

# EXPRESS CATERING LIMITED

## Third Quarter 2021 Interim report to our shareholders

The end of the 3<sup>rd</sup> Quarter (February 28, 2021) marked eleven days less than a full year since the global pandemic associated with Covid-19 was declared on March 11, 2020. It has been a challenging period for the entire team at Express Catering Limited (ECL). We are now, however, closer to full resumption than ever before and all are embracing this. Approximately 168 million Americans have taken at least one dose of a Covid-19 vaccine and a large percentage of those are fully vaccinated. This statistic is important for our business because that country provides over 70% of our customer base. The current guide within a number of States is that masks are now optional when persons are fully vaccinated. For the April to May 2021 period, MBJ Airports is reporting passenger numbers that averages to 38% of 2019 totals for the same period. Confidence is returning.

### Operating Results

Total departing passenger count for the quarter recorded a 77.6% decline compared to the same period in the prior year. This is based on passenger statistics published by MBJ Airports Limited, operators of the Sangster International Airport. The passenger count decline had a similar effect on revenue for the quarter. Revenue of US\$1.1million was recorded for the quarter compared to US\$5.1million for the similar period in the prior year.

The company was able to cover the recurring expenditure for the Quarter with EBITDA of \$482,000. The adoption of the new IFRS 16 on Leases added a net US\$469,605 to the amortization cost for the year. Net loss for the current period closed at US\$786,283. US0.048 Cents was lost per share for the quarter, compared to earnings of US0.068 Cents per share for the similar period in the prior year.

Total departing passenger count for the nine months to February 2021 was 18.67% of the total for the same period in the prior year or conversely a decline of 81.33% in departing passengers for the 9 months. Revenue for the period was US\$2.27million compared to US\$12.91million for the same period in the prior year.

EBITDA for the six months returned \$576,000. The introduction of IFRS 16 on Leases added a net of US\$1.4million to the amortization expense for the year. Loss per share for the nine months was US0.149 Cents compared to Earning per Share of US0.162 Cents.

Fixed Assets expenditure of US\$171,875 year to date was mainly in connection with the development work to revamp the post-security food and beverage lounge that is being carried out by MBJ Airports Ltd. Being the dominant food and beverage provider at the airport, ECL is required to invest in this expansion by relocating existing concepts to the new food court as well as to develop and introduce new offerings to widen the available options for food and beverage in the airport. Funds to carry out the expansion were secured during the Quarter. The handover of the project by the main contractors has been delayed by at least four months to date. We are fully prepared to commence our part of the project once the handover is complete.

We thank you, our shareholders, and all our stakeholders for the support over the years and especially now during this Covid-19 pandemic. Please continue to take care of yourselves and your loved ones and adhere to the relevant protocols.

### Express Catering Limited



Ian Dear  
CEO/Director



John Byles  
Director

# Express Catering Limited

## UnAudited Statement of Financial Position as at February 28, 2021

	February 28, 2021 US\$	Audited May 31, 2020 US\$
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,873,141	27,129,717
Intangible assets	941,850	1,004,100
	<b>25,814,990</b>	<b>28,133,817</b>
<b>Current assets</b>		
Inventories	605,195	332,281
Owing by related companies	7,446,327	3,636,499
Trade and other receivables	247,500	181,061
Cash and bank balances	43,674	182,700
	<b>8,342,695</b>	<b>4,332,541</b>
<b>Total assets</b>	<b>34,157,686</b>	<b>32,466,358</b>
<b>Equity</b>		
<b>Capital and reserves</b>		
Share capital	73,861	73,861
Capital reserve	43,490	43,490
Retained earnings	1,417,094	3,858,485
<b>Total equity</b>	<b>1,534,445</b>	<b>3,975,836</b>
<b>Non-current liability</b>		
Preference shares	3,500,000	3,500,000
Lease obligation	22,436,202	22,941,901
Deferred tax liability	89,150	89,150
Long Term Loans	4,500,000	-
	<b>30,525,352</b>	<b>26,531,051</b>
<b>Current liabilities</b>		
Trade and other payables	1,602,173	1,456,331
Current portion of lease obligation	495,716	495,716
Income tax payable	-	-
Bank overdraft	-	7,424
	<b>2,097,889</b>	<b>1,959,471</b>
<b>Total liabilities</b>	<b>32,623,240</b>	<b>28,490,522</b>
<b>Total equity and liabilities</b>	<b>34,157,686</b>	<b>32,466,358</b>

