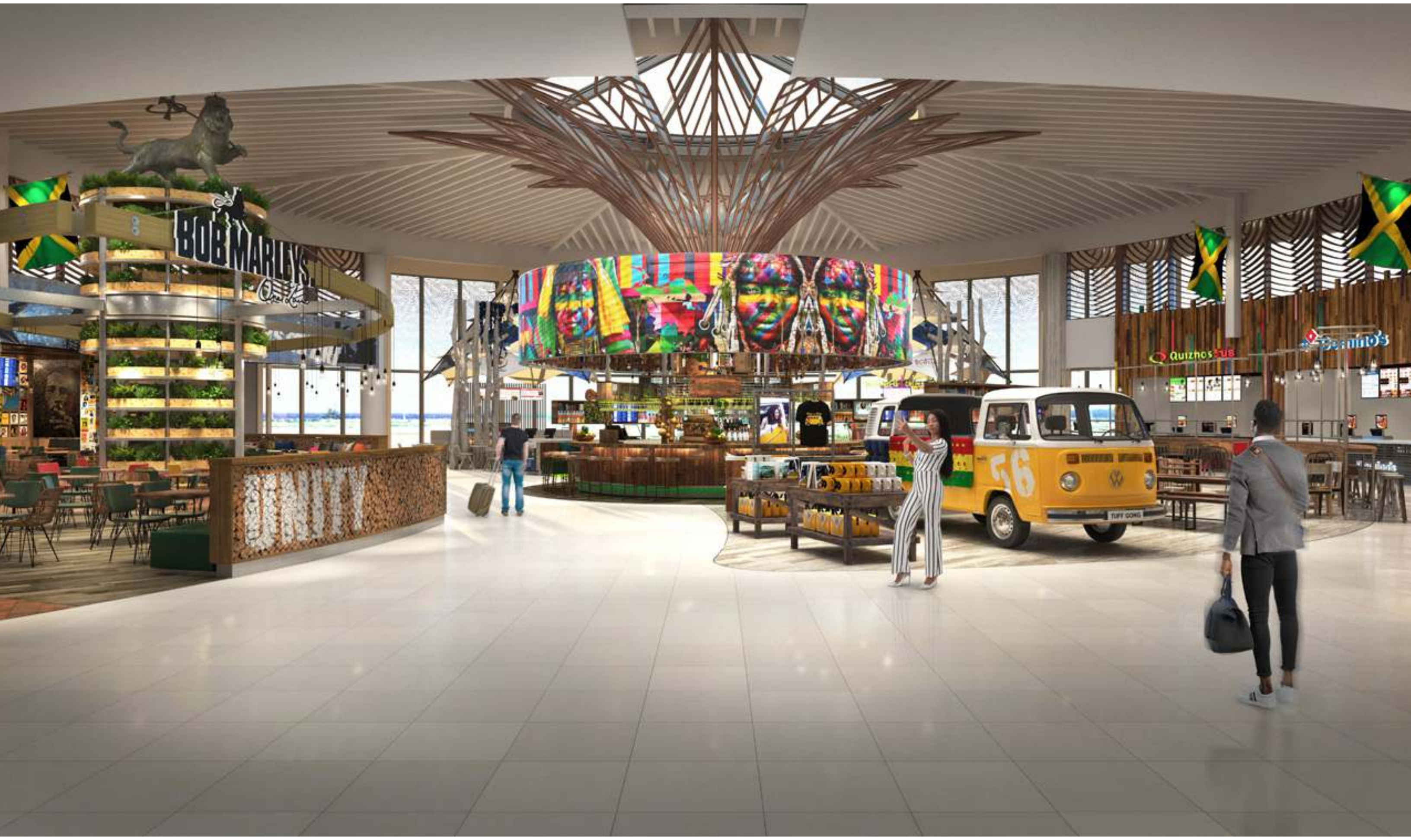
EXPRESS CATERING LIMITED

2021 ANNUAL REPORT



Innovators in Airport Hospitality

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Express Catering Limited (ECL) will be held at the Margaritaville Caribbean Group Ltd.'s Boardroom, #16, M19 Southern Cross Boulevard, Freeport, Montego Bay on Wednesday, April 27, 2022 at 11:00a.m. for the following purposes:

Ordinary Business

1. To receive the report of the Directors and Financial Statements for the year ended May 31, 2021 and the report of the Auditors thereon.

2. To authorize the directors to fix the remuneration of the Auditors for the ensuing year. The Auditors, Messrs. HLB Mair Russell, Chartered Accountants, have signified their willingness to continue in office pursuant to section 154 of the companies act.

3. To fix the remuneration of the Directors for the year that commenced June 1, 2021.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not also be a member.

By order of the board,

Roland Clarke
Company Secretary

REGISTERED OFFICE
#16, M19 Southern Cross Blvd.
Freeport, Montego Bay, Jamaica, W.I.

Chairman's Report

Ladies and Gentlemen,

Fiscal 2021 was the most challenging year to date for Express Catering Limited (ECL) as we dealt with the ramifications from the global COVID-19 pandemic which affected our operations for the entire year.

With tourism being the nucleus of our business model, our operations grounded to a near halt for approximately 3 months with the closure of our country's borders. As you are aware, our operation was established in 2001 to satisfy the food and beverage requirements of the travelers using the Sangster International Airport in Montego Bay, Jamaica. The onset of the pandemic caused passenger traffic to dwindle as travel was severely impacted. Globally, international travel declined by 74% in 2020. For Jamaica, it declined by 68.71%. Accordingly, our operation was severely impacted, with the company achieving revenue totaling US$4.41million – a decline of 68.5% when compared to 2020.

The introduction of vaccines towards the end of calendar year 2020 brought hope. Despite skepticism and logistical challenges, the uptake of vaccines began in earnest and recovery of travel tourism commenced. For the calendar year 2021, the Jamaica Tourist Board projected approximately 1.2 million visitors to the island, with over 90% being stop-over arrivals. As the main airport hub serving the parishes with the most diverse destination offerings, most of these travelers will use the Sangster International Airport. With our exclusivity for food and beverage offerings post-security, Express Catering Limited benefits from all these travelers.

Renovation work at the airport continues. We have received some of the newly completed post-security retail space and retrofitting is ongoing for our food and beverage locations. We expect operations at our new locations (**Freshens**, **Bento** and **Bob Marley's One Love**) to commence in calendar 2022.

Express Catering Limited continues to invest in our people and product to ensure that the standards of our brands are maintained. Compliance and operational requirements are being met and we are always ready to provide our international and world renown products and service. We also continue to maintain the relationships with our business partners and stakeholders and must state on record our appreciation for the support and or assistance that has been provided to us during these challenging times

During the year we lost Director and Shareholder, Harriat "Harry" Maragh, business stalwart and valiant supporter of the company. He passed away in January 2021. Harry's in-depth knowledge and expertise will be missed by all. We again offer our condolences to his family and friends.

The Company is looking forward to better days. As with the rest of the world, we continue to monitor all activities relating to the various COVID-19 variants. However, we believe that the vaccines have brought a certain level of security to travelers and so we expect the industry recovery to happen at a faster pace. For fiscal 2022 we are expecting near pre-COVID-19 numbers in passenger traffic, or maybe even more. We hope you stay with us for the better days!

Thank you for your usual support.

Sincerely,

Herrick Winston Dear

Directors' Profiles

Herrick Winston Russell Dear CLS, JP, CD.

CHAIRMAN & INDEPENDENT, NON-EXECUTIVE DIRECTOR

A Commissioned Land Surveyor, City Planner, Entrepreneur and Businessman, Winston Dear has dedicated his life to the development of Montego Bay and Western Jamaica. Since 1966 he has been an integral part of the life of Montego Bay and Jamaica and has played vital roles in Resort Development, Montego Freeport, Rose Hall Development, Montego South Development, Ironshore and The Greater Montego Bay Development Plan. Herrick was also instrumental in forming the Port Authorities, "Montego Bay Freezone" and lobbied for the establishment of the current Montego Freeport Cruise Ship terminal, thereby earning the moniker of "City Father. In the 1980's he was deeply involved in the 807 garment industry and at the zenith of this industry employed over 3000 workers. Under his watch, the Government established the earth station within the zone which set the course for us to become the leading ICT center of Jamaica.

