

# EXPRESS CATERING LIMITED

## First Quarter 2018 Interim report to our shareholders

The Directors of Express Catering Limited are pleased to present the First Quarter unaudited results as at August 31, 2017. This is the company's first report since listing on the Junior Market of the Stock Exchange on July 21, 2017. We are grateful for the confidence that you our shareholders have placed in the company and we hereby reiterate our commitment of delivering value to you.

### Operating Results

The company recorded revenues of US\$3.81 million for the Quarter, compared to US\$3.47 million in the prior year's Quarter, an improvement of approximately 10%. Revenues have increased at an average of 3% annually for the last 2 fiscal years, so this is a much improved performance.

Net profit for the Quarter was US\$834,447, compared to US\$352,628 for the same Quarter in the prior year. Our shareholders earned 0.051 US Cents per Share during the Quarter, compared to 0.022 US Cents in the prior year's Quarter. This represents an increase of over 130%, year over year.

Total expenditure in aggregate was reduced, compared to prior Quarter. Administrative and Operational Expenses were US\$314,000 less than prior year Quarter. This was due to the planned elimination of Group related charges. Cost of Sales experienced increases during the Quarter, both in nominal amounts to support the increase in revenue as well as a ratio to revenue. During the summer period, the location absorbed some price increases as passed on from our suppliers. We have since revised prices for a number of Grab N Go items to compensate for these increased costs.

Fixed Assets expenditure for the Quarter was US\$12,228. This was spent to replace fully depreciated and worn fixtures and equipment.

### Future Growth

The addition of the Starbucks Coffee to the offerings in the Airport is expected to be completed during the third Quarter. Work has already commenced on this initiative and will see 3 locations within the Airport. The company expects substantial revenues from these additions.

We thank you for your trust and look forward to a continued mutually beneficial relationship.

### Express Catering Limited



Herrick "Winston" Dear  
Chairman

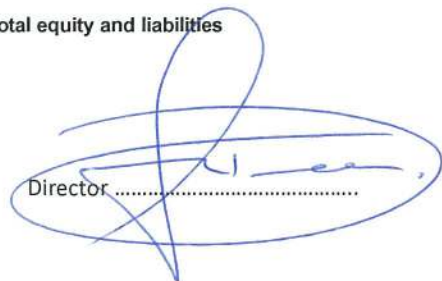


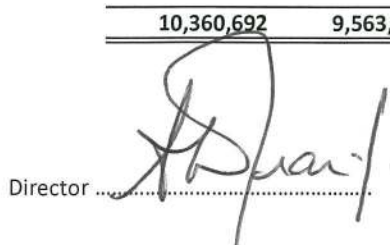
Ian Dear  
CEO/Director

# Express Catering Limited

## UnAudited Statement of Financial Position as at August 31, 2017

	August 31, 2017	Audited May 31, 2017
	US\$	US\$
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,340,722	4,442,436
Intangible assets	628,726	651,911
	<b>4,969,448</b>	<b>5,094,347</b>
<b>Current assets</b>		
Inventories	404,237	340,391
Owing by related companies	4,555,930	3,644,225
Trade and other receivables	134,026	96,106
Cash and bank balances	297,051	387,933
	<b>5,391,244</b>	<b>4,468,655</b>
<b>Total assets</b>	<b>10,360,692</b>	<b>9,563,002</b>
<b>Equity</b>		
<b>Capital and reserves</b>		
Share capital	73,861	73,861
Capital reserve	43,490	43,490
Retained earnings	5,263,169	4,428,722
<b>Total equity</b>	<b>5,380,520</b>	<b>4,546,073</b>
<b>Non-current liability</b>		
Preference shares	3,500,000	3,500,000
Lease obligation	12,828	16,160
Deferred tax liability	88,190	88,190.00
	<b>3,601,018</b>	<b>3,604,350.00</b>
<b>Current liabilities</b>		
Trade and other payables	1,167,372	1,095,718
Current portion of lease obligation	15,065	15,065
Income tax payable	196,716	193,075
Bank overdraft	-	108,721
	<b>1,379,153</b>	<b>1,412,579</b>
<b>Total liabilities</b>	<b>4,980,172</b>	<b>5,016,929</b>
<b>Total equity and liabilities</b>	<b>10,360,692</b>	<b>9,563,002</b>


  
 Director .....


