

EXPRESS CATERING LIMITED

Second Quarter 2020 Interim report to our shareholders

The Directors of Express Catering Limited are pleased to present the second Quarter and year to date unaudited results as at November 30, 2019.

Operating Results

The company recorded revenues of US\$3.28million for the Quarter ended November 30, 2019 compared to US\$3.12million for the same Quarter in the prior year. This is quite favourable, with the airport operators reporting flat departing passenger numbers for the quarter when compared to the prior year. We constantly benchmark our minimum revenue growth target to be within the rate of passenger growth.

Net profit earned was US\$493,415 for the Quarter resulting in Earnings Per Share (EPS) of 0.03 US Cents compared to US\$481,318 and EPS of 0.029 US Cents for the same period in the prior year.

For the 6 months to November 30, 2019 Revenue achieved was US\$7.81 million and that produced EPS of 0.094 US Cents. Departing passenger numbers for the 6 months increased by just over 1%. Revenue for the corresponding period in the prior year was US\$7.18 million with EPS of US 0.087 Cents.

Cost of sales had marginal changes for the Quarter and YTD and was in an acceptable range. Variations in the product mix along with changes in the product category composition will result in marginal changes. Administration and general expenses were, for the most part, in line with prior period ratios. The increase in maintenance cost midway in the prior half year distorted the comparison and resulted in a marginal increase in current year expense ratio.

Fixed Assets expenditure during the Quarter was US\$34,000 to take the YTD total to US\$58,000. This was expended across various categories and was mainly for replacement and upgrading purposes. Trade and Other Receivables were returned to usual levels following the refund of temporary deposits.

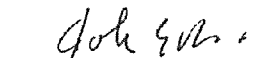
The company will be making a dividend payment on January 15, 2020.

We are grateful for the confidence that you our shareholders have placed in the company and hereby reiterate our commitment of delivering value to you.

Express Catering Limited



Ian Dear
CEO/Director



John Byles
Director

Express Catering Limited

UnAudited Statement of Financial Position as at November 30, 2019

	November 30, 2019 US\$	Audited May 31, 2019 US\$
Assets		
Non-current assets		
Property, plant and equipment	4,202,014	4,394,696
Intangible assets	962,983	1,019,150
	<u>5,164,997</u>	<u>5,413,846</u>
Current assets		
Inventories	448,230	395,253
Owing by related companies	3,805,805	1,526,144
Trade and other receivables	247,534	937,666
Cash and bank balances	309,904	258,152
	<u>4,811,473</u>	<u>3,117,215</u>
Total assets	<u><u>9,976,470</u></u>	<u><u>8,531,061</u></u>
Equity		
Capital and reserves		
Share capital	73,861	73,861
Capital reserve	43,490	43,490
Retained earnings	4,628,488	3,096,576
Total equity	<u>4,745,839</u>	<u>3,213,927</u>
Non-current liability		
Preference shares	3,500,000	3,500,000
Lease obligation	36,592	46,711
Deferred tax liability	89,150	89,150
	<u>3,625,742</u>	<u>3,635,861</u>
Current liabilities		
Trade and other payables	1,473,357	1,460,746
Current portion of lease obligation	-	-
Income tax payable	35,005	35,005
Bank overdraft	96,528	185,522
	<u>1,604,889</u>	<u>1,681,273</u>
Total liabilities	<u>5,230,632</u>	<u>5,317,134</u>
Total equity and liabilities	<u><u>9,976,470</u></u>	<u><u>8,531,061</u></u>

Director 

Director 

Express Catering Limited

Unaudited Statement of profit or loss and other comprehensive income for 6 Months to November 30, 2019

	6 Months YTD November 30, 2019	Q2 November 30, 2019	6 Months YTD November 30, 2018	Q2 November 30, 2018	Audited 12 Mths May 31, 2019
	US\$	US\$	US\$	US\$	US\$
Revenue	7,814,017	3,277,016	7,179,877	3,119,165	17,316,372
Cost of sales	(2,130,394)	(900,719)	(1,932,927)	(842,852)	(5,065,453)
Gross profit	5,683,622	2,376,297	5,246,950	2,276,313	12,250,919
	72.7%	72.5%	73.1%	73.0%	73.0%
Other operating income	173	(7,364)	136	33	-
Administrative expenses	(3,633,634)	(1,594,549)	(3,332,654)	(1,538,945)	(7,625,785)
Promotional expenses	(30,668)	(19,750)	(23,017)	(13,271)	(47,794)
Depreciation	(306,929)	(151,638)	(285,454)	(145,011)	(554,827)
Operating profit for the year	1,712,565	602,996	1,605,962	579,120	4,022,514
Finance income	(1)	-	(1)	-	440
Finance costs	(160,064)	(76,358)	(169,838)	(85,283)	(342,047)
Foreign exchange gains	(20,588)	(33,223)	(16,917)	(12,519)	50,565
Profit before tax	1,531,912	493,415	1,419,206	481,318	3,731,472
Income tax expense	-	-	-	-	-
Profit for the year being total comprehensive income for the year	1,531,912	493,415	1,419,206	481,318	3,731,472
Earnings Per Share - US Cents	0.094	0.030	0.087	0.029	0.228