Herrick Winston Russell Dear currently sits on the Boards of Express Catering Limited and Margaritaville (Turks) Ltd. He is a member of the Montego Bay Chamber of Commerce and Industry and a member of the Tribunal, Ministry of Tourism. Herrick was appointed as a Justice of the Peace for the parish of St. James in 1983 and, in 2010, the Government of Jamaica bestowed the Order of Distinction on him. In 2017 the Government upgraded his honor to the rank of "The Order of Distinction in the rank of Commander Class" CD.

He is married to Denise and together they have three children, eight grandchildren and two great-grandchildren, all living in Jamaica. With over 40 years sail boat racing and cruising experience (one of his most favourite things to do), Herrick holds a Coastal Masters Certificate from the Maritime Authority of Jamaica, and is entitled to use the title "Captain".

Ian Dear CD, JP

EXECUTIVE DIRECTOR & CEO

Ian Dear is the founder and current Chairman and CEO of Margaritaville Caribbean Group (MCG).

MCG is an industry-leading hospitality company which has two subsidiaries publicly traded on the Jamaica Stock Exchange. Under Dear's leadership the Company portfolio has expanded to include a diverse range of hospitality concepts in 53 locations throughout the Caribbean.

Ian has been a Justice of the Peace for the parish of St. James, since 1996 and maintains active involvement in several community service organizations. He is currently Chairman of the Board of the Tourism Product Development Company Limited (TPDCo.) and a board member of the Tourism Enhancement Fund (TEF).

In addition to these current appointments, Ian has served as a member and board member for several organizations to include the Jamaica Hotel and Tourist Association, the Private Sector Organization of Jamaica, Young President's Association, the Montego Bay Chamber of Commerce, the Jamaica Cruise Council and the Attractions Association of Jamaica.

In 2020, Jamaica's Governor-General appointed Ian Dear to the Order of Distinction in the rank of Commander for his contributions to Caribbean Tourism and Real Estate Development.

Roland Clarke

EXECUTIVE DIRECTOR, SECRETARY AND CFO

Roland is a Chartered Accountant with over twenty years of experience in Accounting and Finance covering Retail, Manufacturing, and Telecom logistics industries.

Roland joined Margaritaville Caribbean Group in August 2010. Previously he was with Facey Commodity Company Ltd. where he had direct responsibility for the finance functions of the Telecoms Division. During this time he led implementation of financial systems for the group subsidiaries in Germany, Trinidad and Tobago, Honduras, Panama and El Salvador. Roland also spent 18 months in Trinidad and Tobago in the capacity of Financial Controller, while performing other corporate duties.

His experience also includes 10 years in various accounting and finance roles with the ICD Group of companies in Jamaica.

Roland is a Fellow of the Association of Certified Chartered Accountants of England and holds a BSC. (Hons.) in Accounting from the University of the West Indies.

Tania Waldron-Gooden, MBA, B.Sc.

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Tania Waldron-Gooden, Chief Executive Officer at Caribbean Assurance Brokers Limited, has over fourteen years of experience in areas such as Investment Banking, Research, New Product Development, Pension Fund and Portfolio Management. Mrs. Waldron-Gooden also served in the capacity of Deputy CEO of Caribbean Assurance Brokers Limited from October 1, 2020, to December 31, 2021 and has been a member of the Company's Board of Directors since November 2017.

Tania was previously the Director of Investment Banking and Executive Director at Mayberry Investments Limited. She is the Mentor and Director of Main Event Entertainment Group, Express Catering Limited, and the Mentor for Derrimon Trading Company Limited, Spur Tree Spices Jamaica, Caribbean Flavors & Fragrances Limited and Edufocal. She is a member of the Finance & Audit Committee of the National Health Fund. She is also a Director of Chicken Mistress Limited, AJAS Limited, First Rock PE and Island Grill Holdings Limited.

As the Mentor to various companies, she is responsible for providing the Board with support in establishing proper procedures, systems, and controls for its compliance with the Jamaica Stock Exchange Rule requirements for financial reporting, good corporate governance, and the making of timely announcements.

Mrs. Waldron-Gooden holds a Bachelor of Science degree (BSc. - Hons.) in Geology from the University of the West Indies, a Master of Business Administration degree (M.B.A) from the University of Sunderland in the U.K and has completed the Jamaica Securities Course as well as the Canadian Securities Course administered by the Canadian Securities Institute. Additionally, she holds a post graduate diploma in Paralegal Studies and is registered/licensed to sell and give advice on Life Insurance business and Sickness & Health Insurance business.

John G. Byles

INDEPENDENT, NON-EXECUTIVE DIRECTOR

John G. Byles is a graduate of the Florida International University where he attained a degree in Business Administration, with focus in Finance and International Business. Since then, his career has led him through several fields in the Corporate Finance arena. He spent over fifteen years in the banking and finance sector, working with Business Leaders in several growing and successful companies across dynamic industries before joining the tourism field over fifteen (15) years ago.

John currently sits on the Boards of Margaritaville (Turks) Ltd, Chukka Caribbean Adventures Group of Companies, Express Catering Limited, Cargo Handlers Ltd. and Margaritaville Caribbean Group Ltd. He is also a member of the Cruise Council of Jamaica and is the Chairman of the Destination Assurance Council – Montego Bay Chapter. In the past, John has also served on the Boards of the Jamaica Tourist Board and Jamaica Promotions Corporation. John brings to the Board his considerable experience in brand delivery in the tourism sector and management experience from the finance industry. He is a committed husband and father of four (4), an avid polo enthusiast in his down time and an active community development stalwart.

Top 10 ShareHoldings

As at May 31, 2021

NAMES		VOLUME	PERCENTAGE
Margaritaville St. Lucia	Castries, St Lucia	1,134,221,961	69.265%
Estate 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%
		1,558,195,814	**95.157%**

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

Total Number Of Stock Holders - **1860**

Directors ShareHoldings as at May 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%
	4,496,919	**1,134,221,961**	**1,138,718,880**	**69.54%**

Senior Managers ShareHoldings as at May 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%
Alton Thelwell	1,283,400	-	1,283,400	0.078%
	8,239,777	**-**	**8,239,777**	**0.503%**

Corporate Governance

Report of Managements Responsibility and Internal Controls

The management of Express Catering Limited is responsible for the fairness and accuracy of the financial statements. The financial statements and the accompanying notes were prepared in accordance with the rules of the International Financial Reporting Standards and include such estimates as management deemed necessary to give a true and accurate view of the financial affairs of the group.

Management has established a system of internal controls over financial reporting that provides reasonable assurance that assets are adequately safeguarded and transactions are recorded accurately, in all material respects.

Our internal controls provide for appropriate segregation of duties and responsibilities and there are documented policies regarding utilization of our assets and proper financial reporting. We also maintain a strong audit program that independently evaluates the adequacy of the design and effectiveness of these internal controls.

The Board of Directors provides oversight guidance to the management of the company in fulfilling their financial reporting duties and is assisted in their oversight responsibilities by the Remuneration and Audit Committees of the Board. Currently the Board of Directors meets on a quarterly basis and is prepared to revise the frequency should the need arise. The accompanying Management Discussion and Analysis were prepared under the direction and guidance of the Board of Directors.

The Board established two committees to assist in completing their oversight responsibilities. The members of each committee for the year just completed are as follows:

Remuneration Committee:
Ian Dear (Executive Member)

John Byles
(Independent, Non-Executive Member)

Herrick Dear
(Independent, Non-Executive Member)

Audit Committee:
John Byles – Chairman
(Independent, Non-Executive Member)

Tania Waldron - Gooden
(Independent, Non-Executive Member)

The **Remuneration Committee** meets once per year to review the remuneration scales of the company to ensure they are competitive and in line with market trends. Recommendations, if any, are submitted to the Board for approval.

