

# EXPRESS CATERING LIMITED

## Third Quarter 2020 Interim report to our shareholders

The Directors of Express Catering Limited are pleased to present the third Quarter and year to date unaudited results as at February 29, 2020.

### Operating Results

The company recorded revenue of US\$5.10 million for the Quarter ended February 29, 2019 compared to US\$4.93 million for the same Quarter in the prior year. Passenger growth for the quarter was 2.90%. We constantly benchmark our revenue growth target to be within the rate of passenger growth.

Net profit earned was US\$1.12 million for the Quarter resulting in Earnings Per Share (EPS) of 0.068 US Cents compared to US\$1.13 million and EPS of 0.069 US Cents for the same period in the prior year. Product mix during the Quarter created some pressure on the Cost of Sales.

For the 9 months to February 29, 2020 revenue achieved was US\$12.91 compared to US\$12.10 million for the same period in the prior year. Total number of departing passengers grew marginally at below 2.0% for the period.

Net Profits for the nine months was US\$2.65 million and that produced EPS of 0.162 US Cents. Net Profits for the corresponding period in the prior year was \$2.55 million with EPS of US 0.156 Cents.

Cost of sales experienced some negative pressure during the Quarter and YTD due to product mix variations. These, however, were within acceptable ranges. 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\$56,000 to take the YTD total to US\$114,000. This was expended across various categories and was mainly for replacement and upgrading purposes.

The company paid a dividend of US\$401,188 on January 15, 2020. Another similar amount was declared for payment in March 2020.

Since the close of the third Quarter in February, a pandemic was declared worldwide as a result of the effects of the Corona virus, Covid-19. This has brought air travel to almost a halt, with only emergency and travel for economic purposes being allowed. The outlook is for some return to normalcy by June 2020 and so the company is ensuring that when that time arrives, all is in place to service the many expected travelers.

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. Keep safe and thanks for the support.

Express Catering Limited



Ian Dear  
CEO/Director



John Byles  
Director

# Express Catering Limited

## UnAudited Statement of Financial Position as at February 29, 2020

	February 29, 2020 US\$	Audited May 31, 2019 US\$
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,127,692	4,394,696
Intangible assets	982,406	1,019,150
	<b>5,110,098</b>	<b>5,413,846</b>
<b>Current assets</b>		
Inventories	457,596	395,253
Owing by related companies	4,323,597	1,526,144
Trade and other receivables	311,999	937,666
Cash and bank balances	462,831	258,152
	<b>5,556,024</b>	<b>3,117,215</b>
<b>Total assets</b>	<b>10,666,122</b>	<b>8,531,061</b>
<b>Equity</b>		
<b>Capital and reserves</b>		
Share capital	73,861	73,861
Capital reserve	43,490	43,490
Retained earnings	5,345,531	3,096,576
<b>Total equity</b>	<b>5,462,882</b>	<b>3,213,927</b>
<b>Non-current liability</b>		
Preference shares	3,500,000	3,500,000
Lease obligation	32,099	46,711
Deferred tax liability	89,150	89,150
	<b>3,621,249</b>	<b>3,635,861</b>
<b>Current liabilities</b>		
Trade and other payables	1,450,458	1,460,746
Current portion of lease obligation	-	-
Income tax payable	35,005	35,005
Bank overdraft	96,528	185,522
	<b>1,581,990</b>	<b>1,681,273</b>
<b>Total liabilities</b>	<b>5,203,239</b>	<b>5,317,134</b>
<b>Total equity and liabilities</b>	<b>10,666,122</b>	<b>8,531,061</b>

