



**RED**

HOSPITALITY & LEISURE

# Financial Statements Quarter 1, 2019



# Profit & Loss Statement Quarter1



Island Time Watersports Caribbean LLC.		
Profit & Loss		
Quarter 1		
<b>Income</b>		
-Ritz Carlton	\$	273,033
-Business Interruption		180,000
-Hotel Excursions		9,595
-Hotel Retail		2,089
-Hotel Watersports		110
-Club Excursion		44,587
-Club Retail		34,313
-Club Watersports		2,340
-Beach Passes		60,895
-Club Beach Pass		19,082
-Hotel Beach Pass Accrual		40,483
-Hotel Beach Pass		1,330
-Westin St. John		703,492
-Ferry Service		497,988
-Excursions		84,270
-Beach Service		79,387
-Retail		9,275
-Rental		23,642
-SVO & SD		8,930
-Direct Sales		304,845
-Online Sales		112,548
-In Person/ Telephone		102,870
-Private Charters		89,427
-Outside Vendors		195,529
-Ritz		111,516
-Westin		57,125
-Other		26,889
-Other Income		17,652
-Interest Income		184
- Westin Other Income		16,499
- Advertising Income		969
<b>Total Income</b>		<b>1,555,447</b>

# Profit & Loss Statement Quarter 1 (Cont.)



Island Time Watersports Caribbean LLC.	
Profit & Loss	
Quarter 1	
<b>Cost of Goods Sold</b>	
-Beverages	15,950
-Boat Supplies	1,305
-Boat Depreciation Expenses	64,604
-Commission Ritz	6,052
-Commission Westin	16,808
-Credit Card Fees	7,637
-Inventory COGS	20,734
-Fuel & Oil	42,449
-Food	47,149
-Boat Repairs	20,435
-Customs	43,915
-Port Fees	5,452
-Subcontractors - Ferry Boat	51,800
-Subcontractors - Outside Vendors	136,497
-Subcontractors -Outside Vendors-Others	60,544
-Ritz Transaction Fee	4,399
<b>Ritz Wages</b>	<b>46,438</b>
-Ritz Beach Wages	19,510
-Ritz Desk Operations Wages	22,440
-Commission Employees Ritz	4,488
<b>Westin Wages</b>	<b>78,856</b>
-Westin Watersports	24,748
-Beach Hut Westin Wages	35,328
- Westin Maintenance Wages	11,095
-Commission Westin Employees	7,685
<b>Boat Crew</b>	<b>173,623</b>
-Ferry Boat Captain	57,838
-Ferry Boat Crew	70,225
-PC Wages	6,875
-Public Trips	
-Westin Trips	21,250
-Ritz Carlton Trips	10,694
-Virgin Gorda Transportation	1,983
-Commission SVO	230
-PC Commissins	4,529
<b>Total Cost of Goods Sold</b>	<b>844,645</b>
<b>Gross Profit</b>	<b>710,802</b>

# Profit & Loss Statement Quarter 1 (Cont.)



Island Time Watersports Caribbean LLC.	
Profit & Loss	
Quarter 1	
Expense	
-Advertising and Promotions	26,040
-Amortization Expense	3,832
-Automobile	649
-Bank	2,014
-Cleaning	-
-Computer and Internet	5,690
-Depreciation	3,584
-Dockage Rental	9,366
-Freight	289
-Gross Receipt Taxes	62,713
-Healthcare Insurance	9,097
-Insurance	49,330
-License, Permits, Etc.	-
-Localized Transportation	2,012
-Meals & Entertainment	2,530
-Non-Motorized Beach	360
-Other Expenses	1,700
-Professional Fees	8,306
-Rent	22,858
-Management Salaries	163,428
-Payroll Expenses	35,731
-Supplies	5,031
-Travel & Entertainment	9,030
-Uniforms	1,858
-Utilities	725
-V.I. Unemployment Insurance Exp	(5,557)
<b>Total Expenses</b>	<b>420,618</b>
<b>Net Ordinary Income</b>	<b>290,184</b>
Other Income/Expense	
-Interest Expense	(47,693)
-Other Income	48,588
<b>Total Other Income</b>	<b>894</b>
<b>Net Income</b>	<b>291,078</b>
-Depreciation	68,188
-Amortization	3,832
-Interest Expense (Income)	47,509
-Income Tax	-
<b>EBITDA</b>	<b>\$ 410,608</b>
<b>EBITDA Margin%</b>	<b>26%</b>
Transaction Costs	5,267
Other	-
Other	-
<b>Adjusted EBITDA</b>	<b>\$ 415,875</b>
<b>Adjusted EBITDA Margin %</b>	<b>27%</b>

