



# ANNUAL REPORT 2023

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# Table of Contents

<b>Notice of Annual General Meeting</b>	<b>2</b>
<b>Chairman's Report</b>	<b>3</b>
<b>Directors' Profiles</b>	<b>4</b>
<b>Top 10 ShareHoldings</b>	<b>7</b>
<b>Corporate Governance</b>	<b>8</b>
<b>Management Discussion &amp; Analysis</b>	<b>10</b>
<b>The Financials</b>	<b>16</b>
<b>Form of Proxy</b>	<b>45</b>

# 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 Ltd's Board Room, #16, M19 Southern Cross Boulevard, Freeport, Montego Bay on Wednesday, January 17, 2024, at 11:00am for the following purposes:

## Ordinary Business

1. To receive the report of the Directors and Financial Statements for the year ended May 31, 2023, 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, 2023.

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,

For Fiscal 2023, the Company registered a very positive recovery, achieving revenues of \$21.2 million. This is the most that has ever been achieved and also 48.9% more than the prior year. Just under 2.5 million stopover visitors entered Jamaica in calendar 2022, a 69.24% improvement over the same period in the prior year. This growth in travelers continued into 2023 so that, by the close of fiscal 2023, there were more passengers (2.44 million) accessing the post-security departure lounge of the Sangster International airport than at any similar twelve-months period before. The revenue achieved shows how well our Team was able to convert travelers into customers and how much each passenger was motivated to spend, a testament to the Company's continued investments in both its human capital and its facilities.

For the fiscal year, the renovation of the new food court area at the airport continued. Some facilities were completed while others were relocated and we hope to have our other new options (Bento Sushi and Freshens) completed shortly. The rave reviews about our Bob Marley experience and also about the ease of access and convenience for our concepts such as Wendy's, Domino's, Quizno's and others, speaks to the strategic planning, implementation and level of investment that has been implemented.

Our Team continues to provide service par excellence!! They continue to exceed expectations and to provide the service, facilities upkeep and atmosphere that helps to drive our business. The Company is grateful for their resilience, dedication and hard work and will continue to invest in our human resources by providing the relevant training as well as the opportunities for benevolence and community involvement.



We extend our thanks to Mrs. Tania Waldron-Gooden for the sterling contribution she has given as a member of our Board of Directors. She resigned effective April 2023. Mrs. Waldon-Gooden started with us when we formed our first Board and she will still remain as our Mentor. We also welcome Mr. Desmond Taffe who has joined as an external member of our Audit Committee to bolster the capacity of the Team.

To our other stakeholders, we remain appreciative of the support extended and look forward to continuing our mutually beneficial relationships. We can confidently say that Fiscal 2023 has been our best year yet and we look forward to even more phenomenal results and achievements for Fiscal 2024. The projections from our tourism authorities as well as the results of our First Quarter Fiscal 2024 support this trend. We look forward to your continued support and confidence on the journey to even greater accomplishments.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Taffe'. The signature is fluid and stylized, with a large initial 'D'.

# Directors' Profiles

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## 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".

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## 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) and Trans Jamaican Highway.

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.

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## Roland Clarke

### EXECUTIVE DIRECTOR, SECRETARY & 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.

## Prof. Andrew Spencer

### INDEPENDENT, NON-EXECUTIVE DIRECTOR

Professor Spencer has served in executive leadership in academia as well as corporate entities across the Caribbean. He was most recently Professor and Deputy Executive Director at the Mona School of Business and Management at the University of the West Indies (UWI), Mona, with responsibility for all undergraduate programmes. He was the first to be promoted to the rank of full professor in the substantive field of tourism at the UWI.

Professor Spencer served for four years as the Executive Director of the Tourism Product Development Company Limited (TPDCo), the agency responsible for the maintenance, development and enhancement of the tourism product in Jamaica, and the largest agency in the Ministry of Tourism. He also gave stellar service from 2013 to 2017, as the Director of the Centre for Hotel and Tourism Management (CHTM), University of the West Indies, Nassau Bahamas.

He is the holder of a BSc. and MSc. in Tourism Management from the University of the West Indies and was awarded his PhD in Tourism Strategy from Bournemouth University in the UK. His PhD thesis was awarded the Institute for Travel and Tourism (ITT) PhD Student of the Year- 2011/2012 award, by the ITT Education and Training Committee, in the United Kingdom.

Professor Spencer's research record demonstrates over 50 scholarly publications, including 3 authored books with top international publishers. Professor Spencer has consulted extensively with Caribbean nations on issues related to tourism development.

At present, he is the Chairman of the National Insurance Fund, a Commissioner of the National Water Commission and a Director of the University Council of Jamaica. He also serves on the board of Sandals Corporate University. He is the President of the Wolmer's Old Boys' Association, the Caribbean Maritime University and a member of the Wolmer's Boys' and Girls' Schools Board of Management.

## John G. Byles CD

### 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. Although growing up with a father that was a hotelier, John gave into his calling 24 years ago as a co-founder of the Chukka Blue Adventures

John currently sits on the Boards of Chukka Caribbean Adventures Group of Companies, Margaritaville (Turks) Ltd, Express Catering Limited, Cargo Handlers Ltd. and Margaritaville Caribbean Group Ltd. He is also a member of the Cruise Council of Jamaica, is the Deputy Chairman of the Jamaica Tourist Board, and Chairman of the Destination Assurance Council – Montego Bay Chapter. In the past, John has also previously served as Deputy Chairman on the Boards of the Tourism Enhance Fund 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 five (5), an avid polo enthusiast in his down time and an active community development stalwart.

