



First Quarter (Q1) 2023 Interim Report to our Shareholders

The Directors of Margaritaville (Turks) Ltd. take pleasure in presenting this first Quarter report for fiscal 2023. This is the first Q1 report since COVID-19 that includes passenger numbers and revenue from our core business. As you are aware, the Grand Turk Cruise Port where we operate was closed for almost 2 years following the declaration of the COVID-19 pandemic .

For the Quarter under consideration, just over 175,000 passengers cruised into the Port on 49 vessels, making an average of 3,581 passengers per ship call. For the last Q1 before the pandemic, 77 vessels visited the Port with the average passenger count per ship call being 3,663. We have recovered our passenger averages and are steadily rebuilding the frequency of the visits. Revenue earned for the Quarter was US\$1.42 million, for an average spend rate of US\$8.11 per passenger. There were no passengers or revenue from core business for the similar period in the prior year. Spend per passenger in 2019 was \$7.21.

Profit for the Quarter was US\$94,438 compared to the loss of US\$282,156 for the similar Quarter in the prior year. This resulted in Earnings per Share (EPS) of 0.14 US Cents compared to Loss per Share of 0.418 US Cents for the similar period in the prior year. Despite the challenges in logistics experienced from the effects of the COVID-19 pandemic and the shortages that the Ukraine war is causing, the company managed to deliver a respectable 27.4% Cost of Sales for the Quarter. The average pre-COVID-19 would be 26.0%. There were no unusual expenditures during the Quarter. The team is doing a good job managing costs, in relation to the revenue increase.

The Company continues to manage the assets in an efficient manner; there was no unusual movement in any categories. The company also has in place arrangements with suppliers and other creditors that are satisfactory and allow the business to flow seamlessly.

At the time of this publication, the company had just resumed operations following the disruption caused by Hurricane Fiona that slammed into the Turks and Caicos Islands as a powerful Category 3 storm on Tuesday, September 20, 2022, dumping heavy rains and triggering floods on the Islands. Damages were sustained to equipment and building. Repair work has not yet commenced but clean-up exercises were carried out and the venue has resumed limited operations.

Thanks to all our shareholders and stakeholders for the continued support.

Ian Dear
Director

John Byles
Director

Margaritaville Turks Ltd
Un-Audited Financial Statements

Statement of Financial Position
as at August 31, 2022

	Unaudited August 31, 2022 US\$	Audited May 31, 2022 US\$
Assets		
Non-current assets		
Property, plant and equipment	2,697,406	2,772,527
	<u>2,697,406</u>	<u>2,772,527</u>
Current assets		
Trade and other receivables	303,346	254,351
Inventories	863,579	898,369
Owing by related companies	604,235	273,108
Cash and bank balance	32,962	62,906
	<u>1,804,122</u>	<u>1,488,734</u>
Total assets	<u>4,501,528</u>	<u>4,261,261</u>
Equity and Liabilities		
Capital and reserves attributable to the company's owners		
Share capital	522,360	522,360
Capital reserves	-	-
Retained profits	1,874,845	1,780,407
Total equity	<u>2,397,204</u>	<u>2,302,767</u>
Liabilities		
Current liabilities		
Short Term Loans	300,000	300,000
Current portion of long-term loans	-	-
Current portion of lease obligation	-	-
Due to related companies	-	-
Trade and other payables	1,804,323	1,658,494
Bank overdrafts	-	-
Income tax payable	-	-
	<u>2,104,323</u>	<u>1,958,494</u>
Total liabilities	<u>2,104,323</u>	<u>1,958,494</u>
Total equity and liabilities	<u>4,501,528</u>	<u>4,261,261</u>

Director *Joh 4/21*

Director 

Margaritaville Turks Ltd
Un-Audited Financial Statements

Statement of Comprehensive Income
for the Period Ended August 31, 2022

	Q1 August 31, 2022	Q1 August 31, 2021	Audited May 31, 2022
	US\$	US\$	US\$
Revenue	1,422,996	543	2,618,350
Cost of sales	(390,313)	(812)	(884,666)
Gross profit	1,032,684	(269)	1,733,684
Administrative expenses	(832,539)	(204,629)	(2,007,103)
Promotional expenses	(7,856)	-	(24,379)
Depreciation and amortisation	(68,792)	(72,839)	(278,916)
Other operating expenses	-	-	-
Operating Profit (Loss) for the YTD	123,497	(277,737)	(576,714)
Other operating income/(expense)	273	(4,419)	-
Finance costs	(29,322)	-	(32,424)
Foreign exchange adjustment Gain/(Loss)	(9)	-	-
Total Comprehensive Profit/(Loss) Before Tax for the YTD	94,438	(282,156)	(609,138)
Income tax credit/(expense)	-	-	-
Profit for the year	94,438	(282,156)	(609,138)
Earnings per share - US Cents	0.140	(0.418)	(0.902)

