



Third Quarter (Q3 & Nine Months) 2023 Interim Report to our Shareholders

The Directors of Margaritaville (Turks) Ltd. take pleasure in presenting this third Quarter report for fiscal 2023. A total of 283,113 passengers cruised into the Grand Turk Port for the third Quarter on 85 vessels, an average of 3,330 passengers per vessel. Revenue for the Quarter of US\$2.20 million represents the highest quarterly revenue ever reported by the company and resulted in an average spend rate per passenger of US\$7.78. The highest passenger count total for any previous quarter pre-Covid-19 was 304,190 and the spend rate per passenger for that quarter was US\$6.44. We are closing the gap on the passenger totals and have surpassed all quarterly pre-Covid-19 passenger spend rates. For the similar Quarter in the prior year, 120,876 passengers cruised into the port. Total revenue earned was US\$974,015 resulting in a spend per passenger rate of US\$8.04.

Net profit earned for the Quarter was US\$725,181 to provide shareholders with Earnings Per share (EPS) of 1.074 US Cents. This is the highest net profit reported for any previous Quarter in the company's history. Peril Insurance proceeds relating to Hurricane Fiona contributed \$339,725 to the net profit for the Quarter. For the similar Quarter in the prior year, cruising only returned midway in the first month of the Quarter. This was after more than 20 months of suspension due to Covid-19 and so passenger confidence was just returning to the cruise sector. Loss for that Quarter was US\$166,861 for a loss per share of 0.247 US Cents.

Total revenue for the 9 months, year to date, was US\$4.98 million. This was earned from the 626,569 passengers that cruised into the Port over the period. For the comparative period in the prior year, cruising was suspended for the first six months, returning only midway of the seventh month. Revenue earned was US\$975,061 from the 120,876 passengers.

Net profit for the year to date was US\$1.18 million. This provided shareholders with EPS of 1.75 US Cents. The earnings for the similar period in the prior year returned a net loss of US\$776,593 for a loss per share of 1.15 US Cents.

Cost of Sales (COS) ratio of 26.06% for the Quarter is satisfactory given the inflationary environment that the company has been operating in. The year-to-date ratio is marginally higher at 26.64% but is trending downwards. At the 6 months mark the COS ratio was above 27.0%. The company continues to review prices and ingredients to provide the best ingredients at the best prices for our business. Administrative expenses have increased in total amounts but are necessary to support the increase in revenue. There were no unusual expenditures during the year (to date). The team is doing a good job in managing the relative increase in operating costs in relation to the revenue increase.

The company continues to manage its assets in a most efficient manner and is complying with supplier and other creditor arrangements.

The winter tourist season, to date, has been one of the better ones on record, the passenger counts are nearing pre-Covid-19 totals and the spending patterns are much improved. We anticipate that this will continue for the rest of the fiscal 2023 and into fiscal 2024.

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

Ian Dear
Director

John Byles
Director



Statement of Financial Position as at February 28, 2023

	Unaudited February 28, 2023 US\$	Audited May 31, 2022 US\$
Assets		
Non-current assets		
Property, plant and equipment	2,633,199	2,772,527
	<u>2,633,199</u>	<u>2,772,527</u>
Current assets		
Trade and other receivables	172,689	254,351
Inventories	1,025,270	898,369
Owing by related companies	1,770,178	273,108
Cash and bank balance	68,979	62,906
	<u>3,037,116</u>	<u>1,488,734</u>
Total assets	<u><u>5,670,315</u></u>	<u><u>4,261,261</u></u>
Equity and Liabilities		
Capital and reserves attributable to the company's owners		
Share capital	522,360	522,360
Capital reserves	-	-
Retained profits	2,960,784	1,780,407
Total equity	<u>3,483,144</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	1,887,171	1,658,494
Bank overdrafts	-	-
Income tax payable	-	-
	<u>2,187,171</u>	<u>1,958,494</u>
Total liabilities	<u>2,187,171</u>	<u>1,958,494</u>
Total equity and liabilities	<u><u>5,670,315</u></u>	<u><u>4,261,261</u></u>

