



Third Quarter (Q3) 2018 Interim Report to our Shareholders

The Directors are pleased to present the unaudited results of the company for Q3 and YTD nine months to February 28, 2018. Revenue for Q3 was US\$ 1.81 million, compared to US\$ 1.82 million in the same Quarter in the prior year. The revenue number is significant because the location suffered from two Category 5 hurricanes, back to back, during early September 2017. The location and the entire island were severely damaged and had to be closed for a portion of September and all of October. Operations resumed during the first week of November; the location welcomed the first ship after the hurricanes on November 1, 2017.

Total passenger count for the Quarter was 252,903 passengers, compared to 264,481 in the prior year Q3. Even though the revenues are back to normal, most expense categories are experiencing higher than normal ratios to revenues. Net profit for the Quarter was US\$ 163,548 and includes Net Interim Insurance proceeds of US\$ 150,000. Net profit for the prior year Quarter was US\$ 161,353.

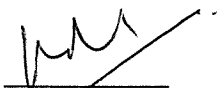
Revenue YTD to February 28, 2018 (7 months – closed in September and October due to hurricane damage) was US\$ 4.06 million, compared to US\$ 4.64 million up to February 28 in the prior year. This resulted in Net Profit of US\$ 397,234 compared to US\$ 339,122 for the prior YTD nine months. The company had an excellent first quarter performance that is still impacting the overall YTD performance.

Cost of sales ratio was 27.09% for the Quarter compared to the 26.53% for the prior year Quarter, a marginal decline. The management team has done a great job in containing the exposure to product loss from spoilage as a result of the loss of Electricity associated with the hurricanes. Electricity was restored to the Port in November but there were frequent power outages well into the Quarter, as is normal for a post Hurricane recovery area. Cost of sale for the year to date at 26.60% is compared to the 26.53% returned in the prior year to date, a marginal decline.

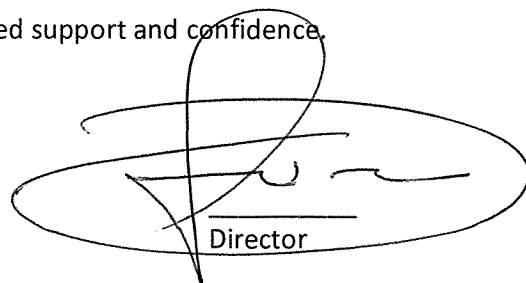
The company has expended US\$ 335,756 on Fixed Assets acquisition during the nine month YTD. The larger share of this relates to replacement of assets associated with the hurricane damages.

The company was adequately covered for both property and consequential loss insurance. We have received interim payments towards both categories and we expect to finalize the claims process shortly.

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



Director



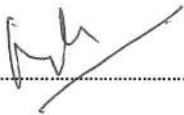
Director

Margaritaville (Turks) Ltd

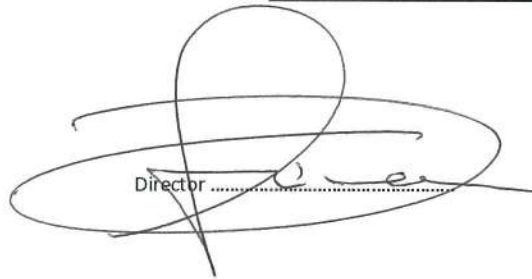
UnAudited Statement of Financial Position as at February 28, 2018

Note	February 28, 2018 US\$	Audited May 31, 2017 US\$
Assets		
Non-current assets		
Property, plant and equipment	3,462,891	3,272,624
Development Costs	104,931	129,430
	<u>3,567,822</u>	<u>3,402,054</u>
Current assets		
Inventories	849,240	674,385
Trade and other receivables	148,250	93,814
Owing by related companies	873,334	277,602
Cash and bank balance	117,498	42,409
	<u>1,988,322</u>	<u>1,088,210</u>
Total assets	<u><u>5,556,143</u></u>	<u><u>4,490,264</u></u>
Equity		
Capital and reserves		
Share capital	522,360	522,360
Retained earnings	3,597,451	3,200,216
Total equity	<u>4,119,811</u>	<u>3,722,576</u>
Non-current liabilities		
Lease obligation	-	-
	<u>-</u>	<u>-</u>
Liabilities		
Current liabilities		
Trade and other payables	(4) 1,436,333	764,820
Lease obligation	-	2,868
	<u>1,436,333</u>	<u>767,688</u>
Total liabilities	<u>1,436,333</u>	<u>767,688</u>
Total equity and liabilities	<u><u>5,556,143</u></u>	<u><u>4,490,264</u></u>

Director



Director



Margaritaville (Turks) Ltd

Unaudited Statement of profit or loss and other comprehensive income for 9 Months to February 28, 2018