  
 Director .....

# Express Catering Limited

## Unaudited Statement of profit or loss and other comprehensive income for 3 Months to August 31, 2017

	Q1 August 31, 2017	Q1 August 31, 2016	Audited 12 Mths May 31, 2017
	US\$	US\$	US\$
<b>Revenue</b>	3,809,046	3,469,836	<b>14,232,136</b>
<b>Cost of sales</b>	(1,038,026)	(855,612)	<b>(4,081,825)</b>
<b>Gross profit</b>	<b>2,771,020</b>	<b>2,614,224</b>	<b>10,150,311</b>
Other operating income	208	301	-
Administrative expenses	(1,702,530)	(2,016,697)	<b>(7,966,000)</b>
Promotional expenses	(12,095)	(5,464)	<b>(20,762)</b>
Depreciation	(137,124)	(140,807)	<b>(525,418)</b>
<b>Operating profit for the year</b>	<b>919,478</b>	<b>451,557</b>	<b>1,638,131</b>
Finance income	-	-	<b>7,272</b>
Finance costs	(84,549)	(92,305)	<b>(362,347)</b>
Foreign exchange gains	(482)	(6,623)	<b>37,207</b>
<b>Profit before tax</b>	<b>834,447</b>	<b>352,628</b>	<b>1,320,263</b>
Income tax expense	-	-	<b>(240,774)</b>
<b>Profit for the year being total comprehensive income for the year</b>	<b>834,447</b>	<b>352,628</b>	<b>1,079,489</b>
<b>Earnings Per Share - US Cents</b>	<b>0.051</b>	<b>0.022</b>	<b>0.066</b>

# Express Catering Limited

## UnAudited Statement of Cash Flows for the 3 months ended August 31, 2017

	August 31, 2017 US\$	August 31, 2016 US\$
Note		
<b>Cash flows from operating activities:</b>		
Profit for the year	834,447	352,628
Adjustments for:		
Depreciation and amortisation	137,124	140,807
Interest expense	84,549	92,305
Foreign Exchange	482	0
	<b>1,056,602</b>	<b>585,741</b>
(Increase)/Decrease in inventories	(63,846)	(106,381)
(Increase)/ Decrease in trade and other receivables	(37,920)	(3,823)
(Increase)/decrease in owing by related companies	(910,313)	(251,611)
Increase /(Decrease) in trade and other payables	73,422	(42,807)
	<b>117,945</b>	<b>181,118</b>
<b>Cash generated from operations</b>	<b>117,945</b>	<b>181,118</b>
Interest paid	(84,549)	(92,305)
Income Tax Paid	-	(38,781)
	<b>33,396</b>	<b>50,032</b>
<b>Net cash provided by operating activities</b>	<b>33,396</b>	<b>50,032</b>
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(12,226)	(4,645)
	<b>(12,226)</b>	<b>(4,645)</b>
<b>Net cash used in investing activity</b>	<b>(12,226)</b>	<b>(4,645)</b>
<b>Cash flows from financing activity</b>		
Dividends Paid	-	-
Lease Obligations	(3,332)	(4,058)
Repayment of bank/other loans	-	(34,876)
	<b>(3,332)</b>	<b>(38,934)</b>
<b>Net cash used in financing activity</b>	<b>(3,332)</b>	<b>(38,934)</b>
Increase in cash and cash equivalents	17,839	6,453
Cash and cash equivalents at beginning of year	279,212	70,363
Cash and cash equivalents at end of year	<b>297,051</b>	<b>76,816</b>