The **Audit Committee** meets on a quarterly basis. They have complete access to the financial records for the company and have direct access to the Chief Financial Officer, Vice President of Internal Controls and Systems and our External Auditors. Chief among their roles and responsibilities are the following functions:

- Monitor the financial performance of the company against objectives.
- Ensure that the company is compliant with statutory and regulatory reporting requirements.
- Ensure that the company is compliant with covenants relating to banking and other creditor requirements.

The Board's Corporate Governance Charter can be seen at the following website
www.MargaritavilleCaribbean.com

- Monitor and review the effectiveness of the internal audit function.
- Consider, approve and recommend to the board the group's annual operating and capital budgets.
- Review internal and external audit reports
- Assess operational risks and make recommendations to the board for decision.

The Board is very thankful to these Committees for their guidance and wish for them another successful year.

Herrick Dear
Chairman

Ian Dear
Director

Management Discussion & Analysis of Financial Condition and Results of Operations

The discussion and analysis for Express Catering Limited (ECL) that follows should be read in conjunction with the audited financial statements and related financial statement notes found elsewhere in this report. The company reports on a 12-month basis from June 1 to May 31. Financial data is reported in US$, the functional currency of the company. The discussions are on the results for the year ended May 31, 2021 and comparative prior years.

Overview of Operations

ECL is a Jamaican registered company and a subsidiary of Margaritaville St. Lucia, Inc. The ultimate parent company is Margaritaville Caribbean Group Ltd (MCG), a Bahamian registered company. MCG, through its various subsidiaries and partnerships, owns and operates a diverse portfolio of restaurant and nightclub concepts in Jamaica, Turks and Caicos and St Thomas USVI.

ECL has been in operation since 2001, providing food and beverage offerings to the passengers that depart the island through the Sangster International Airport in Montego Bay, Jamaica. It also provides food and beverage offerings for the approximately 5,000 employees that work in the various support services at the airport.

Since 2011, ECL has been the dominant food and beverage partner of MBJ Airports Limited, operators of the Sangster International Airport in Montego Bay. The Company currently has exclusivity of food and beverage offerings for the post security sections. It also has a significant share of the pre-security food and beverage offerings.

To satisfy the diverse taste preferences of the thousands of passengers that access the Sangster International Airport, ECL has selected a range of the most popular international franchises, with some of these franchises having their origin near the more popular airport hubs that connect with the Sangster International Airport. International franchises currently under management at the Sangster International Airport include the following:

These are complimented by a number of proprietary and local food and beverage brands such as;

Soon to join the offerings are:

Bento, one of the largest sushi companies outside of Japan. The brand's on-site Bento chefs prepare a selection of sushi, bento boxes, ramen, poke bowls and more. These fresh menu items can be enjoyed by guests onsite, or pre-packaged selections can be purchased at any of Express Catering's Viva Grab and Go locations throughout the terminal.

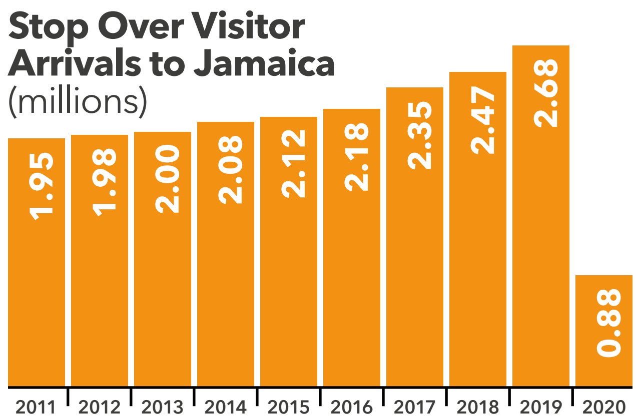
Freshens, a healthy "fresh casual" concept, serving signature smoothies and frozen yogurts alongside menu items with a focus on fresh and healthy options.

Bob Marley's One Love, a one-of-a-kind, Jamaican attraction drawing inspiration from Jamaica's vibrant culture, food, music and spirit of generosity. Bob Marley's One Love will feature an authentic pimento wood-grill, fresh juices, sharing plates, Marley inspired photo ops and more.

These brands are slated to start operations in Calendar 2022.

ECL's business model was created around leisure travel. The company is a direct participant in Jamaica's tourism industry as the core business is to satisfy the food and beverage demands of the stopover visitors that travel to and from Jamaica via the Sangster International Airport. Stopover visitor arrivals numbers have increased every year over the last ten years up to 2019 (as shown in the table below) and so has the revenue and profits at ECL. The year 2020 was, however, a significant anomaly, attributed to COVID-19 pandemic challenges. This decline continued into early 2021.

According to the Jamaica Tourist Board's website, the year 2020 recorded the greatest crisis on record in international tourism travel. The pandemic that was declared in March 2020 from the effects of the Corona virus, COVID-19, created the greatest health, social and



Figures from the Jamaica Tourist Board (JTB) website.

economic emergency since that of 1918. The World Tourism Organisation reported that international tourist arrivals declined by 74% in 2020 when compared to the prior year, 2019. The decline resulted in over 1 billion less international travelers and an estimated $1.3 trillion of lost export revenue.

At 68.71%, Jamaica's total visitor arrivals decline fared better than much of the other tourism regions in the world. This was due mainly to Jamaica's proximity to the North American tourism market, which has been determined as our largest source market for tourism. Other factors that helped to reduce the decline were:

- Jamaica's position as one of the best value propositions as a destination. There is a wide range of accommodation types, attractions and activities to create a varied product.
- the authorities took the lead early to create a robust set of protocols which ensured that travel would be safe for visitors, as well as the staff that would cater to their needs.
- continued sales and marketing activities in key regions.

Another important development took place towards the end of calendar 2020. The first vaccine to effectively control the spread and effects of the COVID-19 virus commenced distribution in the USA in November of 2020; this could be considered the effective date that the recovery began. With the introduction and uptake of vaccines, consumer confidence started to re-appear. The main challenge was deciding what regions would be first in line to secure the scarce supply of vaccines. Other vaccines were developed in ensuing months and so supply improved across all regions of the world. As a result of these factors and initiatives, the recovery is progressing at a faster pace. Cruising also restarted into Jamaican ports in August (for one of the main ports) and in November and December for the other two main ports.

The JTB expects 1.2 million visitors to the island for calendar 2021, with over 90% of these expected visitors to be stopover visitors. The expectation of the JTB is that by the end of calendar 2022, total visitor numbers will be rivaling the highest pre COVID-19 total of 4.2 million visitors. This will be so due to expanded airlift into Jamaica, as well as increased cruise calls scheduled for all five cruise ports. Stopover visitors is expected to account for 2.5 million of this projected total. Express Catering Limited benefits from the stopover visitor numbers.

Sangster International Airport in Montego Bay, the home of Express Catering Limited, will also feature significantly in the recovery efforts. In addition to being in the tourism capital of Jamaica, the airport is also close to the growing tourism centers of Ocho Rios and Negril. Just under 80% of all stopover visitors to the island in 2019 entered through the Sangster International Airport. This trend is expected to hold into the future.

The Airport is currently undergoing extensive renovations that will see an additional four thousand square meters of retail space added. This is expected to enhance the travel experience, through the addition of more and varied shopping options. MBJ Airports as well as Express Catering contracted the services of two of the most respected companies in revenue maximization and airport design – Pragma Consulting (Pragmas) and The Design Solution (TDS). They have worked in 55 countries, 140 airports and over 175 terminals and have been of tremendous help to Express catering in analysing and rationalizing our offerings to maximize revenue opportunities.

Fiscal 2020 Highlights

Total departing passengers for the year was 567,935, compared to 1.861 million in the prior year. This was a 69.49% decline compared to the prior year. Total passenger for the previous fiscal year pre-COVID-19 was 2.328 million. Compared to pre-Covid-19 passenger flows, the current year declined by 75.6%. Revenue performed in line with the decline in passenger numbers.

In May, the final month of fiscal 2021, 105,813 passengers accessed the post security area. This was the highest total passenger count for any month since the pandemic. This month also marked the first time since the recovery commenced that more than 50% of the pre-Covid-19 passenger totals were achieved. Since then, the count has been in the region of 70 to 75% of pre-Covid-19 totals.