# Top 10 ShareHoldings

NAMES		VOLUME	%
Margaritaville St. Lucia	Castries, St Lucia	1,060,221,961	64.746%
Harriat P Maragh (Deceased)	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%
Sagikor 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%
		<b>1,519,478,220</b>	<b>92.793%</b>

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

Total Number of Stock Holders - **1974**

## Directors ShareHoldings

NAMES	DIRECT	CONNECTED	TOTAL	%
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%
	<b>4,332,453</b>	<b>1,060,221,961</b>	<b>1,064,554,414</b>	<b>65.011%</b>

## Senior Managers ShareHoldings

NAMES	DIRECT	CONNECTED	TOTAL	%
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%
	<b>8,239,777</b>	<b>-</b>	<b>8,239,777</b>	<b>0.503%</b>

# Corporate Governance

## Report of Management's 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 fiduciary duties to the shareholders and is assisted in their oversight responsibilities by the Audit Committee and the Remuneration Committee 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 Remuneration Committee of the Board of Directors

The purpose of the Remuneration Committee is to assist the Board in the oversight of matters relating to remuneration plans, remuneration of executives, long-term strategic plans and performance regarding management of human resources. The committee will meet at a minimum of once per annum and will comprise of three, of which two will be non-executive Directors. The Head of Human Resources will be the permanent Liaison Officer to the Committee but there may be other invitees. The Committee shall have such powers and perform such duties as the Board may from time to time delegate to it. The Committee for the year just ended was composed as follows:

#### Remuneration Committee:

##### Ian Dear

Executive Member - Chairman

##### John Byles

(Independent and Non-Executive Member)

##### Tania Waldron-Gooden

(Independent and Non-Executive Member)

### The Audit Committee of the Board of Directors

The Audit Committee of the Board of Directors was established to assist the Board of Directors in completing their oversight responsibility. The committee is currently comprised of two members who are both independent and non-executive directors. The Audit Committee has complete access to the financial records of the group and has direct access to the Chief Financial Officer, Vice President of Internal Controls and Systems, the Financial Controller and our External Auditors. The Audit Committee may be a mix of independent and non-executive, non-executive and executive directors but will always be comprised of at least two independent and non-executive directors and will be chaired by one of them. The members of the committee for the year just ended were:

**John Byles**

Independent and Non-executive director - Chairman

**Tania Waldron**

Independent and Non-Executive Director

**Desmond Taffe**

External Member

The Audit Committee meets on a quarterly basis to carry out their roles and responsibilities, inclusive of the following;

- 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.
- 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 the Audit Committee 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

Express Catering Limited (ECL) was established in 2001 to fulfil the food and beverage demands of the thousands of visitors and Jamaican travelers that departs Jamaica through the Sangster International Airport. It also provides food and beverage offerings for the approximately 7,500 employees that work in the various support services at the airport.

The following discussion and analysis for Express Catering Limited (ECL) 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 United States dollars, the functional currency of the company. The discussions are on the results for the year ended May 31, 2023 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. The Group is the franchise operator of the Jimmy Buffet's Margaritaville Restaurant, Bar and Retail Shops across the Caribbean.

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 and recently signed an additional food and beverage concession agreement to increase the total food and beverage footprint in the Sangster International

Airport. The new agreement is in the pre-security section and will see the development and introduction of new food and beverage brands, catering to the public, at the Sangster International Airport (SIA) - Arrivals Area (Meet and Greet).

The company continues to review and assess its offerings and currently has the following international and local food and beverage favourites in operations, distributed throughout the airport:



# US\$21.2million

TOTAL REVENUE ACHIEVED FOR THE YEAR



The Bob Marley One Love, a one-of-a-kind, Jamaican attraction drawing inspiration from Jamaica’s vibrant culture, food, music, and spirit of generosity, is the latest addition to the available food and beverage offerings and was opened to the travelling public in July 2023. The concept features an authentic pimento wood-grill, fresh juices, sharing plates, Marley inspired photo ops and more. A replica of the VW Bus that was Marley’s mode of transportation in the early days of his career is a central feature on display and provides additional photo opportunities. The concept has been receiving rave reviews and is considered the centerpiece of the new food court.

The following are under construction and will be open during first quarter of calendar 2024:



- A healthy “fresh casual” concept, serving signature smoothies and frozen yogurts alongside menu items with a focus on fresh and healthy options.



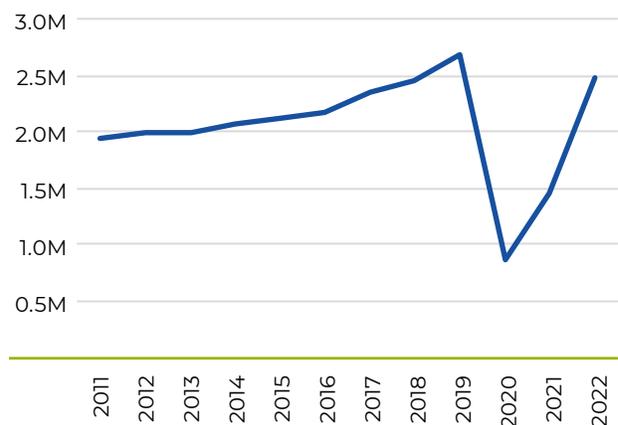
- One of the largest sushi companies outside of Japan. The brand’s on-site Bento chefs prepare a selection of sushi, bento boxes, ramen, poke bowls and more. These fresh menu items can be enjoyed by guests onsite, or pre-packaged selections can be purchased at any of Express Catering’s Viva Grab and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



### Environment

ECL operates in the leisure industry, and in particular, the stopover visitor segment. This sector was hard hit during the pandemic but has sufficiently recovered by the close of calendar 2022 (see below graph).