## Express Catering Limited

### Unaudited Statement of Changes in Equity for the 3 Months to August 31, 2017

	Share Capital US\$	Capital Reserves US\$	Retained Earnings US\$	Total US\$
<b>Balance at May 31, 2017</b>	73,861	43,490	4,428,722	4,546,073
<b>Changes in equity 3 months to August 31, 2017</b>				
Dividends	-	-	-	-
Profit for the 3 months to August 31, 2017 being total Comprehensive Income	-	-	834,447	834,447
<b>Balance at August 31, 2017</b>	<b>73,861</b>	<b>43,490</b>	<b>5,263,169</b>	<b>5,380,520</b>

### Unaudited Statement of Changes in Equity for the 3 Months to August 31, 2016

	Share Capital US\$	Capital Reserves US\$	Retained Earnings US\$	Total US\$
<b>Balance at May 31, 2016</b>	73,861	43,490	3,349,233	3,466,584
<b>Changes in equity 3 months to August 31, 2016</b>				
Dividends	-	-	-	-
Profit for the 3 months to August 31, 2016 being total Comprehensive Income	-	0	352,628	352,628
<b>Balance at August 31, 2016</b>	<b>73,861</b>	<b>43,490</b>	<b>3,701,861</b>	<b>3,819,212</b>

# Notes to the Financial Statements

## **1 Identification**

The company was incorporated under the Laws of Jamaica on June 26, 2001. Its registered office is Unit 16 M19 Southern Cross Boulevard, Montego Freeport, Montego Bay.

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 21, 2017.

Its main activities during the year were the operation of branded sports bars and restaurants at Sangster International Airport, Montego Bay.

The company is a subsidiary of Margaritaville St. Lucia Inc, whose ultimate parent is Margaritaville Caribbean Limited, a company registered under the Bahamas IBC Act of 2000.

## **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, 2017.

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

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

# EXPRESS CATERING LIMITED

## Top Ten ShareHoldings

As at August 31, 2017

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE ST. LUCIA	CASTRIES, ST LUCIA	1,310,000,000	80.0%
NATIONAL INSURANCE FUND	KINGSTON	181,789,338	11.1%
HARRIAT P MARAGH	KINGSTON	49,125,000	3.0%
MAYBERRY WEST INDIES LIMITED	KINGSTON	20,000,000	1.2%
MCG EMPLOYEES TRUST	MONTEGO BAY	16,500,000	1.0%
KONRAD BERRY	KINGSTON	8,500,000	0.5%
MAYBERRY MANAGED CLIENTS ACCOUNT	KINGSTON	3,443,467	0.2%
MAYBERRY INVESTMENTS LTD. PENSION CHEME	KINGSTON	1,987,125	0.1%
JMMB T1 EQUITY FUND (JMD)	KINGSTON	1,533,849	0.1%
MAYBERRY INV. LTD RETIREMENT SCHEME	KINGSTON	1,350,000	0.1%
		<b>1,594,228,779</b>	<b>97.4%</b>

Total Ordinary Stock in issue - 1,637,500,000

Total Number of Stock Holders - 1302

## Directors ShareHoldings

As at August 31, 2017

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
HERRICK WINSTON DEAR	-	-	-	0.0%
TANIA WALDRON	314,466	-	314,466	0.0%
IAN B. DEAR	-	1,310,000,000	1,310,000,000	80.0%
JOHN G. BYLES	-	-	-	0.0%
ROLAND P CLARKE	79,961	-	79,961	0.0%
	<b>394,427</b>	<b>1,310,000,000</b>	<b>1,310,394,427</b>	<b>80.02%</b>

## Senior Managers ShareHoldings

As at August 31, 2017

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
ROLAND P CLARKE	79,961	-	79,961	0.0%
MARK SUTHERLAND	57,124	-	57,124	0.0%
ALTHON THELWELL	-	-	-	0.0%
PATRICK MULLET	-	-	-	0.0%
	<b>137,085</b>	<b>-</b>	<b>137,085</b>	<b>0.0%</b>