Construction work on the revamping of the retail space in the post security sections continued at brisk pace. Sections of the food and beverage space have been handed over to Express Catering to complete retrofitting for the various branded offerings. Logistical challenges associated with the pandemic have been hampering the delivery of required kitchen and preparation equipment, but we expect to have substantial parts completed within fiscal 2022.

Results of Operations for Fiscal 2021

Below is a summary of the operating matrix in relation to revenues for the 3 most recent fiscal years. The information was prepared from the statement of profit or loss and other comprehensive income, found elsewhere in this report, as well as from previous fiscal reports.

The adoption of the new IFRS 16 on Leases in fiscal 2020 has changed the category ratios and the comparatives. Lease payments formerly grouped under administrative expenses are now split, with a portion remaining under administrative expenses in the income statement and the balance treated as Lease Obligation payments and adjusted against the liability in the Balance Sheet. The implied finance cost associated with the Lease Obligation is now included in the income statement under finance costs. The income statement is further impacted by the increase in Amortisation costs associated with the impairment of the right-of- use asset.

ECL Results of Operations Matrix	2021 %	2020 %	2019 %
Revenue	**100.00%**	**100.00%**	**100.00%**
Cost of sales	-34.59%	-30.90%	-29.25%
Gross profit	**65.41%**	**69.10%**	**70.75%**
Administrative expenses	-45.46%	-31.53%	-44.04%
Promotional expenses	-0.32%	-0.33%	-0.28%
Depreciation and amortisation	-54.63%	-16.99%	-3.20%
Operating profit	**-35.00%**	**20.25%**	**23.23%**
Concessions on rent	40.60%	0.00%	0.00%
Finance income	0.06%	0.00%	0.00%
Finance costs	-43.63%	-9.24%	-1.98%
Gain/(loss) on foreign exchange	-1.35%	0.15%	0.29%
Profit before tax	**-39.31%**	**11.17%**	**21.55%**
Income tax expense	0.00%	0.00%	0.00%
Profit for the year being total comprehensive income for the year	**-39.31%**	**11.17%**	**21.55%**

Revenues

The pandemic was declared in March 2020 and there was an immediate halt to international travel. Stop over visitor numbers declined by 67.16% during calendar 2020. Recovery commenced midway in the second half of calendar 2020 but it wasn't until the second half of calendar 2021 that there were impactful changes to the travel numbers. Fiscal 2021 straddled both calendar years and unfortunately covers the period when international travel was at its lowest on record. Revenue for the year was US$4.41 million. This is compared to a COVID-19 affected revenue of $14.0 million in the prior year. Pre-COVID-19 full year revenue was $17.32 million in 2019. The first half of fiscal 2022 has already surpassed the total revenue of fiscal 2021 and so we are encouraged that the recovery is in full gear.

Cost of Sales and Expenses

Products pricing has been severely impacted by the logistics challenges associated with COVOD-19. During the year we have been subjected to price increases on some products, more than once, for the year. This has not been the experience of recent record (pre-COVID-19). In addition, bulk buying opportunities have been restricted due to the lower demand associated with the worldwide reduction in travel. All these factors and more have combined to increase the Cost of Sales ratio for the year. The company still has access to the

parent company's bulk purchasing abilities and is enabled to hold just-in-time inventory, thereby reducing spoilage from excess inventory. The experience gained over the many years in maintaining standards in usage of raw materials has served the company well during this unprecedented period of reduced activities.

Administrative cost ratio increased because of the lower revenue totals. The company was not able to rationalize all the fixed recurring cost component of the expenditure in line with the reduced revenue, but all efforts were made to be as cost effective as possible. As an example, administrative staff would join the dining room team to ensure our customers were taken care of whenever bottlenecks would result from the reduced numbers on the operations team. These and similar initiatives will serve us well as the business recovers and return to pre-Covid-19 levels.

The company incurred additional expenditure on cleaning and maintenance to ensure the safety of our staff and adherence to the COVID-19 protocols issued by the Ministry of Health.

The company benefitted from some relief of rental charges associated with the property lease. The treatment of this relief is governed by IFRS 16 on Leases and is included as income on the statement of profit or loss and other comprehensive income.

Earnings, Earnings Per Share (EPS) & Dividends

The unprecedented reduction in international travel affected the Company's ability to generate a profit. The company lost $1.73 million, resulting in a Loss Per Share of 0.1100 US Cents. The corresponding prior year produced a COVID-19 affected Net Profit of US$1.56 million and Earnings Per Share (EPS) of US 0.09 Cents per share.

Balance Sheet Performance & Cash Flow

ECL invested a combined US$264,956 for both fixed and intangible assets during the year. Renovation work by MBJ to relocate the food court and expand the post-security retail space began and is in progress. As the exclusive food and beverage provider for the post security sections of the airport, ECL is required to participate in this initiative. Fees to secure the additional franchises, as well as payments towards the construction and required new equipment for the relocation, makes up the total expenditure. The

company expects to benefit significantly from this expanded and repositioned retail space.

Funding for the relocation and upgrade of the equipment in the new food court was secured. A total of $8.0 million was raised, $3.5 million was used to retire an existing debt.

The company continues to nurture the relations with creditors. These have been of tremendous support during this downturn in business, associated with COVID-19.

Future Outlook

The recovery has begun and is sustainable. There have been new variants of COVID-19 that caused a lull in the travel activities, but these were only temporary. From all reports the recent Christmas and New Year season has been very busy, a complete opposite from that of 2020. The revenue reported for second Quarter of fiscal 2022 surpassed the revenue totals for the full year of fiscal 2021.

Relocation to the new food court has commenced and we should be operating from this space towards the end of the 3rd Quarter. The revamping work will be continuing for some of the offerings into the 2023 fiscal year.

The company, and Jamaica's tourism product generally, are in a better position than when we last reported to you. Since the last Annual Return, COVID-19 vaccines have become more available and are being distributed all over the world. Vaccines were determined to be the most effective method to manage and stop the spread of the COVID-19 virus. Sporting facilities are re-opening and the familiar sights of crowds cheering on their teams are once again on televisions. COVID-19 has not disappeared but there is a determination to include it in our way of life, going forward.

Supply chain challenges continued into fiscal 2022 and are likely to continue into fiscal 2023 as the various COVID-19 variants are being responded to. It is, however, clear that the world is now prepared to consider COVID-19 as a new normal and are willing to significantly reduce the approach of locking down businesses and countries as the way to manage the virus.

We look forward to better days ahead!

The Financials

Independent auditor's report

To the Members of
Express Catering Limited

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Express Catering Limited ("the Company") which comprise the statement of financial position as at May 31, 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at May 31, 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw our attention to note 2 (b) in the financial statements, which indicate that the operations, financial position, financial performance and cash flows of the company, have been affected by the outbreak of the Coronavirus (COVID – 19) pandemic. As described in note 2 (b) these events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that in our professional judgement; were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined that there are no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the annual report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

hlbjm.com
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HLB MAIR RUSSELL
CHARTERED ACCOUNTANTS

Independent auditor's report (cont'd)

To the Members of
Express Catering Limited

Report on the audit of the Financial Statements (cont'd)

Other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

HLB MAIR RUSSELL
CHARTERED ACCOUNTANTS

Independent auditor's report (cont'd)

To the Members of
Express Catering Limited

Report on the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe the matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sixto Coy.