### Stop Over Visitor Arrivals to Jamaica



Figures from the Jamaica Tourist Board (JTB) website.

# US\$42.2million

## TOTAL ASSETS. UP FROM US\$40.5M

Just under 2.5 million stopover visitors entered Jamaica in calendar 2022. This was a 69.24% improvement over the same period in the prior year and was within 8.0% of the total for calendar 2019. Calendar 2019 is the year with the highest stopover visitor arrivals on record. The recovery continued into fiscal 2023 so that by the close of fiscal 2023, there were more passengers accessing the post-security departure lounge of the Sangster International airport for fiscal 2023 than at any similar twelve-months period before.

A review of Jamaica's stop-over-visitor totals for the last twenty years – 2002 to 2022- has indicated an increase every year over the previous year, except in 2020, the year the pandemic was declared. This translates into an annual compound growth rate of 3.41% over the period. The projection for 2023 is more than 2.70 million stop-over-visitors and additional hotel rooms are set for completion over the next 2 calendar years – 2024/5. With approximately 80% of all stop-over-visitors utilising the Sangster International airport, the future looks exceptional for ECL.

Tourism has been one of the most resilient sectors of the economy for decades, it has delivered the necessary growth and support to long-term economic growth, despite environmental shocks like the COVID-19 pandemic. It is the country's greatest foreign exchange earner, leading contributor to GDP, major employment contributor and one of its fastest-growing business sectors for decades. Tourism employs 175,000 Jamaicans directly and 354,000 indirectly. It drives

15% of construction, 10% of banking and finance, 20% of manufacturing and 21% of utilities, agriculture, and fisheries.

Jamaica's tourism industry has been a strong pillar of economic development due to its crucial macroeconomic links. The tourism value chain has serious potential for the improved performance of the Jamaican economy. To access it, more backward linkages must be used to build and operate hotels, restaurants and other tourism-related facilities, as well as energy, telecommunications, environmental, agriculture, manufacturing and other support services. Tourism has also built several forward links with tourism service providers in various sectors such as financial, telecommunications, retail, recreation, culture, personal, hospitality, security, and health services. To create a competitive tourism destination, airports, good roads, ports, hospitals, and banks are needed, so facilitating the developing of the tourism sector has demanded their growth.

Major expansion and refurbishing projects at the airport are mostly complete. The extension and improvement of the runway project is now complete and is in use, though not yet officially opened. Similarly, the departure lounge expansion and refurbishment project was officially opened in December 2022. The airport is now able to serve nine million passengers per year. For calendar 2022, just under 4.5 million passengers were served so there is available capacity for more carriers and or more gateways

### Fiscal 2023 Highlights

Express Catering Departing Passenger Totals					
	FISCAL YEAR - JUNE TO MAY				
	2019	2020	2021	2022	2023
Passengers	2,328,022	1,861,610	567,935	1,794,388	2,439,606
Revenue - \$	17,316,372	14,001,360	4,412,511	14,241,229	21,198,904
Spend Rate - \$	7.44	7.52	7.77	7.94	8.69

(MBJ Monthly Passenger Statistics)

The above table illustrates the total number of passengers accessing the post-security departure lounge of the airport over the last five years as well as the total revenue earned. The following were noted:

- Revenue for fiscal 2023 at \$21.2 million is the highest to date and 48.9% more than the prior year.
- 2.44 million departing passengers accessed the facilities as at May 2023. This was 36% more than the total for the prior year and 4.8% more than the total for the benchmark fiscal year of 2019. 2019 is the year with the highest recorded stopover visitor totals to date, as well as the year with the highest departing passengers, prior to fiscal 2023.
- Spending rate per passenger was \$8.69. This was a more than 9% increase on the rate for the prior year. This ratio is a key performance indicator and measures how well the company can convert the increased number of travelers into customers as well as how much incremental revenue can be secured from each new or existing customer.

The new Guitar Bar that was installed in the centre of the Rotunda is an awesome addition to the retail space. Travelers have been raving about the new look and feel of the food court area, and the revenue is reflecting those



sentiments. Fiscal 2024 will provide a good measure of the uplift in revenue from the refurbishment initiative.

### Results of Operations for Fiscal 2023

Below is a 5-year summary of the operating matrix in relation to revenues. 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.

ECL Results of Operations Matrix	2023	2022	2021	2020	2019
	%	%	%	%	%
<b>Revenue</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Cost of sales	-35.06%	-35.12%	-34.59%	-30.90%	-29.25%
<b>Gross profit</b>	<b>64.94%</b>	<b>64.88%</b>	<b>65.41%</b>	<b>69.10%</b>	<b>70.75%</b>
Administrative expenses	-27.75%	-28.22%	-45.46%	-31.53%	-44.04%
Promotional expenses	-0.06%	-0.03%	-0.32%	-0.33%	-0.28%
Depreciation and amortisation	-12.80%	-19.52%	-54.63%	-16.99%	-3.20%
<b>Operating profit</b>	<b>24.33%</b>	<b>17.10%</b>	<b>-35.00%</b>	<b>20.25%</b>	<b>23.23%</b>
Concessions on rent	0.00%	5.02%	40.60%	0.00%	0.00%
Finance income	0.00%	0.03%	0.06%	0.00%	0.00%
Finance costs	-10.63%	-14.51%	-43.63%	-9.24%	-1.98%
Gain/(loss) on foreign exchange	0.16%	0.06%	-1.35%	0.15%	0.29%
<b>Profit before tax</b>	<b>13.86%</b>	<b>7.70%</b>	<b>-39.31%</b>	<b>11.17%</b>	<b>21.55%</b>
Income tax expense	-1.11%	0.00%	0.00%	0.00%	0.00%
<b>Profit for the year being total comprehensive income for the year</b>	<b>12.75%</b>	<b>7.70%</b>	<b>-39.31%</b>	<b>11.17%</b>	<b>21.55%</b>