# Statement of Balance Sheet Quarter 1 (Cont.)



Island Time Watersports Caribbean LLC.		
Balance Sheet		
Quarter 1		
ASSETS		
Current Assets		
Checking/Savings		
Banco Popular	3,533	
Merchants Account 03711	306,619	
Merchants Account-1536	866,261	
Petty Cash	1,960	
Total Checking/Savings	1,178,374	
Accounts Receivable		
Due from Affiliates-DFA	764	
Due To/From Ashford/RED Leisure	1,061	
Due To/From Braemar/RED Leisure	4,069	
Account Receivables - Other	684,529	
Total Accounts Receivable	690,423	
Other Current Assets		
Boat Escrow	760,000	
Boat Parts & Equipment	24,482	
Claim Gordon Wangers	11,982	
Inventory Assets	45,270	
Inventory Parts	19,912	
Prepaid Insurance	132,511	
Undeposited Amounts	3,321	
Total Other Current Assets	997,478	
<b>Total Current Assets</b>	<b>2,866,275</b>	
Fixed Assets		
Accumulated Depreciation	(14,974)	
Accumulated Depreciation Boats	(236,100)	
Annual Regist Amortization	(5,381)	
Annual Registration	13,501	
Boats	5,962,817	
Furniture and Equipment	73,686	
Start Up Expenses	39,393	
<b>Total Fixed Assets</b>	<b>5,832,942</b>	
Other Assets		
Origination Fees		
Banco Principal Origination Fee	(1,881)	
Merchants Line of Credit Origin	(2,589)	
Merchants Term Loan Origination	(1,900)	
Origination Fees Amortization		
Orig Fees Amort-BPPR-Long Term	38,964	
Orig Fees Amort-Line of Credit	2,500	
Orig Fees Amort-Merch Long Term	12,977	
Origination Fees Loan 1536	13,739	
Security Deposits	13,795	
<b>Total Other Assets</b>	<b>75,605</b>	
<b>TOTAL ASSETS</b>		<b>\$ 8,774,822</b>

# Statement of Balance Sheet Quarter 1



Island Time Watersports Caribbean LLC.		
Balance Sheet		
Quarter 1		
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
A/P Trade	341,636	
Due to Affiliates	-	
Accounts Payable - Other	-	
Salaries Payable	93,272	
Total Accounts Payable	434,908	
Other Current Liabilities		
Accrued Interest-Banco Popular	11,143	
Accrued Interest-Merchants Loan	4,201	
Accrued Interest Line of Credit	-	
Boat Charters	4,670	
Curr portion of Banco Principal	178,500	
Curr portion of Merchants Loan	92,826	
Deferred Revenue	95,077	
Payroll Liabilities	3,557	
Direct Deposit Liabilities	23,453	
Tips Employees	(17,146)	
Total Other Current Liabilities	396,280	
Total Current Liabilities	831,189	
Long Term Liabilities		
Line of Credit	-	
Long Term Loan		
Long-term portion of Banco Prin	1,591,626	
Long-term portion of Merchants Loan-1536	1,400,000	
Long-term portion of Merchants	580,063	
Total Long Term Liabilities	3,571,689	
Total Liabilities	4,402,877	
Equity		
Members Equity	2,994,467	
Opening Balance Equity	1,100,000	
Net Income	277,478	
Total Equity	4,371,945	
TOTAL LIABILITIES & EQUITY		\$ 8,774,822

# Statement of Cash Flow



<b>Island Time Watersports Caribbean LLC.</b>		
<b>Statement of Cash Flow</b>		
<b>Mar-19</b>		
<b>OPERATING ACTIVITIES</b>		
Net Income	\$	277,477.53
Adjustments to reconcile Net Income		
to net cash provided by operations:		
Account Receivables		(473,446)
Boat Escrow		(390,000)
Boat Parts & Equipment		(8,893)
Escrow Funds		225,302
Inventory Asset		(40,981)
Inventory Parts		(3,931)
Prepaid Insurance		(29,789)
Accounts Payable:A/P Trade		197,045
Salaries Payable		51,313
Accrued Interest-Merchants Loan		(65)
Accrued Interest Line of Credit		(572)
Curr portion of Banco Principal		59,500
Curr portion of Merchants Loan		1,492
Deferred Revenue		24,287
Direct Deposit Liabilities		3,557
Payroll Liabilities		7,151
Tips		(17,678)
<b>Net cash provided by Operating Activities</b>	<b>\$</b>	<b>(118,229.43)</b>
<b>INVESTING ACTIVITIES</b>		
Accumulated Depreciation		3,584
Accumulated Depreciation Boats		64,605
Annual Registration		(2,525)
Annual Registration:Annual Regist Amortization		1,925
Boats		(108,758)
Furniture and Equipment		(4,827)
Start Up Expenses		(28,361)
Orig Fees Amort-BPPR-Long Term		806
Orig Fees Amort-Line of Credit		637
Orig Fees Amort-Merch Long Term		463
Origination Fees:Origination Fees Loan 1536		(13,739)
Security Deposits		(850)
<b>Net cash provided by Investing Activities</b>	<b>\$</b>	<b>(87,038.96)</b>
<b>FINANCING ACTIVITIES</b>		
Line of Credit		(117,566)
Loan Merchants		1,400,000
Long Term Loan:Long-term portion of Banco Prin		(74,374)
Long Term Loan:Long-term portion of Merchants		(23,489)
Members Equity		127,200
<b>Net cash provided by Financing Activities</b>	<b>\$</b>	<b>1,311,770.11</b>
<b>Net cash increase for period</b>	<b>\$</b>	<b>1,106,501.72</b>
<b>Cash at beginning of period</b>	<b>\$</b>	<b>75,192.36</b>
<b>Cash at end of period</b>	<b>\$</b>	<b>1,181,694.08</b>