Montego Bay, Jamaica

HLB Mair Russell

September 23, 2021 Chartered Accountants

Express Catering Limited
Statement of financial position
May 31, 2021

	Note	2021 US$	2020 US$
Assets			
Non-current			
Property, plant and equipment	(3a)	3,933,553	4,200,757
Right-of-use asset	(3b)	26,215,975	22,928,960
Intangible assets	(4)	940,556	1,004,100
		31,090,084	**28,133,817**
Current			
Inventories	(5)	463,782	332,281
Trade and other receivables	(6)	190,194	181,061
Due from related companies	(7)	7,638,784	3,636,499
Cash and bank balances	(8)	424,365	182,700
		8,717,125	**4,332,541**
Total assets		**39,807,209**	**32,466,358**
Equity and liabilities			
Equity			
Share capital	(9)	73,861	73,861
Capital reserve	(10)	43,490	43,490
Retained earnings		2,123,973	3,858,485
Total equity		**2,241,324**	**3,975,836**
Liabilities			
Non-current			
Preference shares	(11)	-	3,500,000
Borrowings	(12)	8,036,324	-
Lease liabilities	(13)	24,628,804	22,941,901
Deferred tax liability	(14)	89,150	89,150
		32,754,278	**26,531,051**
Current			
Bank overdraft	(15)	67,382	7,424
Trade and other payables	(16)	2,821,072	1,456,331
Current portion of lease liabilities	(13)	1,923,153	495,716
		4,811,607	**1,959,471**
Total liabilities		**37,565,885**	**28,490,522**
Total equity and liabilities		**39,807,209**	**32,466,358**

The notes on the accompanying pages form an integral part of these financial statements.

Approved for issue by the Board of Directors on September 23, 2021 and signed on its behalf by:

John Byles) Director
John Byles

) Director
Ian Dear

Express Catering Limited
Statement of profit or loss and Other comprehensive income
Year ended May 31, 2021

	Note	2021 US$	2020 US$
Revenue		4,412,511	14,001,360
Cost of sales		(1,526,305)	(4,326,339)
Gross profit		**2,886,206**	**9,675,021**
Administrative expenses	(17)	(2,005,997)	(4,414,748)
Promotional expenses		(13,996)	(46,034)
Depreciation and amortisation		(2,410,656)	(2,378,389)
Operating (loss)/profit		**(1,544,443)**	**2,835,850**
Rent concessions		1,791,536	-
Finance income	(18)	2,855	597
Finance costs	(18)	(1,925,082)	(1,293,316)
(Loss)/gain on foreign exchange		(59,378)	21,153
(Loss)/profit for the year being total comprehensive (loss)/income for the year		**(1,734,512)**	**1,564,284**
(Loss)/earnings per share	(19)	**(0.001)**	**0.0009**

The notes on the accompanying pages form an integral part of these financial statements.

Express Catering Limited
Statement of changes in equity
Year ended May 31, 2021

	Share Capital US$	Capital Reserve US$	Retained Earnings US$	Total US$
Balance at May 31, 2019	73,861	43,490	3,096,576	3,213,927
Dividends (Note 21)	-	-	(802,375)	(802,375)
Transaction with owners	-	-	(802,375)	(802,375)
Profit for the year being total comprehensive income for the year	-	-	1,564,284	1,564,284
Balance at May 31, 2020	73,861	43,490	3,858,485	3,975,836
Loss for the year being total Comprehensive loss for the year	-	-	(1,734,512)	(1,734,512)
Balance at May 31, 2021	**73,861**	**43,490**	**2,123,973**	**2,241,324**

The notes on the accompanying pages form an integral part of these financial statements.

Express Catering Limited
Statement of cash flows
Year ended May 31, 2021

	2021 US$	2020 US$
Cash flows from operating activities:		
(Loss)/profit before tax	**(1,734,512)**	**1,564,284**
Adjustments for:		
Depreciation and amortisation	2,410,656	2,378,389
Interest expense	1,925,082	1,293,316
Rent concessions	(1,791,536)	-
Interest income	(2,855)	(597)
	806,835	**5,235,392**
(Increase)/decrease in inventories	(131,501)	62,972
(Increase)/decrease in receivables	(9,133)	756,605
Increase in owing by related companies	(4,002,285)	(2,110,355)
Increase/(decrease) in trade and other payables	1,364,742	(4,415)
Cash (used in)/generated from operations	**(1,971,342)**	**3,940,199**
Interest paid	(1,595,315)	(960,816)
Income tax paid	-	(35,005)
Net cash (used in)/provided by operating activities	**(3,566,657)**	**2,944,378**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(179,247)	(253,135)
Purchase of intangible assets	(85,709)	(134,203)
Interest received	2,855	597
Net cash used in investing activities	**(262,101)**	**(386,741)**
Cash flows from financing activities		
Repayment of lease obligations	(159,768)	(1,320,116)
Proceeds from borrowing	8,000,000	-
Repayment of preference share	(3,500,000)	-
Interest on preference shares paid	(329,767)	(332,500)
Dividends paid	-	(802,375)
Net cash provided by/(used in) financing activities	**4,010,465**	**(2,454,991)**
Increase in cash and cash equivalents	181,707	102,646
Cash and cash equivalents at beginning of year	175,276	72,630
Cash and cash equivalents at end of year (Note 8)	**356,983**	**175,276**

The notes on the accompanying pages form an integral part of these financial statements.

1. General information and nature of operations

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. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below:

a Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in United States Dollars (USD).

b Going concern

The preparation of the financial statements in conformity with IFRS assumes that the company and the group will continue in operational existence for the foreseeable future. This means, in part, that the statements of financial position and profit or loss and other comprehensive income assume no intention or necessity to liquidate or terminate operations. This is commonly referred to as the going concern basis.

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, 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. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

As a result of travel restrictions around the globe, including restrictions to enter the island, the company operation was suspended at the end of March 2020. During the suspension, a number of cost saving initiatives were introduced, including temporary layoff of staff. Some of these layoffs were eventually terminated through redundancy due to prolonged travel restrictions. The company reopened for business June 2020.

The COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the pandemic on the operations and measures taken by the government to contain the pandemic have negatively affected the company's results in the reporting period. The currently known impacts of COVID-19 on the company are:

- A decline in revenues for the 2021 financial year compared with the financial year in 2020.
- A net loss compared with profit in the financial year 2020.

2. Summary of significant accounting policies (cont'd)

b Going concern (cont'd)

In response to the COVID-19 pandemic, the company has taken and continues to take significant measures to preserve cash and control costs including the following:

- Deferral of planned non-essential capital expenditure
- Negotiated extended credit terms with suppliers
- Acted diligently on collection of its receivables
- Implementation of measures to reduce staff costs, including the termination of line staff

The Company is optimistic that with vaccines being available since November 2020 and with the continuous increase in vaccination rates in source markets, confidence is returning. We see this in the increasing revenue trend from month to month and expect this to continue into the upcoming busy tourist season and beyond. The company is prepared for what it believes, will be a full recovery in the near future.

Any future financial support required will be dependent on the evolution of the pandemic and its implications on the company's operations, however, the good credit reputation and the excellent business model will allow it access to additional financing. Based on sales projections, reflecting the estimated impact of the stressed conditions currently experienced and other initiatives undertaken, management expects to continue in operations, meeting its obligations as and when they fall due, for at least twelve months from the reporting date. Consequently, management is of the opinion that the going concern basis of accounting applied in preparation of these financial statements remains appropriate.

As at the date of approval of these financial statements, the ultimate impact of the pandemic on the company remains unknown as it is uncertain how long it will take to fully control the virus and return to normalcy.

c New standards, interpretations and amendments to published standards that became effective in the current year

Certain new and amended standards came into effect during the current financial year. The adoption of those standards and amendments did not have a significant impact on the financial statements:

- Amendments to References *to Conceptual Framework in IFRS Standards* is effective retrospectively for annual reporting periods beginning on or after January 1, 2020. The revised framework covers all aspects of standard setting including the objective of financial reporting.

  The main change relates to how and when assets and liabilities are recognised and de-recognised in the financial statements.

  - New 'bundle of rights' approach to assets will mean that an entity may recognise a right to use an asset rather than the asset itself;

  - A liability will be recognised if a company has no practical ability to avoid it.

    This may bring liabilities on statement of financial position earlier than at present.

  - A new control-based approach to de-recognition will allow an entity to derecognise an asset when it loses control over all or part of it; the focus will no longer be on the transfer of risks and rewards.

2. Summary of significant accounting policies (cont'd)

c New Standards, interpretations and amendments to published standards that became effective in the current year (cont'd)

- Amendment to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is effective for annual periods beginning on or after January1, 2020, and provides a definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements.