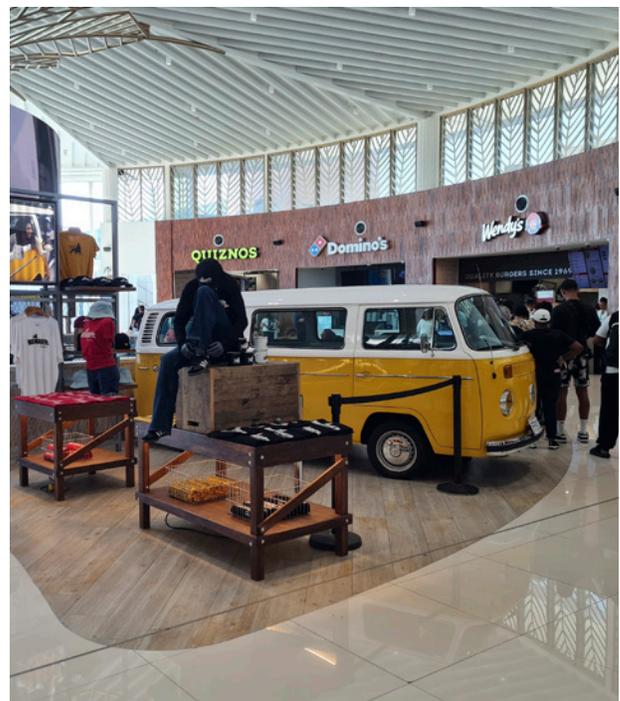
2020 and onwards included the adoption of IFRS 16 on Leases. The observation is important as it changed the category of the expenses and so would impact category ratios and comparisons. Lease payments formerly grouped under administrative expenses are now split with a portion remaining under administrative expenses in the income statement and the balance being a pay-down of Lease Obligation 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.

### Revenues

With total revenue of \$21.2 million and passenger totals of 2.44 million for fiscal 2023 surpassing the similar measurements in the benchmark year 2019, we can conclude that the stopover visitor sector of the tourism product is fully recovered from the effects of COVID-19. This was a direct consequence of the sterling work from all stakeholders in the field, inclusive of the Ministry of Tourism, the Jamaica Tourist Board, other support agencies, industry practitioners and the thousands of persons who interface directly with the visitors. All ensured that the safety standards were enunciated and maintained so that confidence in the sector would resume.

That the recovery coincided with the near completion of the major expansion and improvement efforts at the airport is a just reward for the business risks assumed in commencing those expansion efforts in the middle of the uncertainties surrounding the pandemic. The airport is now poised to double the number of passengers that was served in calendar 2022 (just under 4.5 million) to full capacity of 9.0 million. The various stakeholders are actively pursuing that capacity target.

ECL is now focused on completing the food court expansion activities which will add more new offerings and relocate an existing offering into more spacious and comfortable settings. All of this is projected for completion before the end of the first Quarter of calendar 2024. By then, the full capacity of the commercial plan would have been implemented. The team is eagerly looking forward to the expected rewards.



### Cost of Sales and Expenses

Cost of Sales ratio at 35.06% of revenue improved marginally when compared to the prior year ratio of 35.12%. The ratio increased significantly during the pandemic due to the negative impact of the pandemic on logistics and has been worsened by the Ukraine war. Prior to the pandemic, the company enjoyed average ratios of 30.0%. There is significant upside potential and the company is relentlessly pursuing a return to pre-Covid-19 ratios or as close to these as is possible. The company has also resumed forward purchasing arrangements that see prices holding for a longer duration. Improvements in this cost category are already being realized from the initiatives with the first Quarter report for fiscal 2024 recording a more than 2% points improvement in this ratio.

There were increases in the nominal total administrative and promotional costs to support the increase in revenue. This is the nature of the business; however, the approach is always to slow the rate of those increases so that more of the incremental revenue will fall to the Net Profit.

### Earnings, Earnings Per Share (EPS) & Dividends

For the fiscal year just ended, Net Profit of US\$2.7 million was achieved. This resulted in EPS of US 0.17 Cents per share. This is compared to Net Profit of US\$1.1 million and EPS of US 0.07 Cents in the prior year.

### Balance Sheet Performance & Cash Flow

The Company's Total Assets stood at US\$42.2 million at the end of financial year 2023, up from US\$40.5 million the year prior. Liabilities at May 31, 2023 were US\$36.2 million, mainly comprising property lease liability of US\$22.7 million and borrowings of US\$9.4 million.

Shareholders' Equity at May 31, 2023 was US\$6.0 million, up from US\$3.3 million in the prior year. The profit of US\$2.7 million in financial year 2016 accounted for the increase.

For the financial year ended May 2023, the Company generated cash flows of US\$3.3 million from operating activities.

The company continues to nurture the relationship with creditors. These have been of tremendous support during the downturn in business and they continue to be onboard as we recoup.

**2.5** MILLION  
STOPOVER  
VISITORS  
IN 2022



### Future Outlook

The unaudited financial statements and the report thereon for the first Quarter of fiscal 2024 is already in circulation. The momentum experienced in the last fiscal year continued into the Quarter. Total passengers accessing the post security departure lounge of the Sangster International Airport was 16.4% higher than the similar period in the prior year and 18.34% higher than the similar period in our benchmark pre-COVID-19 year of 2019. This produced revenue of US\$6.40 million compared to US\$4.91 million in the similar period last year. A key ratio, spending per passenger, returned US\$8.84 compared to US\$7.89 for the similar period in the prior year. This was a 9.5% increase; a most encouraging effort.

