



First Quarter 2024 Interim report to our shareholders

The Directors of Express Catering Limited (ECL) are pleased to present the First Quarter report on the operations of the company for fiscal 2024.

Total passengers accessing the post security departure lounge of the Sangster International Airport during the Quarter was just over seven hundred and twenty-four thousand and six hundred, or 16.4% higher than the similar period in the prior year and 18.34% higher than the similar period in our benchmark pre-COVID19 year of 2019. This produced revenue of US\$6.40 million compared to US\$4.91 million in the similar period last year. One of the key performance indicators (KPI) for the business, spend rate per passenger, returned US\$8.69 per passenger compared to US\$7.89 for the similar period in the prior year. This was a 9.5% increase in passenger spend rate, increasing confidence in the initiative, as this is against the backdrop of an already concentrated flight operating window of about six hours. The team was able to keep pace with the increased number of travelers and convert more of the travelers into customers or capture more revenue from each customer.

Net profit for the Quarter returned US\$843,114 for an EPS of 0.051 US Cents per share. This is compared to a net profit of US\$652,841 for an EPS of 0.040 US Cents per share in the similar period in the prior year.

Cost of ingredients as a ratio of revenue improved appreciably for the Quarter, registering a 2.71 percentage points improvement to close at a gross profit percentage of 67.22%, compared to 64.51% for the same period in the prior year. The company has resumed forward purchasing arrangements that should keep prices holding for a longer duration. While we continue to have cost of sales challenges, further improvements in this cost category are expected in the fiscal year, as similar arrangements with more suppliers are re-instated. Additionally, the increase in sticker prices that commenced from the prior fiscal year had more time to impact the overall results. General and administrative expenses also increased to support the increase in revenue.

Starting late 2022, we had phased openings of several of our concepts which were relocated to the new food court in the post security lounge at the airport. In December 2022 we finished constructing the Guitar Bar which was open to the public in time for the Christmas season. In July 2023, the first **Bob Marley's One Love** food and beverage experience opened to the travelling public in the revamped food court. The finished product is an authentic offering, with cuisines from Jamaica and the rest of the Caribbean, which has been very well received. The detailed design of the restaurant was done in conjunction with **The Design Solution (TDS) and Pragma Consulting** – international airport design and retail and merchandising expert companies, respectively. These companies are based in the United Kingdom. The company is now focused on delivering the final two experiences that will complete the food court renovation initiative. Bento Sushi, an international fast casual dining experience of an Asian origin and Freshens, a casual health conscious juice brand, are scheduled to be in place by the first Quarter of calendar 2024.

The outlook for the rest of fiscal 2024 is buoyant. This is based on the pronouncement about visitor arrivals from all tourism authorities, including the Ministry of Tourism and its affiliated entities, the Jamaica Tourist Board and the Jamaica Hotel & Tourist Association (JHTA). We look forward to an even better year in fiscal 2024.

Express Catering Limited

Ian Dear
CEO/Director

John Byles
Director



Statement of Financial Position as at August 31, 2023

	Unaudited August 31, 2023 US\$	Audited May 31, 2023 US\$
Assets		
Non-current assets		
Property, plant and equipment	6,296,675	6,113,053
Right-of-use-assets	21,384,501	21,913,863
Other intangible assets	620,501	645,377
	<u>28,301,678</u>	<u>28,672,293</u>
Current assets		
Trade and other receivables	603,828	471,817
Inventories	594,492	432,019
Owing by related companies	14,012,519	12,471,848
Cash and bank balance	76,186	143,524
	<u>15,287,026</u>	<u>13,519,208</u>
Total assets	<u>43,588,704</u>	<u>42,191,501</u>
Equity and Liabilities		
Capital and reserves attributable to the company's owners		
Share capital	73,861	73,861
Capital reserves	43,490	43,490
Retained profits	6,766,117	5,923,003
Total equity	<u>6,883,468</u>	<u>6,040,354</u>
Liabilities		
Non-current liabilities		
Deferred tax liability	115,538	115,538
Long term loans	9,526,247	9,439,225
Lease obligation	20,100,495	20,597,955
	<u>29,742,280</u>	<u>30,152,718</u>
Current liabilities		
Current portion of lease obligation	2,106,637	2,106,637
Trade and other payables	4,856,319	3,865,778
Bank overdrafts	-	26,014
	<u>6,962,956</u>	<u>5,998,429</u>
Total liabilities	<u>36,705,236</u>	<u>36,151,147</u>
Total equity and liabilities	<u>43,588,704</u>	<u>42,191,501</u>

Director

Director..... *John S. M.*



Statement of Profit or Loss & Other Comprehensive Income for the Year to Date August 31, 2023

	Q1 August 31, 2023	Q1 August 31, 2022	Audited May 31, 2023
	US\$	US\$	US\$
Revenue	6,403,060	4,911,992	21,198,904
Cost of sales	(2,098,825)	(1,744,217)	(7,432,646)
Gross profit	4,304,234	3,167,775	13,766,258
Other operating (expense)/income	(5,285)	7,044	
Administrative expenses	(2,133,915)	(1,234,409)	(5,883,155)
Promotional expenses	(97,518)	(71,631)	(11,962)
Depreciation and amortisation	(666,526)	(678,444)	(2,714,003)
Operating profit for the YTD	1,400,990	1,190,335	5,157,138
Rent concessions	-	-	
Finance costs	5 (536,071)	(522,130)	(2,253,791)
Finance income	345	100	489
Foreign exchange (losses)/ gains	(22,150)	(15,464)	34,167
Net Profit, being Total Comprehensive Income for the Year	843,114	652,841	2,938,003
Income tax (expense)	-	-	(235,776)
Profit for the year	843,114	652,841	2,702,227
Earnings per share - US Cents	0.051	0.040	0.165