Margaritaville Turks Ltd
Un-Audited Financial Statements

Statement of Cash Flow
as at August 31, 2022

	3 Months to August 31, 2022	3 Months to August 31, 2021
	US \$	US \$
Cash flows from operating activities:		
Profit before tax	94,438	(282,156)
Adjustments for:		
Depreciation and amortisation	68,792	72,839
Unrealised foreign exchange (gains)/losses	9	-
Interest expense	29,322	-
	192,561	(209,317)
(Increase)/Decrease in Receivable/Prepayments/Deposits	(48,625)	1,337
Increase/(Decrease) in owing to related companies	(323,715)	247,114
(Increase)/Decrease in inventories	34,790	(26,509)
Increase/(Decrease) in trade and other payables	118,456	(2,197)
	(26,533)	10,428
Cash (used in)/generated from operations	(26,533)	10,428
Interest paid	-	-
Income tax paid	-	-
Net cash (used in)/provided by operating activities	(26,533)	10,428
Cash flows from investing activities		
Purchase of fixed assets	(3,411)	(4,138)
Net cash used in investing activities	(3,411)	(4,138)
Increase in cash and cash equivalents	(29,944)	6,290
Cash and cash equivalents at beginning of year	62,906	7,992
Cash and cash equivalents at August 31, 2022	32,962	14,282

Margaritaville Turks Ltd
Un-Audited Financial Statements

Statement of Changes in Equity
as at August 31, 2022

	Share Capital US\$	Capital Reserve US\$	Retained Profits US\$	Totals US\$
Balance at May 31, 2022	522,360	-	1,780,407	2,302,767
Changes in equity 3 months to August 31, 2022				
Dividends	-	-	-	-
Profit for the 3 months to August 31, 2022 being total Comprehensive Income	-	-	94,438	94,438
Balance at August 31, 2022	522,360	-	1,874,845	2,397,205

Statement of Changes in Equity
as at August 31, 2021

	Share Capital US\$	Capital Reserve US\$	Retained Profits US\$	Totals US\$
Balance at May 31, 2021	522,360	-	2,389,545	2,911,905
Changes in equity 3 months to August 31, 2021				
Dividends	-	-	-	-
Profit for the 3 months to August 31, 2021 being total Comprehensive Income	-	-	(282,156)	(282,156)
Balance at August 31, 2021	522,360	-	2,107,389	2,629,749

Margaritaville Turks Ltd
Un-Audited Financial Statements

Notes to the Consolidated Financial Statements

1. Identification

The company was incorporated under the Laws of Turks and Caicos Islands on July 15, 2004 and commenced operations in February 2006. Its registered office is P.O. Box 127, Richmond House, Leeward Highway, Providenciales, Turks and Caicos Islands. The company's shares were listed on the Main Market of the Jamaica Stock Exchange on April 11, 2014.

The company's principal place of business is located at Grand Turks Cruise Centre, White Sands, Turks and Caicos Island. The company is a subsidiary of Margaritaville Caribbean Limited, a company registered under the Bahamas IBC Act of 2000.

Its main activity during the year was the operation of a Margaritaville branded bar and restaurant.

2. Basis of preparation

(i) Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared under the historical cost convention, except for certain non-financial assets measured at fair value.

(ii) Accounting policies.

There have been no changes in accounting policies since the most recent audited accounts as at May 31, 2022.

3. Reporting Currency

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

4. Seasonality of Interim Results

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

5 Effects of Covid 19

The spread of the Coronavirus disease (COVID-19) which was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020, has severely impacted many local economies around the globe. In the Caribbean, as in all regions, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. These measures significantly affected the group's operation and resulted in its temporary closure as of March 2022. Operations resumed in December 2021 and has been continuing since.

Margaritaville (Turks) Ltd

Top Ten ShareHoldings

As at August 31, 2022

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE CARIBBEAN LIMITED	NASSAU, BAHAMAS	33,163,445	49.1%
LANNAMAN & MORRIS (SHIPPING) LIMITED	KINGSTON	8,446,398	12.5%
SAGICOR POOLED EQUITY FUND	KINGSTON	5,819,559	8.6%
MATMAR HOLDINGS LIMITED	ST LUCIA	2,700,000	4.0%
NATIONAL SUPPLY CO. LTD	KINGSTON	1,200,000	1.8%
CXN DIRECT INVESTING INC	KINGSTON	1,032,000	1.5%
PRIME ASSET MANAGEMENT LTD. - JPS	KINGSTON	1,000,000	1.5%
NEKIA LIMITED	KINGSTON	1,000,000	1.5%
LIAO, HUIXIONG	CLARENDON	1,000,000	1.5%
FRASER, PAUL	MANCHESTER	953,418	1.4%
		56,314,820	83.4%

Total Ordinary Stock in issue - 67,500,000

Total Number of Stock Holders - 572

Directors ShareHoldings

As at August 31, 2022

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
HERRICK WINSTON DEAR	-	-	-	0.0%
IAN B. DEAR	-	33,163,445	33,163,445	49.1%
JOHN G. BYLES	-	-	-	0.0%
ROLAND P CLARKE	40,000	-	40,000	0.1%
	40,000	33,163,445	33,203,445	49.19%

Senior Managers ShareHoldings

As at August 31, 2022

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