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

The outlook for the remainder of fiscal 2024 is buoyant. This is based on the pronouncement about visitor arrivals for the 2024 winter season from all tourism authorities, including the Ministry of Tourism and its affiliated entities, the Jamaica Tourist Board and the Jamaica Hotel and Tourism Authority (JHTA). We are midway through the second Quarter and are pleased with the results so far.

# 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, 2023, 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, 2023, 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.

#### 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

Partners: Sixto P. Coy, Karen A. Lewis

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## 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.



## 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

September 13, 2023

  
Chartered Accountants

## Express Catering Limited

### Statement of financial position

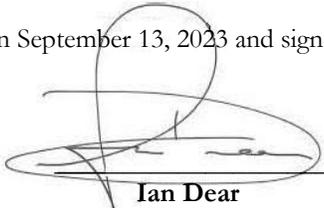
May 31, 2023

	Note	2023 US\$	2022 US\$
<b>Assets</b>			
<b>Non-current</b>			
Property, plant and equipment	(3a)	6,113,053	4,123,769
Right-of-use asset	(3b)	21,913,863	24,031,310
Intangible assets	(4)	645,377	792,122
		<b>28,672,293</b>	<b>28,947,201</b>
<b>Current</b>			
Inventories	(5)	432,019	302,581
Trade and other receivables	(6)	471,817	308,545
Due from related companies	(7)	12,471,848	10,659,707
Cash and bank balances	(8)	143,524	276,254
		<b>13,519,208</b>	<b>11,547,087</b>
<b>Total assets</b>		<b>42,191,501</b>	<b>40,494,288</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	(9)	73,861	73,861
Capital reserve	(10)	43,490	43,490
Retained earnings		5,923,003	3,220,776
<b>Total equity</b>		<b>6,040,354</b>	<b>3,338,127</b>
<b>Liabilities</b>			
<b>Non-current</b>			
Borrowings	(11)	9,439,225	8,362,630
Lease liabilities	(12)	20,597,955	22,651,761
Deferred tax liability	(13)	115,538	89,150
		<b>30,152,718</b>	<b>31,103,541</b>
<b>Current</b>			
Bank overdraft	(8)	26,014	186,148
Trade and other payables	(14)	3,656,390	3,881,765
Current portion of lease liabilities	(12)	2,106,637	1,984,707
Income tax payable		209,388	-
		<b>5,998,429</b>	<b>6,052,620</b>
<b>Total liabilities</b>		<b>36,151,147</b>	<b>37,156,161</b>
<b>Total equity and liabilities</b>		<b>42,191,501</b>	<b>40,494,288</b>

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

Approved for issue by the Board of Directors on September 13, 2023 and signed on its behalf by:

 ) Director  
John Byles

 ) Director  
Ian Dear

## Express Catering Limited Statement of profit or loss and Other comprehensive income

Year ended May 31, 2023

	Note	2023 US\$	2022 US\$
<b>Revenue</b>		21,198,904	14,241,229
Cost of sales		(7,432,646)	(5,002,167)
<b>Gross profit</b>		<b>13,766,258</b>	<b>9,239,062</b>
Administrative expenses	(15)	(5,883,155)	(4,018,997)
Promotional expenses		(11,962)	(4,858)
Depreciation and amortisation	(15)	(2,714,003)	(2,780,369)
<b>Operating profit</b>		<b>5,157,138</b>	<b>2,434,838</b>
Covid-19 rent concession	(12)	-	715,199
Finance income	(16)	489	4,551
Finance costs	(16)	(2,253,791)	(2,065,844)
Gain on foreign exchange		34,167	8,059
<b>Profit before tax</b>		<b>2,938,003</b>	<b>1,096,803</b>
<b>Income tax for the year</b>	(18)	<b>(235,776)</b>	-
<b>Profit for the year being total comprehensive income for the year</b>		<b>2,702,227</b>	<b>1,096,803</b>
<b>Earnings per share</b>	(17)	<b>0.0017</b>	<b>0.0007</b>

## Express Catering Limited

### Statement of changes in equity

Year ended May 31, 2023

	Share Capital US\$	Capital Reserve US\$	Retained Earnings US\$	Total US\$
<b>Balance at May 31, 2021</b>	73,861	43,490	2,123,973	2,241,324
Profit for the year being total comprehensive income for the year	-	-	1,096,803	1,096,803
<b>Balance at May 31, 2022</b>	73,861	43,490	3,220,776	3,338,127
Profit for the year being total comprehensive income for the year	-	-	2,702,227	2,702,227
<b>Balance at May 31, 2023</b>	<b>73,861</b>	<b>43,490</b>	<b>5,923,003</b>	<b>6,040,354</b>