  "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, effective for annual accounting periods beginning on or after January 1, 2020, address issues affecting financial reporting in the period leading up to interbank offered rates (IBOR) reform. The amendments apply to all hedging relationships directly affected by uncertainties related to IBOR reform.

  Additional disclosures will be required for hedging relationships directly affected by IBOR reform.

- Amendments to IFRS 16 Leases is effective for annual reporting periods beginning on or after June 1, 2020, with early application permitted. It provides guidance for COVID-19 related rent concessions.

  The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.

  The practical expedient will only apply if:

  - the revised consideration is substantially the same or less than the original consideration;
  - the reduction in lease payments relates to payments due on or before June 30, 2022; and
  - no other substantive changes have been made to the terms of the lease.

  Lessees applying the practical expedient are required to disclose:

  - that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and

  - the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

  No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.

  The company received concession during the year.

2. Summary of significant accounting policies (cont'd)

d Standards, interpretations and amendments issued but not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new and amended standards have been issued which were not effective for the current year and which the company has not early-adopted. The company has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance contracts and IFRS 16 Leases, is effective for annual accounting periods beginning on or after January 1, 2021 and address issues affecting financial reporting in the period leading up to interbank offered rates (IBOR) reform. The second phase amendments apply to all hedging relationships directly affected by IBOR reform. The amendments principally address practical expedient for modifications. A practical expedient has been introduced where changes will be accounted for by updating the effective interest rate if the change results directly from IBOR reform and occurs on an 'economically equivalent' basis. A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform. In these instances, a revise discount rate that reflects the change in interest rate will be used in remeasuring the lease liability.

  The amendments also address specific relief from discontinuing hedging relationships as well as new disclosure requirements.

  The company is assessing the impact that the amendment will have on its financial statements.

- Amendments to IAS 37 Provision, Contingent Liabilities and Contingent Assets is effective for annual reporting periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

  The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

  The company is assessing the impact that the amendment will have on its financial statements.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, IAS 41 Agriculture, and are effective for annual reporting periods beginning on or after January 1, 2022.

  (i) IFRS 9 Financial Instruments amendment clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  (ii) IFRS 16 Leases amendment removes the illustration of payments from the lessor relating to leasehold improvements.

  The Company is assessing the impact that the amendment will have on its financial statements.

2. **Summary of significant accounting policies (cont'd)**

d **Standards, interpretations and amendments issued but not yet effective and have not been adopted early by the Company (cont'd)**

- Amendments to IAS 1 Presentation of Financial Statements, will apply retrospectively for annual reporting periods beginning on or after January 1, 2023.

  The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

  Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

  With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

  The company is assessing the impact that the amendment will have on its financial statements.

d **Basis for measurement**

These financial statements have been prepared on the historical cost basis, except for land and buildings that are measured at revalued amounts, or fair values, as explained in the accounting policies below.

e **Property, plant and equipment**

(i) Carrying amount

Property, plant and equipment are carried at cost less accumulated depreciation.

(ii) Depreciation

Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to forty (40) years for buildings, five to ten (5 - 10) years for furniture, fixtures, machinery and equipment, three (3) years for computers and five (5) years for motor vehicle.

Leasehold building and improvements are being amortised over twenty years.

(iii) Repairs and renewals

The costs of repairs and renewals which do not enhance the carrying value of existing assets are written off to profit or loss as they are incurred.

2. Summary of significant accounting policies (cont'd)

f Intangible assets

These represent amounts spent on the development of new products, processes and systems which is being amortised over 7 years.

g Functional and presentation currency

Functional and presentation currency

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

Foreign currency translations and balances

(i) Foreign currency monetary balances at the end of the reporting period have been translated at the rates of exchange ruling at that date.

(ii) Foreign currency transactions are translated into the functional currency at the exchange rate ruling at the dates of those transactions.

(iii) Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items are included in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical rates except for those measured fair value which are translated using the exchange rates at the date when the fair value was determined.

h Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of refunds and discounts. To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

For Step 1 to be achieved, the following five criteria must be present:

- the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
- each party's rights regarding the goods or services to be transferred or performed can be identified;
- the payment terms for the goods or services to be transferred or performed can be identified;
- the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and
- collection of the consideration in exchange of the goods and services is probable.

The Company derives revenue from sale of goods and rendering of services either at point in time or over time, when (or as) the Company satisfies performance obligations by transferring control of the promised goods or rendering of the promised services to its customers.

2. Summary of significant accounting policies (cont'd)

h Revenue recognition (cont'd)

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of goods

Sales to customers are recognised at point in time upon delivery of goods and customer acceptance.

Rendering of services

Revenue arising from the provision of island tours, adventure activities and photo shop services is recognised either at point in time or overtime upon the performance of services or the delivery of products and customer acceptance. Revenue arising from the provision of hotel accommodation, restaurant and bar services and activities is recognised upon the performance of services or the delivery of products and customer acceptance. Consideration received in advance to secure hotel room bookings is initially deferred, included in contract liabilities and is recognised as revenue in the period when the service is performed.

Other income

Other income is recognised at point in time on the accrual basis.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- the Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

i Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses, directly attributable to goods sold. Net realisable value is the estimated selling price in the ordinary course of business less any related selling expenses.

j Cash and bank

Cash and bank comprise amounts held in current and savings accounts with financial institutions and cash on hand balances net of bank overdraft.

2. Summary of significant accounting policies (cont'd)

k Trade and other receivables

Trade and other receivables are classified as loans and receivables. These are initially recognised at original invoice amount (which represents fair value) and subsequently measured at amortised cost.

l Due from related company

Amounts due from related company are carried at cost.

m Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are measured at amortised cost.

The classification is determined by both:
- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

2. Summary of significant accounting policies (cont'd)

m Financial instruments (cont'd)

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The company's financial liabilities include bank loans and overdraft, trade and other payables.

n Trade and other payables

Trade and other payables are obligations to pay for goods or services that have acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Summary of significant accounting policies (cont'd)

o Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax is accounted for using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

p Leased assets

As described in Note 2c, the company has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under IAS 17 and IFRIC 4.

For any new contracts entered into on or after June 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

2. Summary of significant accounting policies (cont'd)

p Leased assets (cont'd)

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on straight-line basis over the lease term.

Operating leases

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

q Impairment

The company's assets are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

r Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are included in equity as a deduction from proceeds.

2. Summary of significant accounting policies (cont'd)

s Use of estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation and amortisation are provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 2(e).

Expected credit loss

In assessing provision for doubtful debts, management estimates the recoverable amount of overdue balances. Estimation uncertainty relates to assumptions about future collectability of these overdue balances.

Express Catering Limited
Notes to the financial statements
May 31, 2021

3a. Property, plant and equipment comprise:

The carrying amounts for property, plant and equipment for the years included in the financial statements as at May 31, 2021, can be analysed as follows:

	Work in progress	Building and Leasehold Improvement US$	Motor Vehicle US$	Entertainment Equipment US$	Computer US$	Furniture and Fixtures US$	Bar and Restaurant Equipment US$	Total US$
Gross carrying amount								
Balance as at June 1, 2020	-	2,862,343	56,761	178,235	522,546	2,855,767	2,464,709	8,940,361
Additions	144,302	-	-	-	34,945	-	-	179,247
Balance as at May 31, 2021	**144,302**	**2,862,343**	**56,761**	**178,235**	**557,491**	**2,855,767**	**2,464,709**	**9,119,608**
Depreciation and impairment								
Balance as at June 1, 2020	-	(1,229,489)	(56,761)	(135,675)	(412,632)	(1,522,835)	(1,382,212)	(4,739,604)
Depreciation	-	(96,362)	-	(4,809)	(22,319)	(165,742)	(157,219)	(446,451)
Balance as at May 31, 2021	-	**(1,325,851)**	**(56,761)**	**(140,484)**	**(434,951)**	**(1,688,577)**	**(1,539,431)**	**(5,186,055)**
Carrying amount as at May 31, 2021	**144,302**	**1,536,492**	**-**	**37,751**	**122,540**	**1,167,190**	**925,278**	**3,933,553**

