



Third Quarter 2019 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, 2019.

Revenue for the Quarter returned US\$1.96 million from the 296,318 passengers that cruised into the port. This resulted in a spend rate of US\$6.62. This is compared to revenue of US\$1.81 million earned from 266,675 passengers in the similar period in the prior year, at a spend rate of US\$6.80 per passenger. Revenue per passenger will vary marginally from one period to another. Even where aggregate passenger numbers are similar, there can be variations due to dwell time, the time of day that the ship called and the differing weather patterns on the ship call days.

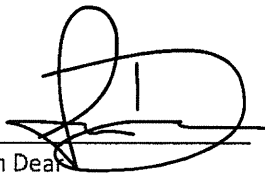
Net Profits earned for the Quarter was US\$166,749 compared to US\$163,548 in the similar Quarter of the prior year. The prior year Quarter benefited from Insurance income of US\$150,000 received as a result of hurricane damages in 2017. No similar income is included in the current year. Shareholders earned (EPS) 0.247 US Cents compared to 0.242 US Cents in the prior year's Quarter.

Revenue for the 9 months February YTD returned US\$5.52 million with Net profits of US\$563,731. This resulted in EPS of 0.835 US Cents. This was earned from the 827,320 passengers that descended on the port for the 9 months. The revenue for the similar prior YTD (7 months – closed for 2 months due to Hurricane damage) was US\$4.06 million. The resulting Net profit was \$397,234 and EPS of 0.588 US Cents. Total passenger count was 585,397 (7 months). Net profit for fiscal 2018 of just under US\$1.1 million included Other Income of US\$710,000 relating to Insurance settlements under Commercial All Risk and Consequential Loss policies. No similar income is expected for the current fiscal year.

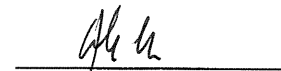
Expenditure on fixed assets during the third Quarter was US\$35,000 to take the YTD total to just over \$136,000. Most of the refurbishing and repairs necessitated as a result of damage associated with Hurricanes Irma and Marie in 2017 are now complete. Ongoing maintenance and replacement of fixed assets accounted for the later expenditure.

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

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



Ian Dear
Director

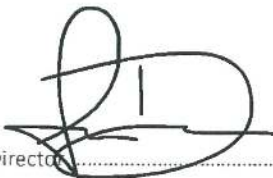


John Byles
Director

Margaritaville (Turks) Ltd

UnAudited Statement of Financial Position as at February 28, 2019

| | February 28, 2019 US\$ | Audited May 31, 2018 US\$ |
|-------------------------------------|------------------------------|---------------------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 3,320,535 | 3,332,036 |
| Development Costs | 87,851 | 111,426 |
| | <u>3,408,386</u> | <u>3,443,462</u> |
| Current assets | | |
| Inventories | 885,859 | 773,479 |
| Trade and other receivables | 79,657 | 527,709 |
| Owing by related companies | 812,632 | 994,466 |
| Cash and bank balance | 123,969 | 77,099 |
| | <u>1,902,116</u> | <u>2,372,753</u> |
| Total assets | <u><u>5,310,502</u></u> | <u><u>5,816,215</u></u> |
| Equity | | |
| Capital and reserves | | |
| Share capital | 522,360 | 522,360 |
| Retained earnings | 3,818,827 | 4,267,594 |
| Total equity | <u>4,341,186</u> | <u>4,789,954</u> |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 969,316 | 1,025,743 |
| Lease obligation | - | 518 |
| | <u>969,316</u> | <u>1,026,261</u> |
| Total liabilities | <u>969,316</u> | <u>1,026,261</u> |
| Total equity and liabilities | <u><u>5,310,502</u></u> | <u><u>5,816,215</u></u> |


 Director


 Director

Margaritaville (Turks) Ltd

Unaudited Statement of profit or loss and other comprehensive income for 9 Months to February 28, 2019

| | 9 Months YTD February 28, 2019 | Q3 February 28, 2019 | 9 Months YTD February 28, 2018 | Q3 February 28, 2018 | Audited 12 Mths May 31, 2018 |
|--|--------------------------------------|-------------------------|---|-------------------------|------------------------------------|
| | US\$ | US\$ | US\$ | US\$ | US\$ |
| Revenue | 5,522,131 | 1,961,880 | 4,064,146 | 1,812,359 | 6,020,037 |
| Cost of sales | (1,437,261) | (504,892) | (1,080,978) | (490,974) | (1,911,356) |
| Gross profit | 4,084,870 | 1,456,987 | 2,983,168 | 1,321,385 | 4,108,681 |
| Other Operating Income | 500 | 500 | 150,000 | 150,000 | 710,836 |
| Administrative expenses | (3,114,103) | (1,151,263) | (2,321,245) | (1,152,349) | (3,463,127) |
| Management Fees | (187,500) | (62,500) | (187,500) | (62,500) | (250,000) |
| Promotional expenses | (48,580) | (17,200) | (57,023) | (36,087) | (82,574) |
| Loss on sale of asset | - | - | - | - | (506) |
| Depreciation | (171,120) | (59,775) | (169,991) | (56,785) | (241,470) |
| Operating profit for the year | 564,067 | 166,749 | 397,409 | 163,665 | (2,395,341) |
| Finance costs | (336) | - | (175) | (117) | (408) |
| Profit for the year being total comprehensive income for the year | 563,731 | 166,749 | 397,234 | 163,548 | (2,395,749) |
| | 10.21% | 8.50% | 9.77% | 9.02% | -39.80% |
| Earnings Per Share - US Cents | 0.835 | 0.247 | 0.588 | 0.242 | (3.549) |