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, 2023

	2023 US\$	2022 US\$
<b>Cash flows from operating activities:</b>		
Profit before tax	2,938,003	1,096,803
Adjustments for:		
Depreciation and amortisation	2,714,003	2,780,369
Interest expense	2,253,791	2,065,844
Rent concessions	-	(715,199)
Interest income	(489)	(4,551)
	<b>7,905,308</b>	<b>5,223,266</b>
(Increase)decrease in inventories	(129,438)	161,202
Increase in receivables	(163,272)	(118,351)
Increase in owing by related companies	(1,812,141)	(3,020,923)
(Decrease)/increase in trade and other payables	(225,375)	365,315
<b>Cash generated from operations</b>	<b>5,575,082</b>	<b>2,610,509</b>
Interest paid	(2,253,791)	(1,044,157)
<b>Net cash provided by operating activities</b>	<b>3,321,291</b>	<b>1,566,352</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(2,436,587)	(636,668)
Purchase of intangible assets	(2,508)	(819)
Interest received	489	4,551
<b>Net cash used in investing activities</b>	<b>(2,438,606)</b>	<b>(632,936)</b>
<b>Cash flows from financing activities</b>		
Repayment of lease obligations	(1,931,876)	(1,200,293)
Repayment of borrowing	(36,074)	-
Proceeds from borrowing	1,112,669	-
<b>Net cash used in financing activities</b>	<b>(855,281)</b>	<b>(1,200,293)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>27,404</b>	<b>(266,877)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>90,106</b>	<b>356,983</b>
<b>Cash and cash equivalents at end of year (Note 8)</b>	<b>117,510</b>	<b>90,106</b>

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

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## Express Catering Limited

### Notes to the financial statements

Year ended May 31, 2023

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#### 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 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:

At the date of approval of these financial statements, certain new standards amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the Company.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

New standards, interpretations and amendments not early adopted or listed below are not expected to have a material impact on the Company's financial statements.

**Amendments to IAS 1, Presentation of Financial Statements** (effective for annual periods beginning on or after January 1, 2023). The Amendments promotes consistency application and clarify the requirements on determining if a liability is current or non-current.

**Amendment to IAS 8 Accounting Policies Changes in Accounting Estimates and Errors** (effective for periods beginning on or after January 1, 2023). The amendment introduces a new definition for accounting estimates; clarifying that they are monetary amounts in the financial statements and are subject to measurement uncertainty.

**Amendment to IAS 12 -Deferred Tax** (effective for annual periods beginning on or after January 1, 2023). Relates to assets and liabilities arising from a single transaction. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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## Express Catering Limited

### Notes to the financial statements

May 31, 2023

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

##### c 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.

##### d 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.

##### e Intangible assets

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

##### f 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.

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## Express Catering Limited

### Notes to the financial statements

May 31, 2023

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

##### g 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.

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 customers 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 over time 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.

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## Express Catering Limited

### Notes to the financial statements

May 31, 2023

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

##### g Revenue recognition (cont'd)

###### 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.

##### h 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.

##### i 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.

##### j 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.

##### k Due from related company

Amounts due from related company are carried at cost.

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## Express Catering Limited

### Notes to the financial statements

May 31, 2023

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

### I 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.

#### 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.

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## Express Catering Limited

### Notes to the financial statements

May 31, 2023

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

### l Financial instruments (cont'd)

#### Impairment of financial assets (cont'd)

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.

### m 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.

### n 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.

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## Express Catering Limited

### Notes to the financial statements

May 31, 2023

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

##### o Leased assets

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).

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.

##### p 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.

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## Express Catering Limited

### Notes to the financial statements

May 31, 2023

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

##### q 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.

##### r 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, 2023

**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, 2023, 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\$
<b>Gross carrying amount</b>								
Balance as at June 1, 2022	773,331	2,862,343	56,761	178,235	564,050	2,855,767	2,465,789	9,756,276
Additions	2,417,385	-	-	2,342	7,193	1,162	8,505	2,436,587
<b>Balance as at May 31, 2023</b>	<b>3,190,716</b>	<b>2,862,343</b>	<b>56,761</b>	<b>180,577</b>	<b>571,243</b>	<b>2,856,929</b>	<b>2,474,294</b>	<b>12,192,863</b>
<b>Depreciation and impairment</b>								
Balance as at June 1, 2022	-	(1,422,213)	(56,761)	(145,292)	(457,270)	(1,854,320)	(1,696,651)	(5,632,507)
Depreciation	-	(95,732)	-	(4,809)	(23,520)	(166,005)	(157,237)	(447,303)
<b>Balance as at May 31, 2023</b>	<b>-</b>	<b>(1,517,945)</b>	<b>-</b>	<b>(150,101)</b>	<b>(480,790)</b>	<b>(2,020,325)</b>	<b>(1,853,888)</b>	<b>(6,079,810)</b>
<b>Carrying amount as at May 31, 2023</b>	<b>3,190,716</b>	<b>1,344,398</b>	<b>-</b>	<b>30,476</b>	<b>90,453</b>	<b>836,604</b>	<b>620,406</b>	<b>6,113,053</b>

**Express Catering Limited**  
**Notes to the financial statements**  
May 31, 2023

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

	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\$
<b>Gross carrying amount</b>								
Balance as at June 1, 2021	144,302	2,862,343	56,761	178,235	557,491	2,855,767	2,464,709	9,119,608
Additions	629,029	-	-	-	6,559	-	1,080	636,668
<b>Balance as at May 31, 2022</b>	<b>773,331</b>	<b>2,862,343</b>	<b>56,761</b>	<b>178,235</b>	<b>564,050</b>	<b>2,855,767</b>	<b>2,465,789</b>	<b>9,756,276</b>
<b>Depreciation and impairment</b>								
Balance as at June 1, 2021	-	(1,325,851)	(56,761)	(140,484)	(434,951)	(1,688,577)	(1,539,431)	(5,186,055)
Depreciation	-	(96,362)	-	(4,808)	(22,319)	(165,743)	(157,220)	(446,452)
<b>Balance as at May 31, 2022</b>	<b>-</b>	<b>(1,422,213)</b>	<b>(56,761)</b>	<b>(145,292)</b>	<b>(457,270)</b>	<b>(1,854,320)</b>	<b>(1,696,651)</b>	<b>(5,632,507)</b>
<b>Carrying amount as at May 31, 2022</b>	<b>773,331</b>	<b>1,440,130</b>	<b>-</b>	<b>32,943</b>	<b>106,780</b>	<b>1,001,447</b>	<b>769,138</b>	<b>4,123,769</b>

