



OPERATOR REPORT

Q1 - 2022

FISCAL YEAR END
2021/22

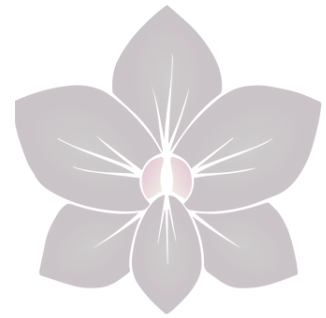


Introduction

This is our first Year End report for Ayamu Limited as operators of Umaya Resort. We have been managing the property since July 15, 2021 and have had to overcome numerous challenges in our first year.

We inherited a property that had suffered through long history of mismanagement followed by the Covid pandemic where the property was closed for the better part of a year.

There were significant issues confronting the business in every aspect of the business. Although this has certainly been a “trial by fire” first year, the business has improved significantly in all areas and we look forward to slow but continued improvement moving forward.



Infrastructure & Operations

Main Building

Lobby / Restaurante Laguna

Decided to make this building priority number 1 since it is the heart and soul of the facility / the first and last impression. We had maintenance work here extensively to repair and revarnish and repaint literally everything.

- Revarnished all wood and repainted the walls throughout the building as well as in the conference room.
- Repainted and varnished conference room doors and ceiling
- Replaced burnt light bulbs
- Replaced broken light fixtures
- Added art work in place of broken map frame
- Repainted light switch covers
- Repainted ceilings
- Currently refurbishing bathrooms in the lobby
- Ordered new glass panes for restaurant doors
- Added a POS terminal and have ordered Ipads for the servers to take orders tableside
- Shampooed restaurant chairs
- Decluttered back office and opened the blinds to let light in
- Removed AC compressor from restaurant view
- Washed all windows and repaired window trim
- Ordered new “cultural” photo art for lobby and front desk
- Ordered beeper system for the restaurant so the servers are not congregating on the hot line checking on food
- Added a palmetto stick fence to “hide” AC compressor at the front entrance of the lobby
- Ordered walkway lights for the walkways and stairs heading to the lagoon deck
- Replaced rotting lumber on laguna deck and walkways
- Removing utility pole from the center of the lagoon side entrance (waiting on BEL approval and cost estimate)
- Replaced all up lights on trees
- Ordered rope light for under the raised walkways

Under consideration for the main building.

- Change the door system on the second-floor doors so they can be opened and closed easily and they do a better job of keeping the rain out. The lower restaurant ceiling was repaired but has water damage again because the top floor does not adequately seal out water. This may be too expensive a repair with our current budget.

Beach Side

Public areas on the beach side were generally, like everything else here, left in complete shambles. Blown lights everywhere led to dark uninviting, gloomy spaces. Nothing here was clean or working.

- Repainted all wooden furniture
- Replaced all blown light bulbs (60% of all light bulbs were blown)
- Unearthed the old fire pit and moved it away from the thatch huts to create a beach fire pit area with an eye towards doing maybe a weekly pig roast
- New volleyball net and balls as well as made contact with the Belize Beach Volleyball Association to host a tournament here
- Ordered a new outdoor sound system for pool bar
- Replaced broken cabinetry at pool bar
- Scheduled pool closure for August 2022 to refinish the bottom of the pool
- SOP's for poolside and beachside set up routines are in place
- Hung our first hammock on the beach
- Introduced a new beach captain position to improve service and encourage bar sales
- Ordered new royal blue outdoor canvas to refinish all the lounge chair cushions since they are in tatters
- Replacing rotting planks on current dock
- Ordered 4 new kayaks with oars
- Refurbishing poolside bathrooms as they were in disrepair and filthy
- Replacing all plastic wastepaper baskets with wicker baskets
- Repainted all concrete sheds
- Repairing all walkway rope lights
- Repairing all building ground floor lighting as the lighting for buildings 1 and 4 were not working
- Hung all basket lights on balconies
- Wood burning oven being used to do Sunday beach BBQ



Grounds

There had been no effort to hide mechanical areas and service areas from guest areas or to hide utility pipes. Nor were these mechanical areas kept clean. A lot of our efforts have been centered around screening these areas off.