Statement of Cash Flow for the Year to Date August 31, 2023

	3 Months to August 31, 2023	3 Months to August 31, 2022
	US \$	US \$
Cash flows from operating activities:		
Profit before tax	843,114	652,841
Adjustments for:		
Depreciation and amortisation	666,526	678,444
Interest income	(345)	-
Interest expense	536,071	522,130
	2,045,366	1,853,415
Increase in trade and other receivables	(93,046)	(90,490)
Increase in owing by related companies	(1,579,031)	(1,022,430)
Increase in inventories	(162,472)	(110,281)
Increase in trade and other payables	786,118	463,454
Cash generated from operations	996,935	1,093,669
Interest paid	(285,725)	(293,616)
Net cash provided by operating activities	711,210	800,052
Cash flows from investing activities		
Purchase of property, plant and equipment	(295,911)	(298,424)
Interest income	345	-
Net cash used in investing activities	(295,566)	(298,424)
Cash flows from financing activities		
Loan proceeds, net of repayments	-	-
Lease repayment	(452,108)	(475,222)
Net cash used in financing activities	(452,108)	(475,222)
Decrease in cash and cash equivalents	(36,464)	26,406
Effects of exchange rate changes on cash and cash equivalents	(4,860)	(4,998)
Cash and cash equivalents at beginning of year	117,510	90,106
Cash and cash equivalents at August 31, 2023	76,186	111,514



Statement of Changes in Equity for the Year to Date August 31, 2023

	Share Capital US\$	Capital Reserve US\$	Retained Profits US\$	Totals US\$
Balance at May 31, 2023	73,861	43,490	5,923,003	6,040,354
Changes in equity 3 months to August 31, 2023				
Dividends	-	-	-	-
Profit for the 3 months to August 31, 2023 being total Comprehensive Income	-	-	843,114	843,114
Balance at August 31, 2023	73,861	43,490	6,766,117	6,883,468

Statement of Changes in Equity for the Year to Date August 31, 2022

	Share Capital US\$	Capital Reserve US\$	Retained Profits US\$	Totals US\$
Balance at May 31, 2022	73,861	43,490	3,220,776	3,338,127
Changes in equity 3 months to August 31, 2022				
Dividends	-	-	-	-
Profit for the 3 months to August 31, 2022 being total Comprehensive Income	-	-	652,841	652,841
Balance at August 31, 2022	73,861	43,490	3,873,617	3,990,968



Notes to the Financial Statements

1. Identification

The company was incorporated under the Laws of Jamaica on June 26, 2001. Its registered office is Unit 16 M19 Southern Cross Boulevard, Montego Freeport, Montego Bay.

Its main activities during the year were the operation of branded sports bars and restaurants at Sangster International Airport, Montego Bay. The company is a subsidiary of Margaritaville St. Lucia Inc, whose ultimate parent is Margaritaville Caribbean Group Ltd., a company registered under the Bahamas IBC Act of 2000.

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

2. Basis of preparation

(i) Statement of compliance

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

(ii) Accounting policies.

There have been no changes in accounting policies since the most recent audited accounts as at May 31, 2023.

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 Finance Costs

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

	Q1 August 31, 2023	Q1 August 31, 2022	Audited May 31, 2023
	US\$	US\$	US\$
Interest on property lease (IFRS 16)	240,372	255,375	932,285
Overdraft and loan interest	295,698	266,755	1,321,506
Total	536,071	522,130	2,253,791



EXPRESS CATERING LIMITED

Top Ten ShareHoldings

As at August 31, 2023

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE ST. LUCIA	CASTRIES, ST LUCIA	1,060,221,961	64.746%
HARRIAT P MARAGH	KINGSTON	186,293,705	11.377%
NATIONAL INSURANCE FUND	KINGSTON	181,789,338	11.102%
MAYBERRY JAMAICAN EQUITIES LIMITED	KINGSTON	31,671,639	1.934%
SAGICOR POOLED EQUITY FUND	KINGSTON	12,500,000	0.763%
MF&G TRUST & FINANCE LTD - A/C 57	KINGSTON	10,741,577	0.656%
JCSD TRUSTEE SERVICE LIMITED - SIGMA EQUITY	KINGSTON	10,500,000	0.641%
MANWEI INTERNATIONAL LTD.	CLARENDON	10,000,000	0.611%
JMMB SECURITIES LIMITED - HOUSE ACCOUNT #2	KINGSTON	8,600,000	0.525%
JAMAICA MONEY MARKET BROKERS LTD	KINGSTON	7,160,000	0.437%
		1,519,478,220	92.793%

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

Total Number of Stock Holders - 1979

Directors ShareHoldings

As at August 31, 2023

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
HERRICK WINSTON DEAR	-	-	-	0.000%
IAN B. DEAR	-	1,060,221,961	1,060,221,961	64.746%
JOHN G. BYLES	-	-	-	0.000%
ROLAND P CLARKE	4,332,453	-	4,332,453	0.265%
	4,332,453	1,060,221,961	1,064,554,414	65.011%

Senior Managers ShareHoldings

As at August 31, 2023

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
ROLAND P CLARKE	4,332,453	-	4,332,453	0.265%
MARK SUTHERLAND	2,623,924	-	2,623,924	0.160%
ALTHON THELWELL	1,283,400	-	1,283,400	0.078%
	8,239,777	-	8,239,777	0.503%