## Express Catering Limited

### Notes to the financial statements

May 31, 2023

#### 3b. Right-of-use asset

	2023 US\$
<b>Gross carrying amount</b>	
Balance as at June 1, 2022	29,812,989
<b>Carrying amount at May 31, 2023</b>	<b>29,812,989</b>
<b>Amortisation</b>	
Balance as at June 1, 2022	(5,781,679)
Amortised during the year	(2,117,447)
<b>Carrying amount at May 31, 2023</b>	<b>(7,899,126)</b>
<b>Carrying amount as at May 31, 2023</b>	<b>21,913,863</b>
	<b>2022 US\$</b>
<b>Gross carrying amount</b>	
Balance as at June 1, 2021	29,812,989
<b>Carrying amount at May 31, 2022</b>	<b>29,812,989</b>
<b>Amortisation</b>	
Balance as at June 1, 2021	(3,597,014)
Amortised during the year	(2,184,665)
<b>Carrying amount at May 31, 2022</b>	<b>(5,781,679)</b>
<b>Carrying amount as at May 31, 2022</b>	<b>24,031,310</b>

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\$
<b>Gross carrying amount</b>			
Balance as at June 1, 2022	650,193	1,368,231	2,018,424
Additions	2,508	-	2,508
<b>Balance as at May 31, 2023</b>	<b>652,701</b>	<b>1,368,231</b>	<b>2,020,932</b>
<b>Amortisation</b>			
Balance as at June 1, 2022	(191,438)	(1,034,864)	(1,226,302)
Amortisation	(60,288)	(88,965)	(149,253)
<b>Balance as at May 31, 2023</b>	<b>(251,726)</b>	<b>(1,123,829)</b>	<b>(1,375,555)</b>
<b>Carrying amount as at May 31, 2023</b>	<b>400,975</b>	<b>244,402</b>	<b>645,377</b>

## Express Catering Limited Notes to the financial statements

May 31, 2023

### 4. Intangible assets (cont'd)

	Development Cost US\$	Licenses and Franchises US\$	Total US\$
<b>Gross carrying amount</b>			
Balance as at June 1, 2021	649,374	1,368,231	2,017,605
Additions	819	-	819
<b>Balance as at May 31, 2022</b>	<b>650,193</b>	<b>1,368,231</b>	<b>2,018,424</b>
<b>Amortisation</b>			
Balance as at June 1, 2021	(131,150)	(945,899)	(1,077,049)
Amortisation	(60,288)	(88,965)	(149,253)
<b>Balance as at May 31, 2022</b>	<b>(191,438)</b>	<b>(1,034,864)</b>	<b>(1,226,302)</b>
<b>Carrying amount as at May 31, 2022</b>	<b>458,755</b>	<b>333,367</b>	<b>792,122</b>

### 5. Inventories

	2023 US\$	2022 US\$
Food	174,821	148,640
Beverage	76,673	34,652
Gift Shop	43,387	24,684
Other	137,138	94,605
<b>Total</b>	<b>432,019</b>	<b>302,581</b>

### 6. Trade and other receivables

	2023 US\$	2022 US\$
Receivables	105,178	45,917
Staff loan	1,602	5,540
Deposit	53,881	158,799
Other receivables	8,821	6,065
Prepayments	302,335	92,224
<b>Total</b>	<b>471,817</b>	<b>308,545</b>

### 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:

	2023 US\$	2022 US\$
Margaritaville Limited	12,471,848	10,659,707
	<b>12,471,848</b>	<b>10,659,707</b>

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

## Express Catering Limited

### Notes to the financial statements

May 31, 2023

#### 8. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	2023 US\$	2022 US\$
Cash and bank balances	143,524	276,254
Bank overdraft	(26,014)	(186,148)
<b>Total</b>	<b>117,510</b>	<b>90,106</b>

Bank overdraft represents the excess of unpresented cheques in excess of bank balance at end of year. The company does not operate a bank overdraft facility.

#### 9. Share capital

	2023 US\$	2022 US\$
Authorised Issued and fully paid: 1,637,500,000 ordinary shares (No par value)	73,861	73,861
	<b>73,861</b>	<b>73,861</b>

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)
	<b>43,490</b>

## Express Catering Limited Notes to the financial statements

May 31, 2023

### 11. Borrowings

	2023 US\$	2022 US\$
<b>Balance at June 1</b>	8,362,630	8,036,324
Deferred interest	1,076,595	326,306
<b>Balance at May 31</b>	<b>9,439,225</b>	<b>8,362,630</b>

Sygnus Credit Investment Limited (SCI) loan of \$8,000,000 commenced on December 15, 2020. The loan was 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 rates 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.

