



Second Quarter (Q2) 2023 Interim Report to our Shareholders

The Directors of Margaritaville (Turks) Ltd. take pleasure in presenting this second Quarter report for fiscal 2023.

Revenue of \$1.35 million was earned at a spending rate of US\$8.05 per passenger. The second Quarter saw a total of just under 168,000 passengers cruising into the port on 53 vessels, making an average of 3,169 passengers per ship call. The last Q2 report with passenger counts was pre-pandemic. At that time, a total of just under 253,000 passengers cruised into the port.

A total of ten ship calls with passenger count projection of 31,000 were lost due to the passage of the hurricane in September 2022. Hurricane Fiona made landfall in the Turks and Caicos as a Category 3 hurricane in the third week of September 2022, leaving areas flooded and lots of equipment and building damage. Notwithstanding the passage of the Hurricane, the shortfall indicates that the company is still in recovery mode.

Profit for the Quarter returned \$360,756 to provide shareholders with Earnings Per share (EPS) of 0.534 US Cents. Peril Insurance proceeds relating to the Hurricane Fiona contributed \$318,799 to the net profit for the Quarter. For the similar Quarter in the prior year, cruising had not yet resumed following the declaration of the pandemic. Net Loss was \$327,577 for loss per share of 0.485 US Cents.

Total passenger count for the six months to November 2022 was 343,456. This produced revenue of \$2.78 million for a spending rate of US\$8.08 per passenger. There was a slight reduction in the spending rate for the second Quarter compared to the first – US\$8.11 vs US\$8.05 - but this is typical as this period is considered low season on the Caribbean tourism calendar. For the similar period in the prior year there were no ship calls due to the pandemic and so there was negligible revenue.

Profit for the year to date was US\$455,196 for EPS of 0.674 US Cents. The similar period in the prior year saw loss of US\$606,269 for a loss per share of 0.898 US Cents.

Cost of Sales ratio of 27.1% for the year to date is approximately 2% points higher than the pre-pandemic rate. Considering the continuous inflationary pressures since COVID-19 and the more recent Ukraine war, the company is doing well to contain the cost of ingredients. There were no unusual expenditures during the year (to date); the team is doing a good job in managing cost in relation to the revenue increase.

The Directors and The Management Team are appreciative of the continued support of all our shareholders and stakeholders.

Ian Dear
CEO/Director

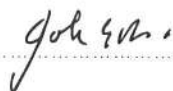
John Byles
Director

Margaritaville Turks Ltd
Un-Audited Financial Statements

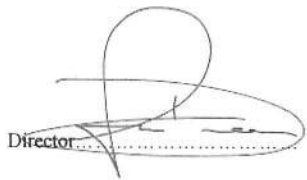
Statement of Financial Position
as at November 30, 2022

	Unaudited November 30, 2022 US\$	Audited May 31, 2022 US\$
Assets		
Non-current assets		
Property, plant and equipment	2,697,177	2,772,527
	<u>2,697,177</u>	<u>2,772,527</u>
Current assets		
Trade and other receivables	242,552	254,351
Inventories	999,126	898,369
Owing by related companies	1,246,668	273,108
Cash and bank balance	129,897	62,906
	<u>2,618,243</u>	<u>1,488,734</u>
Total assets	<u>5,315,419</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	2,235,603	1,780,407
Total equity	<u>2,757,963</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	2,257,456	1,658,494
Bank overdrafts	-	-
Income tax payable	-	-
	<u>2,557,456</u>	<u>1,958,494</u>
Total liabilities	<u>2,557,456</u>	<u>1,958,494</u>
Total equity and liabilities	<u>5,315,419</u>	<u>4,261,261</u>

Director



Director



Margaritaville Turks Ltd
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Statement of Comprehensive Income
for the Period Ended November 30, 2022

	6 Months YTD November US\$	Q2 November 30, 2022 US\$	6 Months YTD November 30, 2021 US\$	Q2 November 30, 2021 US\$	Audited May 31, 2022 US\$
Revenue	2,775,223	1,352,226	1,046	504	2,618,350
Cost of sales	(752,320)	(362,007)	(831)	(504)	(884,666)
Gross profit	2,022,903	990,219	215	0	1,733,684
Administrative expenses	(1,675,074)	(842,479)	(467,298)	(262,431)	(2,007,103)
Promotional expenses	(16,401)	(8,545)	(1,939)	(1,939)	(24,379)
Depreciation and amortisation	(137,584)	(68,792)	(145,678)	(72,839)	(278,916)
Other operating expenses	-	-	-	-	-
Operating Profit (Loss) for the YTD	193,844	70,403	(614,699)	(337,209)	(576,714)
Other operating income/(expense)	319,128	318,799	8,430	9,632	-
Finance costs	(57,619)	(28,296)	-	-	(32,424)
Finance income	-	-	-	-	-
Foreign exchange adjustment Gain/(Loss)	(156)	(147)	-	-	-
Total Comprehensive Profit/(Loss) Before Tax for the YTD	455,196	360,758	(606,269)	(327,577)	(609,138)
Income tax credit/(expense)	-	-	-	-	-
Profit for the year	455,196	360,758	(606,269)	(327,577)	(609,138)
Earnings per share - US Cents	0.674	0.534	(0.898)	(0.485)	(0.902)

Margaritaville Turks Ltd
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Statement of Cash Flow
as at November 30, 2022

	6 Months to November 30, 2022	6 Months to November 30, 2021
	US \$	US \$
Cash flows from operating activities:		
Profit before tax	455,196	(606,269)
Adjustments for:		
Depreciation and amortisation	137,584	145,678
Unrealised foreign exchange (gains)/losses	156	-
Interest expense	57,619	-
	650,556	(460,591)
(Increase)/Decrease in Receivable/Prepayments/Deposits	15,655	(7,756)
Increase/(Decrease) in owing to related companies	(979,521)	156,425
(Increase)/Decrease in inventories	(100,757)	(9,864)
Increase/(Decrease) in trade and other payables	543,393	30,671
	129,325	(291,115)
Cash (used in)/generated from operations	129,325	(291,115)
Interest paid	(100)	-
Income tax paid	-	-
Net cash (used in)/provided by operating activities	129,225	(291,115)
Cash flows from investing activities		
Purchase of fixed assets	(62,234)	-
Net cash used in investing activities	(62,234)	-
Cash flows from financing activities		
Loan Proceeds, net of repayments	-	300,000
Net cash provided by/(used in) financing activities	-	300,000
Increase in cash and cash equivalents	66,991	8,885
Cash and cash equivalents at beginning of year	62,906	7,992
Cash and cash equivalents at November 30, 2022	129,897	16,877

Margaritaville Turks Ltd
Un-Audited Financial Statements

Statement of Changes in Equity
as at November 30, 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 6 months to November 30, 2022				
Dividends	-	-	-	-
Profit for the 6 months to November 30, 2022 being total Comprehensive Income	-	-	455,196	455,196
Balance at November 30, 2022	522,360	-	2,235,603	2,757,963

Statement of Changes in Equity
as at November 30, 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 6 months to November 30, 2021				
Dividends	-	-	-	-
Profit for the 6 months to November 30, 2021 being total Comprehensive Income	-	-	(606,269)	(606,269)
Balance at November 30, 2021	522,360	-	1,783,276	2,305,636

Margaritaville Turks Ltd
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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 November 30, 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 November 30, 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 November 30, 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%