Margaritaville (Turks) Ltd

UnAudited Statement of Cash Flows for the 9 months ended February 28, 2019

| Note | February 28, 2019 US\$ | February 28, 2018 US\$ |
|---|------------------------------|------------------------------|
| Cash flows from operating activities: | | |
| Profit for the year | 563,731 | 397,234 |
| Adjustments for: | | |
| Depreciation and amortisation | 171,120 | 169,991 |
| Interest expense | 336 | 175 |
| | 735,187 | 567,400 |
| (Increase)/decrease in inventories | (112,380) | (174,855) |
| (Increase)/decrease in trade and other receivables | 448,052 | (54,436) |
| (Increase)/decrease in owing by related companies | 181,832 | (595,732) |
| Increase /(Decrease) in trade and other payables | (56,427) | 671,511 |
| | 1,196,265 | 413,888 |
| Cash generated from operations | 1,196,265 | 413,888 |
| Interest paid | (336) | (175) |
| Net cash provided by operating activities | 1,195,929 | 413,713 |
| Cash flows from investing activity | | |
| Purchase of property, plant and equipment | (136,042) | (335,756) |
| Net cash used in investing activity | (136,042) | (335,756) |
| Cash flows from financing activity | | |
| Dividends Paid | (1,012,500) | - |
| Lease obligations paid | (518) | (2,868) |
| Net cash used in financing activity | (1,013,018) | (2,868) |
| Increase/(decrease) in cash and cash equivalents | 46,869 | 75,088 |
| Cash and cash equivalents at beginning of year | 77,099 | 42,409 |
| Cash and cash equivalents at end of period | 123,968 | 117,497 |

Margaritaville (Turks) Ltd

Unaudited Statement of Changes in Equity for the 9 Months to February 28, 2019

| | Share Capital US\$ | Retained Earnings US\$ | Total US\$ |
|---|--------------------------|------------------------------|------------------|
| Balance at May 31, 2018 | 522,360 | 4,267,594 | 4,789,954 |
| Changes in equity 9 months to February 28, 2019 | | | |
| Dividends | - | (1,012,500) | (1,012,500) |
| Profit for the 9 months to February 28, 2019 being total Comprehensive Income | - | 563,731 | 563,731 |
| Balance at February 28, 2019 | <u>522,360</u> | <u>3,818,825</u> | <u>4,341,185</u> |

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 | | | |
| Profit for the 9 months to February 28, 2018 being total Comprehensive Income | - | 397,234 | 397,234 |
| Balance at February 28, 2018 | <u>522,360</u> | <u>3,597,450</u> | <u>4,119,810</u> |

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 February 28, 2019

| NAMES | | VOLUME | PERCENTAGE |
|--------------------------------------|-----------------|-------------------|--------------|
| MARGARITAVILLE CARIBBEAN LIMITED | NASSAU, BAHAMAS | 33,163,445 | 49.1% |
| LANNAMAN & MORRIS (SHIPPING) LIMITED | KINGSTON | 8,446,398 | 12.5% |
| 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% |
| | | 59,302,709 | 87.9% |

Total Ordinary Stock in issue - 67,500,000

Total Number of Stock Holders - 317

Directors ShareHoldings

As at February 28, 2019

| NAMES | DIRECT | CONNECTED | TOTAL | PERCENTAGE |
|----------------------|---------------|-------------------|-------------------|---------------|
| HERRICK WINSTON DEAR | - | - | - | 0.0% |
| HARRIAT T. MARAJH | - | 8,446,398 | 8,446,398 | 12.5% |
| IAN B. DEAR | - | 33,163,445 | 33,163,445 | 49.131% |
| JOHN G. BYLES | - | - | - | 0.0% |
| ROLAND P CLARKE | 40,000 | - | 40,000 | 0.1% |
| | 40,000 | 41,609,843 | 41,649,843 | 61.70% |

Senior Managers ShareHoldings

As at February 28, 2019

| 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% |