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# Historical Financial Statements





# 2015-2018 USVI Financial Summary



Income Statement	2015	2016	YTD Jul 2017	2018	Jan-19	Feb-19	Mar-19	YTD 2019
Total Revenue	\$ 5,283,696	\$ 6,440,035	\$ 4,305,687	\$ 1,395,182	\$ 465,635	\$ 489,645	\$ 599,983	\$ 1,555,263
Total COGS	1,557,254	3,277,948	2,085,679	734,371	227,546	296,339	334,360	858,245
Gross Profit	\$ 3,726,442	\$ 3,162,087	\$ 2,220,008	\$ 660,812	\$ 238,089	\$ 193,305	\$ 265,623	\$ 697,018
Gross Profit Margin %	70.5%	49.1%	51.6%	47.4%	51.1%	39.5%	44.3%	43.1%
Salaries	\$ 1,897,443	\$ 1,764,032	\$ 1,189,728	\$ 307,079	\$ 55,049	\$ 54,297	\$ 54,082	\$ 163,428
Advertising & Promotion	87,843	164,871	92,042	23,120	9,905	8,158	7,978	26,040
Insurance	161,594	77,858	73,143	71,274	18,579	15,376	15,376	49,330
Rent	763,831	121,518	67,272	51,027	11,975	11,975	8,275	32,224
Gross Receipts Tax	172,081	24,484	94,631	58,209	19,454	20,959	22,300	62,713
Other SG&A	529,752	448,250	279,701	240,274	21,186	27,713	37,983	86,882
Total Operating Expenses	\$ 3,612,544	\$ 2,601,012	\$ 1,796,517	\$ 750,984	\$ 136,147	\$ 138,477	\$ 145,993	\$ 420,618
EBIT	\$ 113,898	\$ 561,074	\$ 423,492	\$ (90,172)	\$ 101,942	\$ 54,828	\$ 119,630	\$ 276,400
Interest Expense	\$ 99,534	\$ 87,323	\$ 48,352	\$ 73,088	\$ 16,218	\$ 14,981	\$ 16,494	\$ 47,693
Interest (Income)	-	-	-	-	(184)	-	-	(184)
Other Expense / (Income)	60,168	13,350	(42,553)	(48,010)	(38,588)	(10,000)	-	(48,588)
EBT	\$ (45,804)	\$ 460,402	\$ 417,693	\$ (115,251)	\$ 124,495	\$ 49,847	\$ 103,136	\$ 277,478
Depreciation & Amortization	\$ 383,272	\$ 294,038	\$ 187,663	\$ 250,720	\$ 23,234	\$ 24,542	\$ 24,244	\$ 72,020
Interest Expense	99,534	87,323	48,352	73,088	16,034	14,981	16,494	47,509
Income Tax	-	-	-	-	-	-	-	-
EBITDA	\$ 437,002	\$ 841,763	\$ 653,708	\$ 208,557	\$ 163,763	\$ 89,371	\$ 143,874	\$ 397,008
EBITDA Margin %	8.3%	13.1%	15.2%	14.9%	35.2%	18.3%	24.0%	25.5%
One-Time Add Backs	\$0	\$0	\$0	(\$8,000)	\$0	\$1,161	\$4,106	\$5,267
Adjusted EBITDA	\$ 437,002	\$ 841,763	\$ 653,708	\$ 200,557	\$ 163,763	\$ 90,532	\$ 147,980	\$ 402,275
Adjusted EBITDA Margin %	8.3%	13.1%	15.2%	14.4%	35.2%	18.5%	24.7%	25.9%