Express Catering Limited
Notes to the financial statements
May 31, 2021

3a. Property, plant and equipment (cont'd):

	Leasehold Improvement US$	Motor Vehicle US$	Entertainment Equipment US$	Computer US$	Furniture and Fixtures US$	Bar and Restaurant Equipment US$	Total US$
Gross carrying amount							
Balance as at June 1, 2019	2,861,012	56,761	167,066	485,320	2,773,930	2,343,137	8,687,226
Additions	1,331	-	11,169	37,226	81,837	121,572	253,135
Balance as at May 31, 2020	**2,862,343**	**56,761**	**178,235**	**522,546**	**2,855,767**	**2,464,709**	**8,940,361**
Depreciation and impairment							
Balance as at June 1, 2019	(1,133,127)	(56,138)	(130,866)	(390,313)	(1,357,093)	(1,224,993)	(4,292,530)
Depreciation	(96,362)	(623)	(4,809)	(22,319)	(165,742)	(157,219)	(447,074)
Balance as at May 31, 2020	**(1,229,489)**	**(56,761)**	**(135,675)**	**(412,632)**	**(1,522,835)**	**(1,382,212)**	**(4,739,604)**
Carrying amount as at May 31, 2020	**1,632,853**	**-**	**42,560**	**109,914**	**1,332,932**	**1,082,497**	**4,200,757**

3b. Right-of-use asset

	2021 US$
Gross carrying amount	
Balance as at June 1, 2020	24,711,022
Increase in asset	5,101,967
Carrying amount at May 31, 2021	**29,812,989**
Amortisation	
Balance as at June 1, 2020	(1,782,062)
Amortised during the year	(1,814,952)
Carrying amount at May 31, 2021	(3,597,014)
Carrying amount as at May 31, 2021	**26,215,975**

	2020 US$
First time adoption of IFRS 16	24,711,022
Amortised during the year	(1,782,062)
Carrying amount at May 31, 2020	**22,928,960**

Right-of-use asset represents property spaces leased.

4. Intangible assets

These represents amounts spent on the development of new products, processes and systems and amounts paid for licenses and franchises are being amortised over 7 years.

	Development Cost US$	Licenses and Franchises US$	Total US$
Gross carrying amount			
Balance as at June 1, 2020	598,665	1,333,231	1,931,896
Additions	50,709	35,000	85,709
Balance as at May 31, 2021	**649,374**	**1,368,231**	**2,017,605**
Amortisation			
Balance as at June 1, 2020	(70,862)	(856,934)	(927,796)
Amortisation	(60,288)	(88,965)	(149,253)
Balance as at May 31, 2021	**(131,150)**	**(945,899)**	**(1,077,049)**
Carrying amount as at May 31, 2021	**518,224**	**422,332**	**940,556**

4. Intangible assets (cont'd)

	Development Cost US$	Licenses and Franchises US$	Total US$
Gross carrying amount			
Balance as at June 1, 2019	464,462	1,333,231	1,797,693
Additions	134,203	-	134,203
Balance as at May 31, 2020	**598,665**	**1,333,231**	**1,931,896**
Amortisation			
Balance as at June 1, 2019	(10,574)	(767,969)	(778,543)
Amortisation	(60,288)	(88,965)	(149,253)
Balance as at May 31, 2020	**(70,862)**	**(856,934)**	**(927,796)**
Carrying amount as at May 31, 2020	**527,803**	**476,297**	**1,004,100**

5. Inventories

	2021 US$	2020 US$
Food	135,234	89,534
Beverage	34,831	58,041
Gift Shop	31,983	52,607
Other	261,734	132,099
Total	**463,782**	**332,281**

6. Trade and other receivables

	2021 US$	2020 US$
Receivables	9,230	26,672
Staff loan	11,166	13,896
Deposit	42,000	90,962
Other receivables	60,737	25,861
Prepayments	67,061	23,670
Total	**190,194**	**181,061**

7. Related party balances and transactions

The company is related to the various companies in the Caribbean operating under the Margaritaville franchise, by way of common shareholders and directors.

i The statement of financial position includes balances arising in the normal course of business, with related parties as follows:

	2021 US$	2020 US$
Margaritaville Limited	7,638,784	3,636,499
	7,638,784	**3,636,499**

ii Related party balances are unsecured. Related party balances have no fixed repayment terms.

8. Cash and cash equivalents

	2021 US$	2020 US$
Cash and bank balances	424,365	182,700
Bank overdraft (Note 15)	(67,382)	(7,424)
Total	**356,983**	**175,276**

9. Share capital

	2021 US$	2020 US$
Authorised		
Issued and fully paid:		
1,637,500,000 ordinary shares (No par value)	73,861	73,861
	73,861	**73,861**

On June 26, 2017, the company adopted new public company Articles of Incorporation and passed (amongst others) the following resolutions with the approval of its holding company, Margaritaville St. Lucia:

- The sub-division of each Share into 250 units, for the purposes of pricing the Sale Shares in the Invitation and for the creation of liquidity in the trading market for the Shares following a successful listing on the Junior Market of the Junior Stock Exchange (JSE).
- The conversion of each fully paid Share to stock for the purposes of the application proposed to be made to list the Shares on the Junior Market of the JSE.

10. Capital reserve

The above represents net income earned two months prior to the date of incorporation as follows:

	US$
Gross income	159,538
Less: Expenses	94,303
Taxation	21,745
	43,490

11. Preference shares

These represent 35,000 9.5% Cumulative Redeemable United States Dollars Indexed Preference Shares with an issue price of US$100. These were repaid during the financial year.

12. Borrowing

	2021 US$
Balance at June 1, 2020	-
Addition	8,000,000
Deferred interest	36,324
Balance at May 31, 2021	**8,036,324**

Sygnus Credit Investment Limited (SCI) loan of $8,000,000 commenced on December 15, 2021.The loan is to assist with the refinance of preference shares and business expansion and is to be repaid at the end of 60 months with an interest rate of 8% cash and 4% deferred quarterly and payable at maturity.

If the EBITA is greater than $5.5 million after the second anniversary (year 2), the deferred coupon shall fall to 3.5%.

Express Catering Limited is to maintain financial covenants of a minimum Debt Service Coverage ratio of 1.25 times and a maximum Debt to EBITDA ratio of 4 times.

13. Lease liabilities

The Company operates under a Concession Licence Agreement granted to it in December 2011 by MBJ Airports Limited which operates Sangster International Airport. This Concession Licence Agreement permits the Company to develop and use 31,570.70 square feet of space for food and beverage concessions at the post- security screening area.

Information about leases for which the company is a lessee is presented below:

(a) **Lease liabilities**

	2021 $	2020 $
Current	1,923,153	495,716
Non-current	24,628,804	22,941,901
Total	**26,551,957**	**23,437,617**

Future minimum lease payments are as follows:

	Within 1 year $	1 to 5 Years $	Over 5 Years $	Total $
Lease payments	(2,931,479)	(14,546,640)	(15,450,856)	(32,928,975)
Finance charges	1,008,326	3,840,947	1,527,745	6,377,018
Net present values	**(1,923,153)**	**(10,705,693)**	**(13,923,111)**	**(26,551,957)**

13. Lease liabilities (cont'd)

Information about leases for which the company is a lessee is presented below:

(b) **Amounts recognised in the profit or loss**

	2021 $	2020 $
Amortisation charged on right-of-use assets	1,814,952	1,782,062
Interest expense on lease liabilities	1,081,164	949,341
Concessions on rent	(1,791,536)	-
	1,104,580	**2,731,403**

(c) **Amounts recognised in the statement of cash flow**

	2021 $	2020 $
Principal payments	159,767	1,273,405
Interest payments	1,057,748	949,341
Concessions on rent	1,791,536	-
Cash out flows for leases	**3,009,051**	**2,222,746**

14. Deferred tax liability

Deferred taxes are calculated on all temporary differences under the liability method using a tax rate of 25%. The movement on the deferred tax account is as follows:

	2021 US$	2020 US$
Balance at beginning of year	89,150	89,150
Balance at end of year	**89,150**	**89,150**

15. Bank overdraft

This represents the excess of unpresented cheques over bank balances at the end of year. The company does not operate an overdraft facility.

