



## Second Quarter 2020 Interim Report to our Shareholders

Since communicating with you on the results for the first quarter of fiscal 2021, there has been no change in the operating status of the company. There were no cruises into the Grand Turks Port for the second quarter and at today's date, no confirmed timeline has been determined for the resumption of cruising to the Port.

There were some positive developments during the quarter. The first vaccine to be approved by the Food and Drug Administration (FDA) in the United States was administered during November 2020 and there are efforts underway to increase the production and distribution of this and other approved vaccines in the shortest possible time. Cruise lines are reporting increased forward bookings and repeat customers are taking advantage of offers to secure cruises dates. Countries from which the larger proportion of cruise customers originate are focusing the vaccination roll out to the elderly and most vulnerable. This will ensure confidence is returned to the leisure market long before the full roll out is completed.

With no revenue to support expenditure, there are even greater efforts at cost containment. We had to initiate redundancy proceedings on behalf of some employees during the quarter to be compliant with local labour laws and also because some permits for work expired after the declaration of the Corona pandemic in March 2020. There being no clarity on work resumption, the government declared that there was no basis for renewing the permits.

The company incurred expenses of US\$366,920 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\$366,920. This is compared to net profits of US\$128,010 for the similar quarter in the prior year. Loss per share for the quarter was 0.544 US Cents compared to Earnings per Share (EPS) of 0.190 US Cents per share in the prior year's Quarter.

Expenses incurred include staff costs, utilities, insurance, depreciation and amortization and stock loss due to spoilage as there were items in inventory for which there was no resale market. We continue to make every effort to contain our costs, whilst ensuring that the facilities remain functional and in a state of preparedness.

Total expenditure for the six months was US\$805,005. There being no gross profit from the US\$40,451 in revenue, the net loss total was the similar US\$805,005. This is compared to Revenue of US\$3.86 million and net profit of US\$445,312 for the same period in the prior year.

Funding for the activities for the quarter and six months to date was provided through the repayment of US\$601,431 owed by the parent company. US\$78,168 was paid down on the balance owed to suppliers during the period. Inventory changes were due to sale of items as well as disposal due to expiry and or spoilage. There were no other significant changes in assets or liabilities for the quarter.

This has been an unprecedented journey to date. There is no determined date for resumption of cruising; but the commencement of vaccination gives us renewed hope. We feel confident of recovery with the continued support of our shareholders and stakeholders. Please continue to keep safe by observing the protocols of Covid-19.

Ian Dear  
Director

  
John Byles  
Director

# Margaritaville (Turks) Ltd

## UnAudited Statement of Financial Position as at November 30, 2020

		November 30, 2020 US\$	Audited May 31, 2020 US\$
	Note		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,170,030	3,300,030
Development Costs		32,373	48,560
		<u>3,202,403</u>	<u>3,348,590</u>
<b>Current assets</b>			
Inventories		931,277	1,037,523
Trade and other receivables		91,456	101,404
Due from related companies		214,026	815,457
Cash and bank balance		12,039	31,401
		<u>1,248,799</u>	<u>1,985,785</u>
<b>Total assets</b>		<u><u>4,451,202</u></u>	<u><u>5,334,375</u></u>
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital		522,360	522,360
Retained earnings		2,966,740	3,771,746
<b>Total equity</b>		<u>3,489,100</u>	<u>4,294,106</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank Overdraft		-	-
Trade and other payables		962,102	1,040,269
Lease obligation		-	-
		<u>962,102</u>	<u>1,040,269</u>
<b>Total liabilities</b>		<u>962,102</u>	<u>1,040,269</u>
<b>Total equity and liabilities</b>		<u><u>4,451,202</u></u>	<u><u>5,334,375</u></u>

Director 

Director 

## Margaritaville (Turks) Ltd

### Unaudited Statement of profit or loss and other comprehensive income for 6 Months to November 30, 2020

	6 Months to November 30, 2020 US\$	Q2 November 30, 2020 US\$	6 Months to November 30, 2019 US\$	Q2 November 30, 2019 US\$	Audited 12 Mths May 31, 2020 US\$
Revenue	40,451	20,034	3,860,851	1,826,435	5,943,592
Cost of sales	(40,451)	(20,034)	(969,861)	(468,941)	(1,836,144)
Gross profit	-	-	2,890,989	1,357,494	4,107,448
Other Operating Income	-	-	1,200	-	1,200
Administrative expenses	(533,819)	(231,326)	(2,179,813)	(1,103,396)	(3,438,447)
Management Fees	(125,000)	(62,500)	(125,000)	(62,500)	(250,000)
Promotional expenses	-	-	(28,937)	(15,024)	(56,208)
Depreciation & Amortisation	(146,187)	(73,093)	(113,128)	(48,564)	(291,861)
Operating profit for the year	(805,005)	(366,920)	445,312	128,010	72,132
Finance costs	-	-	-	-	-
Profit for the year being total comprehensive	(805,005)	(366,920)	445,312	128,010	72,132
Earnings Per Share - US Cents	(1.193)	(0.544)	0.660	0.190	0.107

## Margaritaville (Turks) Ltd

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

	November 30, 2020 US\$	November 30, 2019 US\$
Note		
<b>Cash flows from operating activities:</b>		
Profit for the year	(805,005)	445,312
Adjustments for:		
Depreciation and amortisation	146,187	113,128
Interest expense	-	-
	<u>(658,819)</u>	<u>558,440</u>
(Increase)/decrease in inventories	106,246	(52,643)
(Increase)/decrease in trade and other receivables	9,948	84,411
(Increase)/decrease in owing by related companies	601,431	(417,646)
Increase /(Decrease) in trade and other payables	<u>(78,168)</u>	<u>(64,552)</u>
<b>Cash generated from operations</b>	(19,362)	108,011
Interest paid	-	-
<b>Net cash provided by operating activities</b>	<u>(19,362)</u>	<u>108,011</u>
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	0	(78,805)
<b>Net cash used in investing activity</b>	<u>0</u>	<u>(78,805)</u>
<b>Cash flows from financing activity</b>		
Lease obligations paid	-	-
<b>Net cash used in financing activity</b>	<u>-</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents	(19,361)	29,206
<b>Cash and cash equivalents at beginning of year</b>	31,401	62,397
<b>Cash and cash equivalents at end of period</b>	<u><u>12,040</u></u>	<u><u>91,603</u></u>

## Margaritaville (Turks) Ltd

### Unaudited Statement of Changes in Equity for the 6 Months to November 30, 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 November 30, 2020			
Profit for the 6 months to November 30, 2020 being total Comprehensive Income	-	(805,005)	(805,005)
Balance at November 30, 2020	<u>522,360</u>	<u>2,966,741</u>	<u>3,489,100</u>

### 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 30, 2019 being total Comprehensive Income	-	445,312	445,312
Balance at November 30, 2019	<u>522,360</u>	<u>4,450,651</u>	<u>4,973,010</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, 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 November 30, 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%
		<b>59,268,560</b>	<b>87.8%</b>

Total Ordinary Stock in issue - 67,500,000

Total Number of Stock Holders - 348

### Directors ShareHoldings

As at November 30, 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%
	<b>40,000</b>	<b>41,609,843</b>	<b>41,649,843</b>	<b>61.70%</b>

### Senior Managers ShareHoldings

As at November 30, 2020

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