

# EXPRESS CATERING LIMITED

## First Quarter 2021 Interim report to our shareholders

Reports on the travel and leisure industry from around the globe indicate that there is a shift in mindset, resulting in the ongoing recover of the industry. This is so despite the COVID-19 pandemic which is currently in its third surge with the more easily transmissible Delta variant. Football stadiums in Europe are once again being filled and restaurants in many cities across the globe are accepting reservations again. All of this is possible because the COVID-19 vaccines introduced in November 2020 have been successful in stemming the spread and the effects of the virus. You may be required to present proof of COVID-19 vaccination to enjoy some of these pastimes, but this measure is gaining acceptance as part of the new "normal" to getting back to business.

In Jamaica, the first cruise vessel to visit our shores since the start of the pandemic in March 2020 docked at the Ocho Rios Pier in August 2021. This was the first visit in over seventeen months. In addition, on August 17<sup>th</sup>, 2021, the country welcomed it's one millionth visitor to the island since reopening in June 2020 after a three-month suspension following the declaration of the pandemic. These are strong indicators of recovery and confidence in the Jamaica tourism product as well as trust in the ability of the country to maintain the COVID-19 protocols.

MBJ Airports Limited reported 452,922 total departing passengers for the quarter ended August 2021. This represents a more than five-fold increase compared to the similar period in the prior year but a shortfall of 27% when compared to the similar period in 2019. This is a significant improvement in passenger flows as the comparative 2019 period was pre-COVID-19. The shortfall for the preceding Quarter was 60% when compared to the similar period in 2019.

### Operating Results

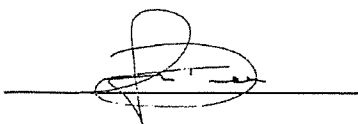
The company recorded revenues of US\$3.64 million for the Quarter compared to US\$444,140 in the prior year's quarter. This represents a more than seven-fold increase compared to prior year. The company is now back to twenty five of the usual twenty seven operating locations following suspension of all units in March 2020 due to the COVID-19 pandemic.

Net profit for the Quarter was \$565,068 compared to net loss of US\$1.08 million for the similar period in the prior year. Earnings per share was 0.035 US Cents for the quarter compared to loss per share of 0.066 US Cents for the comparable period in the prior year.

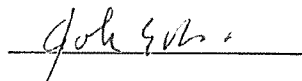
Construction work on the revamped post-security food and beverage lounge is projected to commence in September 2021. The first phase will see the relocation of existing brands to designated areas in the new food court. We expect to benefit from this transformation in the winter season commencing December 2021.

The Directors are appreciative of the continued support from all our shareholders and stakeholders, particularly now, during this COVID-19 pandemic. Please continue to take care of yourselves and your loved ones and observe the relevant protocols.

### Express Catering Limited



Ian Dear  
CEO/Director



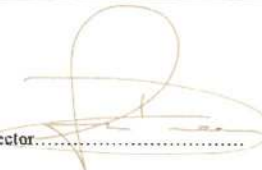
John Byles  
Director

**Express Catering Limited**  
**Unaudited Financial Statements**

**Statement of Financial Position**  
**as at August 31, 2021**

	Unaudited August 31, 2021 US\$	Audited May 31, 2021 US\$
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,826,084	3,933,553
Right-of-use-assets	25,686,614	26,215,975
Other intangible assets	903,243	940,556
	<u>30,415,940</u>	<u>31,090,084</u>
<b>Current assets</b>		
Trade and other receivables	318,017	190,194
Inventories	478,159	463,782
Owing by related companies	8,799,958	7,638,784
Cash and bank balance	486,898	424,365
	<u>10,083,032</u>	<u>8,717,125</u>
<b>Total assets</b>	<u>40,498,971</u>	<u>39,807,209</u>
<b>Equity and Liabilities</b>		
<b>Capital and reserves attributable to the company's owners</b>		
Share capital	73,861	73,861
Capital reserves	43,490	43,490
Retained profits	2,689,041	2,123,973
<b>Total equity</b>	<u>2,806,392</u>	<u>2,241,324</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	89,150	89,150
Long term loans	8,116,687	8,036,324
Lease obligation	24,166,674	24,628,804
	<u>32,372,511</u>	<u>32,754,278</u>
<b>Current liabilities</b>		
Short Term Loans		
Current portion of long-term loans	-	-
Current portion of lease obligation	1,923,153	1,923,153
Trade and other payables	3,396,916	2,821,072
Bank overdrafts	-	67,382
	<u>5,320,069</u>	<u>4,811,607</u>
<b>Total liabilities</b>	<u>37,692,579</u>	<u>37,565,885</u>
<b>Total equity and liabilities</b>	<u>40,498,971</u>	<u>39,807,209</u>

