



Second Quarter 2019 Interim Report to our Shareholders

The Directors are pleased to present the Un-Audited results of the company for the second Quarter ended November 30, 2018.

Revenue for the Quarter was US\$1.74 million. This was earned from the 246,467 passengers that cruised into the port during the period resulting in a spend-per-passenger of US\$7.06. This is compared to revenue of US\$390 thousand earned from the 57,939 passengers in the similar period in the prior year at a spend rate of US\$6.73. It is important to note that the prior year second Quarter had only one month of revenue as the port was closed for the entire September and October months after the passage of back to back hurricanes Irma and Maria during the first week of September. In addition, revenue per passenger will vary marginally from one period to another, even where aggregate passenger numbers are similar, due to variations in dwell time, variations in time of day that the ship called and the differing weather patterns on the ship call days.

Net Profits of US\$106,167 was earned for the Quarter compared to a Net Loss of US\$62,667 for the similar Quarter in the prior year. Earnings per Share (EPS) returned 0.157 US Cents per share for the Quarter.

Revenue for the 6 months to November returned US\$3.56 million. This was earned from the 509 thousand passengers that visited the port spending an average of US\$6.99 each. The comparative revenue for the prior year (4 months vs 6 months) was US\$2.25 million from 318,722 passengers at a spend rate of US\$7.07.

Net Profit for the 6 months period was US\$ 397 thousand with EPS of 0.588 US Cents compared to US\$256 thousand and EPS of 0.346.

Marginal expenditure was made on fixed assets during the second Quarter. Expenditure for the 6 months was just over US\$101 thousand moving from US\$ 98,794 at the close of the first Quarter. Most of the refurbishing and repairs necessitated as a result of damage associated with Hurricanes Irma and Marie in 2017 are now completed.

Related Companies balances were reduced substantially during the Quarter compared to the balance at the close of the first Quarter and are also below the balance at year end. The directors continue to give attention to this category.

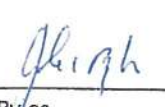
Dividend of US\$1.01 million was paid on November 30th 2018 to all shareholders on record at August 24, 2018.

We are now deep into the third Quarter and approaching the busier part of the winter tourist season. The second half of the year is where traditionally approximately 60% of the revenue and profits are earned. We are encouraged by the trend so far. No adverse weather patterns are expected for the remainder of the fiscal year. A number of open vacancies were filled prior to the start of the winter season as some work permits that were long in the process were granted. We continue to make representation for a change in the policy on expatriate workers.

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



Ian Dear
Director



John Byes
Director

Margaritaville (Turks) Ltd

UnAudited Statement of Financial Position as at November 30, 2018

Note	November 30, 2018 US\$	Audited May 31, 2018 US\$
Assets		
Non-current assets		
Property, plant and equipment	3,336,965	3,332,036
Development Costs	95,709	111,426
	<u>3,432,675</u>	<u>3,443,462</u>
Current assets		
Inventories	891,230	773,479
Trade and other receivables	101,030	527,709
Owing by related companies	757,203	994,466
Cash and bank balance	48,642	77,099
	<u>1,798,106</u>	<u>2,372,753</u>
Total assets	<u>5,230,780</u>	<u>5,816,215</u>
Equity		
Capital and reserves		
Share capital	522,360	522,360
Retained earnings	3,652,078	4,267,594
Total equity	<u>4,174,437</u>	<u>4,789,954</u>
Liabilities		
Current liabilities		
Trade and other payables	1,056,343	1,025,743
Lease obligation	-	518
	<u>1,056,343</u>	<u>1,026,261</u>
Total liabilities	<u>1,056,343</u>	<u>1,026,261</u>
Total equity and liabilities	<u>5,230,780</u>	<u>5,816,215</u>

Director

Director

Margaritaville (Turks) Ltd

Unaudited Statement of profit or loss and other comprehensive income for 6 Months to November 30, 2018

	6 Months YTD November 30, 2018 US\$	Q2 November 30, 2018 US\$	6 Months YTD November 30, 2017 US\$	Q2 November 30, 2017 US\$	Audited 12 Mths May 31, 2018 US\$
Revenue	3,560,251	1,741,097	2,251,787	390,044	6,020,037
Cost of sales	(932,368)	(460,982)	(590,004)	(106,201)	(1,911,356)
Gross profit	2,627,883	1,280,115	1,661,783	283,843	4,108,681
Other Operating Income	-	-	-	-	710,836
Administrative expenses	(1,962,840)	(1,038,065)	(1,168,896)	(220,232)	(3,177,181)
Management Fees	(125,000)	(62,500)	(125,000)	(62,500)	(250,000)
Promotional expenses	(31,380)	(16,800)	(20,937)	(4,529)	(82,574)
Loss on sale of asset	-	-	-	-	(506)
Depreciation	(111,345)	(56,422)	(113,206)	(59,249)	(241,470)
Operating profit for the year	397,319	106,328	233,745	(62,667)	1,067,786
Finance costs	(336)	(161)	(58)	(58)	(408)
Profit for the year being total comprehensive income for the year	396,983	106,167	233,686	(62,725)	1,067,378
	11.15%	6.10%	10.38%	-16.08%	17.73%
Earnings Per Share - US Cents	0.588	0.157	0.346	(0.093)	1.581

Margaritaville (Turks) Ltd

UnAudited Statement of Cash Flows for the 6 months ended November 30th

	November 30, 2018 US\$	November 30, 2017 US\$
Cash flows from operating activities:		
Profit for the year	396,983	233,686
Adjustments for:		
Depreciation and amortisation	111,345	113,206
Interest expense	336	58
	508,663	346,950
(Increase)/decrease in inventories	(117,751)	(259,009)
(Increase)/decrease in trade and other receivables	426,679	(231,216)
(Increase)/decrease in owing by related companies	237,261	233,648
Increase /(Decrease) in trade and other payables	30,600	(4,331)
	1,085,451	86,042
Cash generated from operations	1,085,451	86,042
Interest paid	(336)	(58)
Net cash provided by operating activities	1,085,115	85,984
Cash flows from investing activity		
Purchase of property, plant and equipment	(100,555)	(67,348)
Net cash used in investing activity	(100,555)	(67,348)
Cash flows from financing activity		
Dividends Paid	(1,012,500)	-
Lease obligations paid	(518)	(940)
Net cash used in financing activity	(1,013,018)	(940)
Increase/(decrease) in cash and cash equivalents	(28,458)	17,696
Cash and cash equivalents at beginning of year	77,099	42,409
Cash and cash equivalents at end of period	48,641	60,105

Margaritaville (Turks) Ltd

Unaudited Statement of Changes in Equity for the 6 Months to November 30, 2018

	Share Capital US\$	Retained US\$	Total US\$
Balance at May 31, 2018	522,360	4,267,594	4,789,954
Changes in equity 6 months to November 30, 2018			
Dividends	-	(1,012,500)	(1,012,500)
Profit for the 6 months to November 30, 2018 being total Comprehensive Income	-	396,983	396,983
Balance at November 30, 2018	522,360	3,652,077	4,174,436

Unaudited Statement of Changes in Equity for the 6 Months to November 30, 2017

	Share Capital US\$	Retained US\$	Total US\$
Balance at May 31, 2017	522,360	3,200,216	3,722,576
Changes in equity 6 months to November 30, 2017			
Profit for the 6 months to November 30, 2017 being total Comprehensive Income	-	233,686	233,686
Balance at November 30, 2017	522,360	3,433,902	3,956,262

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, 2018.

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 November 30, 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 - 310

Directors ShareHoldings

As at November 30, 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 November 30, 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%