### 12. 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

	2023 \$	2022 \$
<b>Current</b>	2,106,637	1,984,707
<b>Non-current</b>	20,597,955	22,651,761
<b>Total</b>	<b>22,704,592</b>	<b>24,636,468</b>

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

	2023 \$	2022 \$
Amortisation charged on right-of-use assets	2,117,447	2,184,665
Interest expense on lease liabilities	932,285	1,008,326
Concessions on rent	-	(715,199)
	<b>3,049,732</b>	<b>2,477,792</b>

## Express Catering Limited

### Notes to the financial statements

May 31, 2023

#### 12. Lease liabilities (cont'd)

(c) Amounts recognised in the statement of cash flow

	2023	2022
	\$	\$
Principal payments	1,977,043	1,200,293
Interest payments	932,285	1,008,326
Concessions on rent	-	715,199
<b>Cash out flows for leases</b>	<b>2,909,328</b>	<b>2,923,818</b>

#### 13. 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:

	2023	2022
	US\$	US\$
Balance at beginning of year	89,150	89,150
Income statement charge for the year (Note 18)	26,388	-
Balance at end of year	<b>115,538</b>	<b>89,150</b>

#### 14. Trade and other payables

	2023	2022
	US\$	US\$
Trade payables	2,939,865	2,656,754
Accrued expenses	156,070	103,040
Loan interest payable	234,061	695,378
Other payables	326,394	426,593
<b>Total</b>	<b>3,656,390</b>	<b>3,881,765</b>

#### 15. Expenses by nature

Total direct, administrative and other operating expenses:

	2023	2022
	US\$	US\$
<b>Direct expenses</b>		
Cost of inventories recognised as expense	<b>7,432,646</b>	<b>5,002,167</b>
<b>Administrative expenses</b>		
Employee benefits (Note 20)	2,041,575	1,381,411
Lease expense	1,487,614	916,230
Franchise fees	607,461	439,693
Audit Fees	14,400	14,400
Other expenses	1,732,105	1,267,263
<b>Total</b>	<b>5,883,155</b>	<b>4,018,997</b>
<b>Promotional expenses</b>		
Advertising	<b>11,962</b>	<b>4,858</b>
<b>Depreciation and amortisation</b>		
Depreciation	447,303	446,451
Amortisation	2,266,700	2,333,918
<b>Total</b>	<b>2,714,003</b>	<b>2,780,369</b>

## Express Catering Limited

### Notes to the financial statements

May 31, 2023

#### 16. (a) Finance income

Finance income includes all income from financial assets and comprises:

	2023 US\$	2022 US\$
Interest income from financial assets	489	4,551
<b>Total</b>	<b>489</b>	<b>4,551</b>

#### 16. (b) Finance costs

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

	2023 US\$	2022 US\$
Interest expense on lease liabilities (note 12)	932,285	1,008,326
Overdraft and loan interest	1,321,506	1,057,518
<b>Total</b>	<b>2,253,791</b>	<b>2,065,844</b>

#### 17. 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.

	2023 US\$	2022 US\$
Profit attributable to shareholders	2,702,227	1,096,803
Weighted average number of shares	1,637,500,000	1,637,500,000
Earnings per share	0.0017	0.0007

#### 18. Income taxes

The Company was not liable to pay corporate income tax in its first 5 years on the Junior Market. It become 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.

	2023 US\$	2022 US\$
Current tax	209,388	-
Deferred tax (Note 13)	26,388	-
<b>Income tax charge for the year</b>	<b>235,776</b>	<b>-</b>

## Express Catering Limited

### Notes to the financial statements

May 31, 2023

#### 18. Income taxes (Cont.)

Reconciliation of theoretical tax charge to effective tax charge:

	2023 US\$	2022 US\$
<b>Profit before tax</b>	2,938,003	1,096,803
Tax at applicable tax rate of 25%	734,500	274,201
Tax effect of expenses not deductible for tax purpose	678,500	695,093
Tax effect of allowances and remission of tax	(1,177,224)	(969,294)
<b>Income tax charge for the year</b>	<b>235,776</b>	-

#### 19. Ordinary dividends

The Board did not declare a dividend for the current year and prior year.

#### 20. Employee benefits

	2023 US\$	2022 US\$
Wages and taxes	1,813,635	1,200,826
Medical and other staff benefits	227,940	180,585
<b>Total</b>	<b>2,041,575</b>	<b>1,381,411</b>

There were 2023 – Two hundred and ninety four (294) - (2022 - One hundred and ninety-seven (197)) permanent employees at year end.

#### 21. 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 its 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.

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## Express Catering Limited

### Notes to the financial statements

May 31, 2023

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#### 21. Risk management policies (Cont'd)

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).

##### 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.

## Express Catering Limited

### Notes to the financial statements

May 31, 2023

#### 21. Risk management policies (Cont'd)

##### c Credit risk (Cont'd)

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:

	2023 US\$	2022 US\$
Trade and other receivables	471,817	308,545
Cash and bank balances	143,524	276,254
<b>Total</b>	<b>615,341</b>	<b>584,799</b>

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, 2023

	Current Within 12 Months US\$	Non-current 1 to 5 years US\$	Over 5 years US\$
Bank overdraft	26,014	-	-
Trade and other payables	3,865,778	-	-
Lease liabilities	2,909,328	14,546,640	9,632,200
Borrowings	-	10,777,245	-
<b>Total</b>	<b>6,801,120</b>	<b>25,323,885</b>	<b>9,632,200</b>

##### May 31, 2022

	Current Within 12 Months US\$	Non-current 1 to 5 years US\$	Over 5 years US\$
Bank overdraft	186,148	-	-
Trade and other payables	3,881,765	-	-
Lease liabilities	2,916,989	14,546,640	12,541,528
Borrowings	668,000	11,494,901	-
<b>Total</b>	<b>7,652,902</b>	<b>26,041,541</b>	<b>12,541,528</b>

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## Express Catering Limited

### Notes to the financial statements

May 31, 2023

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#### **22. 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.

#### **23. 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.

#### **24. 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

## EXPRESS CATERING LIMITED

\$100 stamp  
to be affixed

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 11:00am on Wednesday,

January 17, 2024 at the Margaritaville Ltd.  
Board Room, #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 \_\_\_\_\_ 2023

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.