Director 

Director 

## Express Catering Limited

### Unaudited Statement of profit or loss and other comprehensive income for 9 Months to February 28, 2021

	9 Months YTD February 28, 2021	Q3 February 28, 2021	9 Months YTD February 29, 2020	Q3 February 29, 2020	Audited 12 Mths May 31, 2020
	US\$	US\$	US\$	US\$	US\$
Revenue	2,270,411	1,077,899	12,909,578	5,095,561	14,001,360
Cost of sales	(569,933)	(268,228)	(3,553,057)	(1,422,663)	(4,326,339)
Gross profit	1,700,478	809,671	9,356,520	3,672,898	9,675,021
Other operating income	-	(2,024)	501	329	-
Administrative expenses	(1,110,825)	(318,804)	(5,939,119)	(2,305,485)	(4,414,748)
Promotional expenses	(14,023)	(10,209)	(45,452)	(14,784)	(46,034)
Depreciation & Amortisation	(1,783,324)	(657,055)	(417,825)	(110,897)	(2,378,389)
Operating profit for the year	(1,207,694)	(178,420)	2,954,626	1,242,061	2,835,850
Finance income	-	-	-	-	597
Finance costs	(1,239,453)	(610,652)	(259,229)	(99,165)	(1,293,316)
Foreign exchange gains	5,756	2,790	(45,254)	(24,666)	21,153
Profit before tax	(2,441,391)	(786,283)	2,650,143	1,118,230	1,564,284
Income tax expense	-	-	-	-	-
Profit for the year being total comprehensive income for the year	(2,441,391)	(786,283)	2,650,143	1,118,230	1,564,284
Earnings Per Share - US Cents	(0.149)	(0.048)	0.162	0.068	0.096



## Express Catering Limited

### Unaudited Statement of Changes in Equity for the 9 Months to February 28, 2021

	Share Capital US\$	Capital Reserves US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2020	73,861	43,490	3,858,485	3,975,836
<b>Changes in equity 9 months to February 28, 2021</b>				
Dividends	-	-	-	-
Profit for the 9 months to February 28, 2021 being total Comprehensive Income	-	-	(2,441,391)	(2,441,391)
Balance at February 28, 2021	73,861	43,490	1,417,094	1,534,445

### 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
<b>Changes in equity 9 months to February 29, 2020</b>				
Dividends	-	-	(401,188)	(401,188)
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

# 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, 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.

# EXPRESS CATERING LIMITED

## Top Ten ShareHoldings

As at February 28, 2021

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE ST. LUCIA	CASTRIES, ST LUCIA	1,134,221,961	69.265%
HARRIAT P MARAGH	KINGSTON	186,293,705	11.377%
NATIONAL INSURANCE FUND	KINGSTON	181,789,338	11.102%
MAYBERRY JAMAICAN EQUITIES LIMITED	KINGSTON	17,924,338	1.095%
MF&G TRUST & FINANCE LTD - A/C 57	KINGSTON	10,741,577	0.656%
MCG EMPLOYEES TRUST	MONTEGO BAY	7,088,400	0.433%
KONRAD BERRY	KINGSTON	6,822,776	0.417%
JMMB T1 EQUITY FUND (JMD)	KINGSTON	5,694,954	0.348%
ROLAND CLARKE	MONTEGO BAY	4,332,453	0.265%
ABLE-DON FOOTE	KINGSTON	2,809,312	0.172%
		<b>1,557,718,814</b>	<b>95.128%</b>

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

Total Number of Stock Holders - 1847

## Directors ShareHoldings

As at February 28, 2021

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	4,332,453	-	4,332,453	0.265%
HARRIAT P. MARAJH	186,293,705	-	186,293,705	11.377%
	<b>190,790,624</b>	<b>1,134,221,961</b>	<b>1,325,012,585</b>	<b>80.917%</b>

## Senior Managers ShareHoldings

As at February 28, 2021

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
ROLAND P CLARKE	4,332,453	-	4,332,453	0.265%
MARK SUTHERLAND	2,623,924	-	2,623,924	0.160%
ALTHON THELWELL	1,283,400	-	1,283,400	0.078%
	<b>8,239,777</b>	<b>-</b>	<b>8,239,777</b>	<b>0.503%</b>