	9 Monthths YTD February 28, 2018 US\$	Q3 February 28, 2018 US\$	9 Monthths YTD February 28, 2017 US\$	Q3 February 28, 2017 US\$	Audited 12 Mths May 31, 2017 US\$
Revenue	4,064,146	1,812,359	4,639,815	1,824,557	6,533,971
Cost of sales	(1,080,978)	(490,974)	(1,231,194)	(484,030)	(2,025,454)
Gross profit	2,983,168	1,321,385	3,408,621	1,340,528	4,508,517
Other Operating Income	-	-	-	-	-
Administrative expenses	(2,446,245)	(1,277,349)	(2,671,887)	(1,046,688)	(3,482,998)
Management Fees	(187,500)	(62,500)	(187,500)	(62,500)	(250,000)
Promotional expenses	(57,023)	(36,087)	(28,353)	(12,661)	(63,226)
Depreciation	(144,991)	(31,785)	(181,234)	(57,151)	(211,755)
Operating profit for the year	147,409	(86,335)	339,647	161,527	500,538
Finance costs	(175)	(117)	(525)	(175)	(1,078)
Profit for the year being total comprehensive income for the year	147,234	(86,452)	339,122	161,353	499,460
Earnings Per Share - US Cents	0.22	(0.13)	0.50	0.24	0.74

Margaritaville (Turks) Ltd

UnAudited Statement of Cash Flows for the 9 months ended February 28, 2018

	February 28, 2018 US\$	February 28, 2017 US\$
Note		
Cash flows from operating activities:		
Profit for the year	147,234	339,122
Adjustments for:		
Depreciation and amortisation	144,991	181,234
Interest expense	175	525
	292,400	520,881
(Increase)/decrease in inventories	(174,855)	(38,893)
(Increase)/decrease in trade and other receivables	(54,436)	57,418
(Increase)/decrease in owing by related companies	(595,732)	407,994
Increase /(Decrease) in trade and other payables	(7,518)	250,492
	(540,141)	1,197,893
Cash generated from operations	(540,141)	1,197,893
Interest paid	(175)	(525)
Net cash provided by operating activities	(540,316)	1,197,369
Cash flows from investing activity		
Purchase of property, plant and equipment	(310,756)	(386,990)
Interim Property Insurance Proceeds	679,031	-
(4)	368,275	(386,990)
Net cash used in investing activity	368,275	(386,990)
Cash flows from financing activity		
Dividends Paid	-	(803,254)
Lease obligations paid	(2,868)	(8,762)
Repayment of bank loans	-	-
Net cash used in financing activity	(2,868)	(812,016)
Increase/(decrease) in cash and cash equivalents	(174,910)	(1,637)
Cash and cash equivalents at beginning of year	42,409	31,425
Cash and cash equivalents at end of period	(132,501)	29,787

Margaritaville (Turks) Ltd

Unaudited Statement of Changes in Equity for the 9 Months to February 28, 2018

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2017	522,360	3,200,216	3,722,576
Changes in equity 9 months to February 28, 2018			
Dividends	-	-	-
Profit for the 9 months to February 28, 2018 being total Comprehensive Income	-	397,234	397,234
Balance at February 28, 2018	522,360	3,597,450	4,119,810

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

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, 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.

4 Trade & Other Payables

Net Interim insurance proceeds of \$679,031 are included in this line item. Management expects the Insurance Claim process to be finalised in the next Quarter.

Margaritaville (Turks) Ltd

Top Ten ShareHoldings

As at February 28, 2018

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE CARIBBEAN LIMITED	NASSAU, BAHAMAS	33,163,445	49.1%
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%
MATMAR HOLDINGS LIMITED	ST LUCIA	2,700,000	4.0%
NATIONAL SUPPLY CO. LTD	KINGSTON	1,200,000	1.8%
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%
FRASER, PAUL	MANCHESTER	953,418	1.4%
		59,565,416	88.2%

Total Ordinary Stock in issue - 67,500,000

Total Number of Stock Holders - 294

Directors ShareHoldings

As at February 28, 2018

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
HERRICK WINSTON DEAR	-	-	-	0.0%
HARRIAT T. MARAJH	-	8,709,105	8,709,105	12.9%
IAN B. DEAR	-	33,163,445	33,163,445	49.1%
JOHN G. BYLES	-	-	-	0.0%
ROLAND P CLARKE	40,000	-	40,000	0.1%
	40,000	41,872,550	41,912,550	62.09%

Senior Managers ShareHoldings

As at February 28, 2018

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
ROLAND P CLARKE	40,000	-	40,000	0.1%
MARK SUTHERLAND	-	-	-	0.0%
ALTON THELWELL	-	-	-	0.0%
PATRICK MULLET	-	-	-	0.0%
	40,000	-	40,000	0.1%