- Bush stick fences installed on north side and south side property lines
- All trash and construction debris has been picked up from within the resort and the property lines
- AC compressors being hidden inside palmetto stick walls or covered by trellised roofs – this is an ongoing process
- Bush stick screening for back of kitchen entrance
- Broken water main pipe by dive shop repaired after tree uprooted
- New gutters on staff quarters being installed and will add another 20% to water storage – new collection tank and pump being installed
- Trimmed back unkept hedges and manicured the landscaping, cleared out several trees to allow for more sunlight for more colorful plants
- New/refurbished planter boxes put along balcony railings and newly planted
- Repaired Umaya Fountain and added landscaping stones.



Equipment

- Ford van parts are in country and repairs will be completed next week
- Boat engine repairs have been paid for and will be ready next week
- Chain saw purchased
- New pressure washer purchased and in use
- Jeep Cherokee has been repaired
- 4 new kayaks purchased and being delivered



Operations & Staffing

Changing the culture here has been a challenge. No one here sees imperfections because they've become so numb to it all. Breaking bad habits has been a huge hurdle that our SOP's and preparedness punch lists as well as re-training sessions are working to fix.

- Staff have been advised not to take items from other units in the rental pool or otherwise to use for other units. In one unit they had taken the windows out to use it to replace a broken window in a unit in the rental pool. Such behavior is now a fire-able offence and one of the many reasons why the GM was let go.
- Staff residing in units without permission from the unit owner is also a fire-able offense
- Ian Lizarraga has relocated to Placencia on a short-term basis to oversee the operations. His priorities will be to reinforce an improving business culture, improve operational efficiencies, improve service standards and accelerate the clean-up and beautification of the resort. We plan on identifying and mentoring a replacement GM as well.
- Installed a second computer at the Front Desk so that 2 checkouts or 2 check ins can be done simultaneously
- Refurbished several computer work stations
- Added 2 guest service agents to help ensure that guest issues are dealt with promptly, to do room checks, table touches in the restaurant and to sell tours
- Added a front desk clerk to ensure that Steven, the interim GM, can be more mobile and not stuck behind the desk.
- Embellished the maintenance dept to ensure that projects get done and to keep the priority on repairing, painting and varnishing.
- Purchased dinnerware, silverware, and glassware for condo kitchens so that they could quit taking it all from the restaurant
- Keeping a small inventory of tv's, lamps, curtains, curtain rods, throw pillows, artwork, sconces, coffee makers, etc so that when these items are missing or need replacing in rental pool units it can be done expeditiously
- We have negotiated a reduction in our merchant account fees from 3.75% to 2.25% on credit card charges. This should provide us with a savings of Bz\$50,000 for 2022/23.
- We are working on sourcing a new POS system as the current system is cumbersome for the servers to use and makes tracking inventory very difficult. It also is difficult to edit. It requires expensive hardware that is not available in Belize which makes replacing broken hardware expensive and often delayed.

New Projects Under Consideration

We see a need to constantly strive to embellish the look and feel and overall experience. Some ideas under consideration.

- After removing the lamp post from the front entrance we are considering hanging white lights across the road to “bridge” both sides of the property and to attract attention. We have contacted the Ministry of Infrastructure who assure us that it can be done if the lights are hung 15-20ft above the road and that will issue the permit for us to do so. We will be working on the cost implications of this shortly.
- Because all the buildings here are all white, we have been thinking of adding a punch of color to them. We thought that the UMaya royal blue doors and on window trim as well as colorful plants in the window boxes would really look great ala “Mykanos” and distract from small blemishes occasionally caused by rain, or soil, usage, etc. The white is unforgiving and just void of any life whatsoever.
- We are looking at placing furniture on the sides of the front entrance steps to provide a more welcoming feel and to serve as an arrival spot or waiting area for rides.
- Looking at planting flowers around the UMaya Fountain to add color. Looking at building small sitting areas on either side of the fountain.
- Replacing some plumbing fixtures with low volume fixtures where practical.