Director

Director

# Express Catering Limited

## Unaudited Statement of profit or loss and other comprehensive income for 9 Months to February 29, 2020

	9 Months YTD February 29, 2020 US\$	Q3 February 29, 2020 US\$	9 Months YTD February 28, 2019 US\$	Q3 February 28, 2019 US\$	Audited 12 Mths May 31, 2019 US\$
Revenue	12,909,578	5,095,561	12,105,863	4,925,986	17,316,372
Cost of sales	(3,553,057)	(1,422,663)	(3,248,754)	(1,315,827)	(5,065,453)
Gross profit	9,356,520	3,672,898	8,857,109	3,610,159	12,250,919
Other operating income	501	329	429	292	-
Administrative expenses	(5,939,119)	(2,305,485)	(5,591,444)	(2,258,790)	(7,625,785)
Promotional expenses	(45,452)	(14,784)	(36,108)	(13,091)	(47,794)
Depreciation	(417,825)	(110,897)	(415,946)	(130,492)	(554,827)
Operating profit for the year	2,954,626	1,242,061	2,814,040	1,208,079	4,022,513
Finance income	-	-	(1)	-	440
Finance costs	(259,229)	(99,165)	(259,075)	(89,237)	(342,047)
Foreign exchange gains	(45,254)	(24,666)	(8,463)	8,454	50,565
Profit before tax	2,650,143	1,118,230	2,546,501	1,127,295	3,731,471
Income tax expense	-	-	-	-	-
Profit for the year being total comprehensive income for the year	2,650,143	1,118,230	2,546,501	1,127,295	3,731,471
Earnings Per Share - US Cents	0.162	0.068	0.156	0.069	0.228

# Express Catering Limited

## UnAudited Statement of Cash Flows for the 9 months ended February 29, 2020

	Note	February 29, 2020 US\$	February 28, 2019 US\$
<b>Cash flows from operating activities:</b>			
Profit for the year		2,650,143	2,546,502
<b>Adjustments for:</b>			
Depreciation and amortisation		417,825	415,946
Interest expense		259,229	259,075
Foreign Exchange		-	-
		<b>3,327,197</b>	<b>3,221,523</b>
(Increase)/Decrease in inventories		(62,343)	(128,059)
(Increase)/ Decrease in trade and other receivables		625,667	(829,420)
(Increase)/decrease in owing by related companies		(2,797,453)	5,878,964
Increase /(Decrease) in trade and other payables		(10,288)	(730,409)
		<b>1,082,780</b>	<b>7,412,599</b>
<b>Cash generated from operations</b>		<b>1,082,780</b>	<b>7,412,599</b>
Interest paid		(259,229)	(259,075)
Income Tax Paid		(0)	168
<b>Net cash provided by operating activities</b>		<b>823,550</b>	<b>7,153,691</b>
<b>Cash flows from investing activity</b>			
Purchase of property, plant and equipment		(114,077)	(304,613)
<b>Net cash used in investing activity</b>		<b>(114,077)</b>	<b>(304,613)</b>
<b>Cash flows from financing activity</b>			
Dividends Paid		(401,188)	(7,001,131)
Lease Obligations		(14,612)	(7,314)
Repayment of bank/other loans		-	-
<b>Net cash used in financing activity</b>		<b>(415,800)</b>	<b>(7,008,446)</b>
<b>Increase in cash and cash equivalents</b>		<b>293,673</b>	<b>(159,368)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>72,630</b>	<b>213,145</b>
<b>Cash and cash equivalents at end of year</b>		<b>366,303</b>	<b>53,777</b>

## Express Catering Limited

### Unaudited Statement of Changes in Equity for the 9 Months to February 29, 2020

	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 9 months to February 29, 2020				
Dividends	-	-	(401,188)	(401,188.00)
Profit for the 9 months to February 29, 2020 being total Comprehensive Income	-	-	2,650,143	2,650,143
Balance at February 29, 2020	73,861	43,490	5,345,531	5,462,882

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

	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 9 months to February 28, 2019				
Dividends	-	-	(7,001,131)	(7,001,131)
Profit for the 9 months to February 28, 2019 being total Comprehensive Income	-	-	2,546,501	2,546,501
Balance at February 28, 2019	73,861	43,490	1,911,606	2,028,957

# 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:

functional

The financial statements are prepared and presented in United States dollars, which is the currency of the company.

# EXPRESS CATERING LIMITED

## Top Ten ShareHoldings

As at February 29, 2020

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	18,166,771	1.109%
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	4,191,810	0.256%
ABEL-DON FOOTE	KINGSTON	2,809,312	0.172%
		<b>1,562,836,471</b>	<b>95.440%</b>

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

Total Number of Stock Holders - 1825

## Directors ShareHoldings

As at February 29, 2020

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%
	<b>188,961,692</b>	<b>1,134,221,961</b>	<b>1,136,579,881</b>	<b>80.805%</b>

## Senior Managers ShareHoldings

As at February 29, 2020

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%
	<b>3,533,978</b>	<b>-</b>	<b>3,533,978</b>	<b>0.216%</b>