Express Catering Limited

UnAudited Statement of Cash Flows for the 6 months ended November 30, 2019

	Note	November 30, 2019 US\$	November 30, 2018 US\$
Cash flows from operating activities:			
Profit for the year		1,531,913	1,419,207
Adjustments for:			
Depreciation and amortisation		306,929	285,454
Interest expense		160,064	169,838
Foreign Exchange		-	-
		1,998,905	1,874,499
(Increase)/Decrease in inventories		(52,977)	(112,686)
(Increase)/ Decrease in trade and other receivables		690,132	(405,214)
(Increase)/decrease in owing by related companies		(2,279,661)	5,786,351
Increase /(Decrease) in trade and other payables		12,611	(952,610)
		369,010	6,190,340
Cash generated from operations			
Interest paid		(160,064)	(169,838)
Income Tax Paid		(0)	170
Net cash provided by operating activities		208,945	6,020,671
Cash flows from investing activity			
Purchase of property, plant and equipment		(58,080)	(134,039)
Net cash used in investing activity		(58,080)	(134,039)
Cash flows from financing activity			
Dividends Paid		-	(6,000,619)
Lease Obligations		(10,119)	(6,117)
Repayment of bank/other loans		-	-
Net cash used in financing activity		(10,119)	(6,006,736)
Increase in cash and cash equivalents		140,747	(120,105)
Cash and cash equivalents at beginning of year		72,630	213,145
Cash and cash equivalents at end of year		213,377	93,040

Express Catering Limited

Unaudited Statement of Changes in Equity for the 6 Months to November 30, 2019

	Share Capital US\$	Capital Reserves US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2019	73,861	43,490	3,096,576	3,213,927
Changes in equity 6 months to November 30, 2019				
Dividends	-	-	-	-
Profit for the 6 months to November 30, 2019 being total Comprehensive Income	-	-	1,531,912	1,531,912
Balance at November 30, 2019	73,861	43,490	4,628,488	4,745,839

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

	Share Capital US\$	Capital Reserves US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2018	73,861	43,490	6,366,236	6,483,587
Changes in equity 6 months to November 30, 2018				
Dividends	-	-	(6,000,619)	(6,000,619)
Profit for the 6 months to November 30, 2018 being total Comprehensive Income	-	-	1,419,206	1,419,206
Balance at November 30, 2018	73,861	43,490	1,784,823	1,902,174

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, 2019.

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 November 30, 2019

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE ST. LUCIA	CASTRIES, ST LUCIA	1,134,221,961	69.265%
HARRIAT P MARAGH	KINGSTON	186,603,772	11.396%
NATIONAL INSURANCE FUND	KINGSTON	181,789,338	11.102%
MAYBERRY JAMAICAN EQUITIES LIMITED	KINGSTON	18,219,740	1.113%
MCG EMPLOYEES TRUST	MONTEGO BAY	11,794,200	0.720%
MF&G TRUST & FINANCE LTD - A/C 57	KINGSTON	10,741,577	0.656%
KONRAD BERRY	KINGSTON	6,822,776	0.417%
JMMB T1 EQUITY FUND (JMD)	KINGSTON	5,694,954	0.348%
MAYBERRY MANAGED CLIENTS ACCOUNT	KINGSTON	4,333,717	0.265%
ABEL-DON FOOTE	KINGSTON	2,809,312	0.172%
		1,563,031,347	95.452%

Total Ordinary Stock Issued - 1,637,500,000

Total Number of Stock Holders - 1840

Directors ShareHoldings

As at November 30, 2019

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
HERRICK WINSTON DEAR	-	-	-	0.000%
TANIA WALDRON-GOODEN	164,466	-	164,466	0.010%
IAN B. DEAR	-	1,134,221,961	1,134,221,961	69.265%
JOHN G. BYLES	-	-	-	0.000%
ROLAND P CLARKE	2,193,454	-	2,193,454	0.134%
HARRIAT P. MARAJH	186,603,772	-	186,603,772	11.396%
	188,961,692	1,134,221,961	1,136,579,881	80.805%

Senior Managers ShareHoldings

As at November 30, 2019

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
ROLAND P CLARKE	2,193,454	-	2,193,454	0.134%
MARK SUTHERLAND	1,340,524	-	1,340,524	0.082%
ALTHON THELWELL	-	-	-	0.000%
	3,533,978	-	3,533,978	0.216%