Director 

Director 

Express Catering Limited  
Unaudited Financial Statements

Statement of Comprehensive Income  
for the Period Ended August 31, 2021

	Q1 August 31, 2021	Q1 August 31, 2020	Audited May 31, 2021
	US\$	US\$	US\$
Revenue	3,638,934	444,140	4,412,511
Cost of sales	(1,242,257)	(159,423)	(1,526,305)
<b>Gross profit</b>	<b>2,396,678</b>	<b>284,717</b>	<b>2,886,206</b>
Administrative expenses	(993,374)	(471,249)	(2,005,997)
Promotional expenses	(1,314)	(1,498)	(13,996)
Depreciation and amortisation	(678,444)	(581,864)	(2,410,656)
<b>Operating profit (Loss) for the YTD</b>	<b>723,545</b>	<b>(769,894)</b>	<b>(1,544,443)</b>
Other operating income	356,497	17	1,791,536
Finance costs	(514,646)	(314,185)	(1,925,082)
Finance income	-	-	2,855
Foreign exchange adjustment Gain/(Loss)	(328)	-	(59,378)
<b>Total comprehensive Profit/Loss Before Tax for the YTD</b>	<b>565,068</b>	<b>(1,084,062)</b>	<b>(1,734,512)</b>
Income tax credit/(expense)	-	-	-
<b>Profit for the year</b>	<b>565,068</b>	<b>(1,084,062)</b>	<b>(1,734,512)</b>
<b>Earnings per share - US Cents</b>	<b>0.0345</b>	<b>(0.0662)</b>	<b>(0.1059)</b>

**Express Catering Limited**  
**Unaudited Financial Statements**

**Statement of Cash Flow**  
**as at August 31, 2021**

	3 Months to August 31, 2021	3 Months to August 31, 2020
	US \$	US \$
<b>Cash flows from operating activities:</b>		
Profit before tax	565,068	(1,084,062)
<b>Adjustments for:</b>		
Depreciation and amortisation	678,444	581,864
Other income - RoU concession	(351,544)	-
Interest expense	514,646	314,185
	<b>1,406,613</b>	<b>(188,013)</b>
(Increase)/Decrease in Receivable/Prepayments/Deposits	(132,821)	(2,051)
(Increase)/Decrease in owing by related companies	(1,153,944)	67,080
(Increase)/Decrease in inventories	(14,377)	65,898
Increase/(Decrease) in trade and other payables	573,611	144,713
	<b>679,082</b>	<b>87,627</b>
<b>Cash (used in)/generated from operations</b>		
Interest paid	(434,282)	(314,185)
<b>Net cash (used in)/provided by operating activities</b>	<b>244,800</b>	<b>(226,558)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(4,299)	(9,038)
<b>Net cash used in investing activities</b>	<b>(4,299)</b>	<b>(9,038)</b>
<b>Cash flows from financing activities</b>		
Loan Proceeds, net of repayments	-	-
Net Addition (Pay down) to Lease	(110,586)	231,287
Repayment of preference share	-	-
<b>Net cash provided by/(used in) financing activities</b>	<b>(110,586)</b>	<b>231,287</b>
<b>Increase in cash and cash equivalents</b>	<b>129,915</b>	<b>(4,308)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>356,983</b>	<b>175,276</b>
<b>Cash and cash equivalents at August 31, 2021</b>	<b>486,898</b>	<b>170,968</b>

Express Catering Limited  
Unaudited Financial Statements

Statement of Changes in Equity  
as at August 31, 2021

	Share Capital US\$	Capital Reserve US\$	Retained Profits US\$	Totals US\$
<b>Balance at May 31, 2020</b>	<b>73,861</b>	<b>43,490</b>	<b>3,858,485</b>	<b>3,975,836</b>
Dividends paid by subsidiary to non-controlling interests	-	-	-	-
Total transactions with Owners	-	-	-	-
Loss for the year being total comprehensive loss for the year	-	-	(1,734,512)	(1,734,512)
<b>Balance at May 31, 2021</b>	<b>73,861</b>	<b>43,490</b>	<b>2,123,973</b>	<b>2,241,324</b>
Profit for the 3 months to August 31, 2021 being total Comprehensive Income	-	-	565,068	565,068
<b>Balance at August 31, 2021</b>	<b>73,861</b>	<b>43,490</b>	<b>2,689,041</b>	<b>2,806,392</b>

**Express Catering Limited**  
**Unaudited Financial Statements**

**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.

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 Group Ltd., a company registered under the Bahamas IBC Act of 2000.

The company was listed on the Junior Market of the Jamaica Stock Exchange in July 2017.

**2. Basis of preparation**

(i) Statement of compliance

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) Accounting policies.

There have been no changes in accounting policies since the most recent audited accounts as at May 31, 2021.

**3. Reporting Currency**

The financial statements are prepared and presented in United States dollars, which is the functional currency of all the group's operating companies.

**4. Seasonality of Interim Results**

The entire operations of the Group are dependent on the Caribbean tourism market. Despite the fairly stable climate, the Caribbean hotel and resort market shows a significant level of seasonality throughout the year. The seasonality is represented by strong occupancies throughout the winter season, typically between December and May. This is offset by lower occupancies between June and November with particularly low occupancies in the months of September and October.

**5 Effects of Covid 19**

The spread of the Coronavirus disease (COVID-19) which was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020, has severely impacted many local economies around the globe. In the Caribbean, as in all regions, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. These measures significantly affected the group's operation and resulted in its suspension of operations in March 2020 for three months. Operations resumed in June 2020 and has been continuing since.

At the date of the authorisation of the financial statements, operations continued to be impacted by COVID-19. Management is unable to determine a reliable estimate of the financial impact of COVID-19 events on its profitability and financial position for the subsequent period.

# EXPRESS CATERING LIMITED

## Top Ten ShareHoldings

As at August 31, 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	3,286,312	0.201%
		<b>1,558,195,814</b>	<b>95.157%</b>

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

Total Number of Stock Holders - 1860

## Directors ShareHoldings

As at August 31, 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 August 31, 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>