		
Dividends Paid	(803,254)	-
Lease obligations paid	(8,762)	(6,601)
Repayment of bank loans	-	-
<b>Net cash used in financing activity</b>	(812,016)	(6,601)
Increase/(decrease) in cash and cash equivalents	(1,637)	(59,250)
<b>Cash and cash equivalents at beginning of year</b>	31,425	78,463
<b>Cash and cash equivalents at end of period</b>	29,787	19,213

# Margaritaville (Turks) Ltd

## Unaudited Statement of Changes in Equity for the 9 Months to February 28, 2017

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2016	522,360	3,504,006	4,026,366
Changes in equity 9 months to February 28, 2017			
Dividends	-	(803,254)	(803,254)
Profit for the 9 months to February 28, 2017 being total Comprehensive Income	-	339,122	339,122
Balance at February 28, 2017	522,360	3,039,874	3,562,234

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

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2015	522,360	3,265,066	3,787,426
Changes in equity 9 months to February 29, 2016			
Dividends	-	-	-
Profit for the 6 months to February 29, 2016 being total Comprehensive Income	-	520,881	520,881
Balance at February 29, 2016	522,360	3,785,947	4,308,307

# 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, 2016.

## 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 28, 2017

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE CARIBBEAN LIMITED	NASSAU, BAHAMAS	35,843,445	53.1%
LANNAMAN & MORRIS (SHIPPING) LIMITED	KINGSTON	8,709,105	12.9%
SAGICOR POOLED EQUITY FUND	KINGSTON	5,819,559	8.6%
LACY, DONALD S.	KINGSTON	4,019,889	6.0%
NATIONAL SUPPLY CO. LTD	KINGSTON	1,200,000	1.8%
FRASER, PAUL	MANCHESTER	1,093,117	1.6%
PRIME ASSET MANAGEMENT LTD. - JPS	KINGSTON	1,000,000	1.5%
NEKIA LIMITED	KINGSTON	1,000,000	1.5%
LIAO, HUIXIONG	CLARENDON	1,000,000	1.5%
JCSD TRUSTEE SERVICES LTD - SIGMA VENTURE	KINGSTON	920,000	1.4%
		<b>60,605,115</b>	<b>89.8%</b>

Total Ordinary Stock in issue - 67,500,000

Total Number of Stock Holders - 277

### Directors ShareHoldings

As at February 28, 2017

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
HERRICK WINSTON DEAR	-	-	-	0.0%
HARRIAT T. MARAJH	-	8,709,105	8,709,105	12.9%
IAN B. DEAR	-	35,843,445	35,843,445	53.1%
JOHN G. BYLES	-	-	-	0.0%
ROLAND P CLARKE	40,000	-	40,000	0.1%
	<b>40,000</b>	<b>44,552,550</b>	<b>44,592,550</b>	<b>66.06%</b>

### Senior Managers ShareHoldings

As at February 28, 2017

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
MARK SUTHERLAND	-	-	-	0.0%
ALTON THELWELL	-	-	-	0.0%
PATRICK MULLET	-	-	-	0.0%
TERRY ANN HATHAWAY	-	-	-	0.0%
	-	-	-	0.0%