



First Quarter 2020 Interim Report to our Shareholders

The negative effects of Covid-19 on the economies of the world have been documented. It is no different for the Turks and Caicos Islands, home of Margaritaville Turks. Notwithstanding, the Board of Directors believes it is very important that we communicate with our shareholders. Accordingly, provided hereunder is the un-audited results of the company for the first Quarter ended August 31, 2020.

The Government of the Turks and Caicos Islands announced the closure of the only cruise port on the island of Grand Turk on March 16, 2020, due to Covid-19. At the time of closure, the expectation was that business would resume before the end of summer. It is now 7 months since the suspension of business at the port and the earliest estimate for the resumption of cruising activity is December 2020. At the time of suspension of business activities at the port, there was no forward warning and so the company has done and continues to do the best at cost containment and keeping the facilities in a state of readiness to resume operations.

The company incurred expenses of US\$438,085 for the quarter and with no revenue, except for items disposed of at cost to avert spoilage, the Net Loss for the quarter is US\$438,085. This is compared to net profits of US\$317,301 for the prior year's quarter. Loss per share for the quarter was 0.649 US Cents compared to Earnings per Share (EPS) of 0.470 US Cents per share in the prior year's Quarter.

Expenses incurred include staff cost, utilities, insurance, depreciation and amortization. We continue to make every effort to contain our costs, whilst ensuring that the facilities remain functional and in a state of preparedness.

At the time of this report, we have been informed that Carnival Corporation has resumed staffing efforts for its fleet out of the USA. The Grand Turk facility is almost exclusively served by Carnival Corporation owned ships so that is a good signal for us.

Funding for the activities for the quarter was facilitated through the repayment of US\$406,000 owed by the parent company. US\$117,000 was paid down on the balance owed to suppliers during the period. There were no other significant changes in assets or liabilities for the quarter.

We thank our shareholders and all our stakeholders for the continued support over the period. We ask that you continue to keep safe by observing the protocols of Covid-19 as we navigate the effects of this pandemic.

Ian Dear
Director

John Byles
Director

Margaritaville (Turks) Ltd

UnAudited Statement of Financial Position as at August 31, 2020

	Note	August 31, 2020 US\$	Audited May 31, 2020 US\$
Assets			
Non-current assets			
Property, plant and equipment		3,235,031	3,300,030
Development Costs		40,467	48,560
		3,275,497	3,348,590
Current assets			
Inventories		1,002,321	1,037,523
Trade and other receivables		94,532	101,404
Owing by related companies		409,509	815,457
Cash and bank balance		(2,473)	31,401
		1,503,888	1,985,785
Total assets		4,779,385	5,334,375
Equity			
Capital and reserves			
Share capital		522,360	522,360
Retained earnings		3,333,661	3,771,746
Total equity		3,856,021	4,294,106
Liabilities			
Current liabilities			
Bank Overdraft		-	-
Trade and other payables		923,365	1,040,269
Lease obligation		-	-
		923,365	1,040,269
Total liabilities		923,365	1,040,269
Total equity and liabilities		4,779,385	5,334,375

Director 

Director 

Margaritaville (Turks) Ltd

Unaudited Statement of profit or loss and other comprehensive income for 3 Months to August 31, 2020

	Q1 AUGUST 31, 2020	Q1 AUGUST 31, 2019	Audited 12 Mths May 31, 2020
	US\$	US\$	US\$
Revenue	20,417	2,034,416	5,943,592
Cost of sales	(20,416)	(500,920)	(1,836,144)
Gross profit	0	1,533,496	4,107,448
Other Operating Income	-	1,200	1,200
Administrative expenses	(302,492)	(1,076,417)	(3,438,447)
Management Fees	(62,500)	(62,500)	(250,000)
Promotional expenses	-	(13,913)	(56,208)
Depreciation	(73,093)	(64,564)	(291,861)
Operating profit for the year	(438,085)	317,302	72,132
Finance costs	-	-	-
for the year	(438,085)	317,302	72,132
Earnings Per Share - US Cents	(0.649)	0.470	0.107

Margaritaville (Turks) Ltd

UnAudited Statement of Cash Flows for the 3 months ended August 31st

	August 31, 2020	August 31, 2019
Note	US\$	US\$
Cash flows from operating activities:		
Profit for the year	(438,085)	317,302
Adjustments for:		
Depreciation and amortisation	73,093	64,564
Interest expense	-	-
	<u>(364,992)</u>	<u>381,866</u>
(Increase)/decrease in inventories	35,202	(71,638)
(Increase)/decrease in trade and other receivables	6,872	16,084
(Increase)/decrease in owing by related companies	405,948	(137,448)
Increase /(Decrease) in trade and other payables	<u>(116,905)</u>	<u>(147,171)</u>
Cash generated from operations	(33,874)	41,693
Interest paid	-	-
Net cash provided by operating activities	<u>(33,874)</u>	<u>41,693</u>
Cash flows from investing activity		
Purchase of property, plant and equipment	(1)	(74,088)
Net cash used in investing activity	<u>(1)</u>	<u>(74,088)</u>
Cash flows from financing activity		
Lease obligations paid	-	-
Net cash used in financing activity	<u>-</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents	(33,875)	(32,395)
Cash and cash equivalents at beginning of year	31,401	62,397
Cash and cash equivalents at end of period	<u>(2,474)</u>	<u>30,002</u>

Margaritaville (Turks) Ltd

Unaudited Statement of Changes in Equity for the 3 Months to August 31, 2020

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2020	522,360	3,771,746	4,294,106
Changes in equity 3 months to August 31, 2020			
Profit for the 3 months to August 31, 2020 being total Comprehensive Income	-	(438,085)	(438,085)
Balance at August 31, 2020	522,360	3,333,661	3,856,021

Unaudited Statement of Changes in Equity for the 3 Months to August 31, 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 3 months to August 31, 2019			
Profit for the 3 months to August 31, 2019 being total Comprehensive Income	-	317,302	317,302
Balance at August 31, 2019	522,360	4,322,641	4,845,000

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, 2020.

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 August 31, 2020

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	3,985,740	5.9%
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%
		59,268,560	87.8%

Total Ordinary Stock in issue - 67,500,000

Total Number of Stock Holders - 320

Directors ShareHoldings

As at August 31, 2020

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 August 31, 2020

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
ROLAND P CLARKE	40,000	-	40,000	0.1%
MARK SUTHERLAND	-	-	-	0.0%
ALTON THELWELL	-	-	-	0.0%
	40,000	-	40,000	0.1%