



Second Quarter 2020 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, 2019.

Revenue for the Quarter was US\$1.83million. This was earned from the 256,299 passengers that cruised into the port during the period, realizing a spend-per-passenger of US\$7.13. This compared favourably to revenue of US\$1.74million earned from the 246,467 passengers in the similar period in the prior year, at a spend rate of US\$7.06 per passenger.

Net Profits of US\$128,010 was earned for the Quarter resulting in Earnings per Share (EPS) of 0.19 US Cents. This is compared to Net Profits of US\$106,167 for the similar Quarter in the prior year. Earnings per Share (EPS) returned 0.157 US Cents per share for the similar Quarter in the prior year.

Revenue for the 6 months to November amounted to US\$3.86million. This was earned from the 538,339 passengers that visited the port, spending an average of US\$7.17 each. The comparative revenue for the same period in the prior year was US\$3.56million from 509,059 passengers, at a spend rate of US\$6.99.

Net Profit for the 6 months period was US\$445,312 with EPS of 0.66 US Cents, compared to US\$396,983 and EPS of 0.588 US Cents.

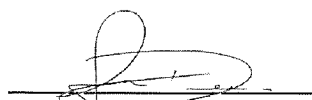
Cost of Sales returned 25.12% YTD, compared to 26.19% during the prior year YTD. The company improved on scheduling and logistics planning so there were reduced requirements to source higher priced supplies from the local purveyors. The change in the regulations relating to the administration of Gratuity resulted in additional cost to the company for employee benefits. All other categories were in line with prior year or increased in line with the revenue increase.

Marginal expenditure was made on fixed assets during the second Quarter. Expenditure for the 6 months was just under US\$79,000 moving from US\$74,000 at the close of the first Quarter. Expenditure was mainly on Building repairs and embellishments carried out by the Landlord, with charges being passed on to us. These repairs relate to Hurricanes Irma and Marie in 2017.

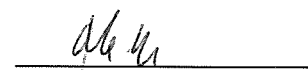
Dividend of US\$150,000 is scheduled for payment on January 15th 2020.

We are now deep into the third Quarter and approaching the busier part of the winter tourist season. Approximately 60% of the revenue and profits are earned in the second half of our fiscal year and we are encouraged by the trend so far. The processing of work permits has been going at a satisfactory pace. A number of open vacancies were filled prior to the start of the winter season, albeit at increased costs to the company. Our community integration remains ongoing as we aim to become an employer of choice.

We continue to express thanks to our shareholders and partners for their support and confidence.



Ian Dear
Director



John Byles
Director

Margaritaville (Turks) Ltd

UnAudited Statement of Financial Position as at November 30, 2019

Note	November 30, 2019 US\$	Audited May 31, 2019 US\$
Assets		
Non-current assets		
Property, plant and equipment	3,256,492	3,290,816
Development Costs	79,993	79,993
	<u>3,336,485</u>	<u>3,370,809</u>
Current assets		
Inventories	912,126	859,483
Trade and other receivables	79,987	164,398
Owing by related companies	1,739,273	1,321,627
Cash and bank balance	91,603	77,445
	<u>2,822,988</u>	<u>2,422,953</u>
Total assets	<u><u>6,159,473</u></u>	<u><u>5,793,762</u></u>
Equity		
Capital and reserves		
Share capital	522,360	522,360
Retained earnings	4,450,650	4,005,339
Total equity	<u>4,973,009</u>	<u>4,527,699</u>
Liabilities		
Current liabilities		
Bank Overdraft	-	15,048
Trade and other payables	1,186,464	1,251,015
Lease obligation	-	-
	<u>1,186,464</u>	<u>1,266,063</u>
Total liabilities	<u>1,186,464</u>	<u>1,266,063</u>
Total equity and liabilities	<u><u>6,159,473</u></u>	<u><u>5,793,762</u></u>

Director 

Director 

Margaritaville (Turks) Ltd

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	3,860,851	1,826,435	3,560,251	1,741,097	7,594,740
Cost of sales	(969,861)	(468,941)	(932,368)	(460,982)	(2,316,488)
Gross profit	2,890,989	1,357,494	2,627,883	1,280,115	5,278,252
Other Operating Income	1,200	-	-	-	500
Administrative expenses	(2,179,813)	(1,103,396)	(1,962,840)	(1,038,065)	(3,909,532)
Management Fees	(125,000)	(62,500)	(125,000)	(62,500)	(250,000)
Promotional expenses	(28,937)	(15,024)	(31,380)	(16,800)	(75,123)
Depreciation	(113,128)	(48,564)	(111,345)	(56,422)	(293,517)
Operating profit for the year	445,312	128,010	397,319	106,328	750,580
Finance costs	-	-	(336)	(161)	(335)
income for the year	445,312	128,010	396,983	106,167	750,245
Earnings Per Share - US Cents	0.660	0.190	0.588	0.157	1.111

Margaritaville (Turks) Ltd

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

Note	November 30, 2019 US\$	November 30, 2018 US\$
Cash flows from operating activities:		
Profit for the year	445,312	396,983
Adjustments for:		
Depreciation and amortisation	113,128	111,345
Interest expense	-	336
	558,440	508,663
(Increase)/decrease in inventories	(52,643)	(117,751)
(Increase)/decrease in trade and other receivables	84,411	426,679
(Increase)/decrease in owing by related companies	(417,646)	237,261
Increase /(Decrease) in trade and other payables	(64,552)	30,600
	108,011	1,085,451
Cash generated from operations	108,011	1,085,451
Interest paid	-	(336)
Net cash provided by operating activities	108,011	1,085,115
Cash flows from investing activity		
Purchase of property, plant and equipment	(78,805)	(100,555)
Net cash used in investing activity	(78,805)	(100,555)
Cash flows from financing activity		
Lease obligations paid	-	(518)
Net cash used in financing activity	-	(1,013,018)
Increase/(decrease) in cash and cash equivalents	29,206	(28,458)
Cash and cash equivalents at beginning of year	62,397	77,099
Cash and cash equivalents at end of period	91,603	48,641

Margaritaville (Turks) Ltd

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

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2019	522,360	4,005,339	4,527,699
Changes in equity 6 months to November 30, 2019			
Profit for the 6 months to November 3, 2019 being total Comprehensive Income	-	445,312	445,312
Balance at November 30, 2019	522,360	4,450,651	4,973,010

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

	Share Capital US\$	Retained Earnings 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

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, 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.

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 November 30, 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 - 319

Directors ShareHoldings

As at November 30, 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	49.1%
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 November 30, 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%