16. Trade and other payables

	2021 US$	2020 US$
Trade payables	2,235,224	951,047
Accrued expenses	260,904	159,375
Other payables	324,944	345,909
Total	**2,821,072**	**1,456,331**

17. Expenses by nature

Total direct, administrative and other operating expenses:

	2021 US$	2020 US$
Direct expenses		
Cost of inventories recognised as expense	**1,526,305**	**4,326,339**
Administrative expenses		
Employee benefits (Note 22)	922,452	1,852,723
Lease expense	382,626	932,815
Franchise fees	121,221	456,028
Audit Fees	14,400	14,157
Other expenses	565,298	1,159,025
Total	**2,005,997**	**4,414,748**
Promotional expenses		
Advertising	**13,996**	**46,034**
Depreciation and amortisation		
Depreciation	446,451	447,074
Amortisation	1,964,205	1,931,315
Total	**2,410,656**	**2,378,389**

18. (a) Finance income

Finance income includes all income from financial assets and comprises:

	2021 US$	2020 US$
Interest income from financial assets	2,855	597
Total	**2,855**	**597**

(b) Finance costs

Finance costs includes all interest related expenses which have been included in the statement of profit or loss and comprises:

	2021 US$	2020 US$
Preference dividends	329,767	332,500
Interest on property lease (note 13)	1,057,748	949,504
Overdraft and loan interest	537,567	11,312
Total	**1,925,082**	**1,293,316**

19. Earnings per share

Earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares in issue for the year.

	2021 US$	2020 US$
(Loss)/profit attributable to shareholders	(1,734,512)	1,564,284
Weighted average number of shares	1,637,500,000	1,637,500,000
(Loss)/earnings per share	(0.001)	0.0009

20. Income taxes

The Company will not be liable to pay corporate income tax in its first 5 years on the Junior Market. It will be liable to corporate income tax at half of the usual rate in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

Reconciliation of theoretical tax charge to effective tax charge:

	2021 US$	2020 US$
(Loss)/profit before tax	(1,734,512)	1,586,076
Tax at applicable tax rate of 25%	(433,628)	396,519
Tax effect of expenses not deductible for tax purpose	599,868	534,241
Tax effect of allowances and remission of tax	(166,240)	(932,860)
Income tax charge for the year	-	-

21. Ordinary dividends

The Board did not declare a dividend for the current year. Dividend of US$0.000245 and US$0.000245 per ordinary share was declared in the prior year.

22. Employee benefits

	2021 US$	2020 US$
Wages and taxes	781,767	1,594,336
Medical and other staff benefits	140,685	258,387
Total	**922,452**	**1,852,723**

There were One hundred and forty-five (145) - (2020 - Three hundred and five (305)) permanent employees at year end.

23. Risk management policies

The company's activities expose it to a variety of financial risks in respect of its financial instruments: market (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to market risk through it use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both operating and investing activities.

i Currency risk and sensitivity

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

However, the company's financial statements are denominated in United States Dollar and as such there is no exposure to this risk.

ii Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rate. The company's cash and cash equivalents are subject to interest rate risk. However, the company attempts to manage this risk by monitoring its interest-earning assets closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

Interest rate sensitivity

Due to the fact that interest earned from the company's interest earning bank accounts is immaterial, there would be no material impact on the results of the company's operations as a result of fluctuations in interest rates.

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issue or factors affecting all instruments traded in the market.

The company is not exposed to other price risk as it has no investment in equity instruments.

b Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The company faces credit risk in respect of its receivables and cash and cash equivalents held with financial institutions. However, this risk is controlled by close monitoring of these assets by the company. In addition these deposits are maintained with commercial banks that are insured under the Jamaica Deposit Insurance Scheme (JDIS).

23. Risk management policies (cont'd)

b Credit risk (cont'd)

Receivables and other receivables

The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for receivables. To measure expected credit losses on a collective basis, receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the company's historical credit losses experienced over the two year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company only grants credits to Airlines. The company experienced no credit losses over the past two years and does not expect to incur any credit loss based on its current business model.

The maximum credit risk faced by the company is limited to the carrying amount of financial assets recognised at the end of the reporting period as summarised below:

	2021 US$	2020 US$
Trade and other receivables	190,194	181,061
Cash and bank balances	424,365	182,700
Total	**614,559**	**363,761**

c Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

The company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The company maintains cash and savings deposits for up to 30-day periods to meet its liquidity requirements.

The company's financial liabilities comprise trade and other payables, bank overdraft, preference shares and lease obligation. The contractual maturities (including interest where applicable) are as follows:

May 31, 2021

	Current Within 12 Months US$	Non-current 1 to 5 years US$	Over 5 years US$
Bank overdraft	67,382	-	-
Trade and other payables	2,821,072	-	-
Lease liabilities	1,923,153	10,705,693	13,923,111
Borrowings	-	8,036,324	-
Total	**4,811,607**	**18,742,017**	**13,923,111**

23. Risk management policies (cont'd)

c Liquidity risk (cont'd)

May 31, 2020

	Current Within 12 Months US$	Non-current 1 to 5 years US$	Over 5 years US$
Bank overdraft	7,424	-	-
Trade and other payables	1,434,539	-	-
Lease liabilities	1,420,045	9,612,106	19,199,606
Preference shares	-	3,500,000	-
Total	**2,862,008**	**13,112,106**	**19,199,606**

24. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

Financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into levels 1 to 3 based on the degree to which the fair values are observable, as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities. (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices). (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). (Level 3).

The company's assets and liabilities are measured at amortised costs and the carrying amounts for these are disclosed at Note 25.

25. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities are recognised at the end of the reporting period under review may also be categorised as follows:

	2021 US$	2020 US$
Financial assets measured at amortised costs		
Trade and other receivables	190,194	181,061
Due from related companies	7,638,784	3,636,499
Cash and bank balances	424,365	182,700
Total	**8,253,343**	**4,000,260**
Financial liabilities		
Non-current liabilities		
At amortised cost		
Preference shares	-	3,500,000
Lease liabilities	25,949,657	22,941,902
Borrowing	8,036,324	-
	33,985,981	**26,441,902**
Current liabilities		
At amortised cost		
Bank overdraft	67,382	7,424
Trade and other payables	2,821,072	1,434,539
Current portion of lease liabilities	1,923,153	495,716
	4,811,607	**1,937,679**

26. Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (CEO) that are used to make strategic decisions.

The two operating segments are food and beverage which are normally priced together as a meal and therefore no segment reporting is disclosed in these financial statements.

27. Capital management, policies and procedures

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to provide adequate return to shareholders by pricing products commensurately with the level of risk and current market conditions.

The company is not subject to any externally imposed capital requirements.

Form of Proxy

$100 stamp to be affixed

EXPRESS CATERING LIMITED

I/We,____ [insert name]

of____

______________________________________[address]

being a shareholder(s) of the above-named Company, hereby appoint:

____ [proxy name]

of____

______________________________________[address]

or failing him, ____________________ [alternate proxy]

of____

______________________________________[address]

as my/our proxy to vote for me for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11:00a.m. on Wednesday, April 27, 2022 at the Margaritaville Caribbean Group Ltd.'s Boardroom, #16, M19 Southern Cross Boulevard, Freeport, Montego Bay and at any adjournment thereof.

This Form is to be used as instructed. Unless otherwise instructed the Proxy Form will be used as he/she thinks fit. Please tick the appropriate box.

ORDINARY BUSINESS

	FOR	AGAINST
Resolution 1		
Resolution 2		
Resolution 3		

Signed this ________________ day of ______________________________ 2022

Print Name: ________________________________ Signature: ______________________________

NOTES: When completed, this Form of Proxy must be received by the Registrar of the Company, Jamaica Central Securities Depository, 40 Harbour Street, Kingston, Jamaica, W.I. not less than forty-eight (48) hours before the time for holding the meeting. The Proxy Form should bear stamp duty of $100.00 which may be adhesive and duly cancelled by the persons signing the proxy form. If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorized in writing.