Director

Director..... *John Smith*



Statement of Comprehensive Income for the Period Ended February 28, 2023

	9 Months YTD February 28, 2023	Q3 February 28, 2023	9 Months YTD February 28, 2022	Q3 February 28, 2022	Audited May 31, 2022
	US\$	US\$	US\$	US\$	US\$
Revenue	4,977,841	2,202,618	975,061	974,015	2,618,350
Cost of sales	(1,326,264)	(573,944)	(245,450)	(244,619)	(884,666)
Gross profit	3,651,577	1,628,674	729,611	729,396	1,733,684
Administrative expenses	(2,881,516)	(1,206,441)	(1,257,052)	(789,173)	(2,007,103)
Promotional expenses	(26,253)	(9,852)	(8,887)	(6,948)	(24,379)
Depreciation and amortisation	(206,376)	(68,792)	(218,516)	(72,839)	(278,916)
Other operating expenses	-	-	-	-	-
Operating Profit (Loss) for the YTD	537,432	343,588	(754,844)	(139,564)	(576,714)
Other operating income/(expense)	658,852	339,725	(21,749)	(27,297)	-
Finance costs	(15,614)	42,004	-	-	(32,424)
Finance income	-	-	-	-	-
Foreign exchange adjustment Gain/(Loss)	(293)	(136)	-	-	-
Profit before tax	1,180,377	725,181	(776,593)	(166,861)	(609,138)
Income tax credit/(expense)	-	-	-	-	-
Net Profit for the year to date being total comprehensive income for the year to date	1,180,377	725,181	(776,593)	(166,861)	(609,138)
Earnings per share - US Cents	1.749	1.074	(1.151)	(0.247)	(0.902)



Statement of Cash Flow as at February 28, 2023

	9 Months to February 28, 2023	9 Months to February 28, 2022
	US \$	US \$
Cash flows from operating activities:		
Profit before tax	1,180,377	(776,594)
Adjustments for:		
Depreciation and amortisation	206,376	218,516
Unrealised foreign exchange (gains)/losses	293	-
Interest expense	15,614	-
	1,402,660	(558,078)
Decrease/(increase) in Receivable/Prepayments/Deposits	85,381	(40,006)
Increase in owing to related companies	(1,503,031)	(108,954)
Increase in inventories	(126,901)	(83,830)
Increase in trade and other payables	249,470	543,820
Cash (used in)/generated from operations	107,580	(247,048)
Interest paid	(34,458)	-
Income tax paid	-	-
Net cash (used in)/provided by operating activities	73,121	(247,048)
Cash flows from investing activities		
Purchase of fixed assets	(67,048)	-
Net cash used in investing activities	(67,048)	-
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	6,073	52,952
Cash and cash equivalents at beginning of year	62,906	7,992
Cash and cash equivalents at February 28, 2023	68,979	60,944



Statement of Changes in Equity as at February 28, 2023

	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 9 months to February 28, 2023				
Dividends	-	-	-	-
Profit for the 9 months to February 28, 2023 being total Comprehensive Income	-	-	1,180,377	1,180,377
Balance at February 28, 2023	522,360	-	2,960,784	3,483,144

Statement of Changes in Equity as at February 28, 2022

	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 9 months to February 28, 2022				
Dividends	-	-	-	-
Profit for the 9 months to February 28, 2022 being total Comprehensive Income	-	-	(776,594)	(776,594)
Balance at February 28, 2022	522,360	-	1,612,951	2,135,311



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 2020. Operations resumed in December 2021 and has been continuing since.



Margaritaville (Turks) Ltd

Top Ten ShareHoldings

As at February 28, 2023

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 - 584

Directors ShareHoldings

As at February 28, 2023

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 February 28, 2023

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%