There are countless other ideas that are at this point just not feasible because of budget constraints but we continue to look for ways to improve the owner and guest experience here with as minimal expense as possible. There are a lot of low-lying fruit and UMaya is forcing us to be very creative as to how we address them all.



Sales & Marketing

A lot of improvement in generating sales comes from an improved product on site. We are very actively making improvements in the Umayá product at the resort level in terms of the appearance and functionality of the infrastructure and the service levels of all our departments. This is a critical component of building the Umayá brand.

In addition, we are taking numerous actions to improve the extent and effectiveness of our public relations and marketing efforts with an eye to both the local and international markets. Some of our positive developments include;

- Umayá has been included in Trip Advisor's 2022 Traveler's Best of the Best Award Winner. Umayá wins under the Luxury Central America category.
- Air Canada will launch flights in November. The team is in process of negotiating a contract to include Umayá in the Air Canada Vacations portfolio/product line.
- Strengthening community ties and collaborating on community efforts:
- We've approached the BTIA to host the annual Mistletoe Ball
- This also includes the Placencia Lobster Fest
- Umayá & Beach Volleyball Assoc to host a Belize Beach Volleyball Tournament in July.
- Implement a more event-focused strategy for F&B to reintroduce the service, new menu additions, and amenities. This will also include a strategy for weddings, group incentives, etc. The Belize Collection is participating in a Houston Wedding Show in September (this will include Umayá).
- Potential partnership with Country artists to host Songwriters Festival in 2023.
- Strengthen travel trade, TBC to participate in the American Society of Travel agents event in July in Scottsdale and sales visits in California (this will include Umayá).

On top of the abovementioned activities, we are also continuing to strengthen our traditional channels such as our website, social media presence, OTAs, online advertising and public relations initiatives.

Users

13K

↑176.4%

Sessions

17K

↑170.0%

Bounce Rate

43.93%

↓7.3%

Total Website
Performance across The
Belize Collection's digital
network including Umayá.



Discover Belize

The Belize Collection offers all-inclusive and customisable packages, from jungle to beach adventures. Discover an authentic Belizean experience and take a journey off the beaten path

Ever heard of Belize? This small tropical country is surrounded by the Caribbean Sea to the east, Mexico to the north and Guatemala to the west and south. Belize is a member of both the Caribbean and Central American communities. Known for being a melting pot of cultures, English is the primary language used throughout the country followed by its unique dialect called Creole, which is a treat for travellers passing through the region. Golden beaches, crystal-clear waters, lush rainforests and mountainous ranges make up the terrain of a country less than quarter of the size of England.

The Belize Collection is the mother brand for Belize's finest resorts, restaurants, and residences. Authenticity and cultural representation are at the forefront of the brand.

Each resort within the collection takes its guests off the beaten path to discover unspoilt and private locations that showcase different attractions within the country.

The Rainforest Lodge at Sleeping Giant is nestled into the foothills of the Maya Mountains and spreads over 600 acres of land. Structures are built within the dense tropical rainforest to maintain the integrity of its natural state and allow for utter privacy amongst guests. From gazebo hikes offering panoramic views of the valley or epiphanic ceremonial cave tours to intimate private dinners atop a cliff at sunset, there are memories waiting to be made for

everyone. Its location is unique with a 30-minute drive out of Belmopan City and 45 minutes away from pristine beaches at The Lodge at Jaguar Reef.

The beach lodges are located within a quaint fishing village that sits on the coast of Hopkins, the destination of choice for The Duke and Duchess of Cambridge on their Official Caribbean tour. The Lodge at Jaguar Reef, Almond Beach Resort, and The Colonial Inn sit side by side on golden beaches with

endless vistas of the Caribbean Sea, accompanied by water-coloured sunrises. Each of the properties caters to the different needs of travellers and is designed as such. Paying homage to its hometown, the Garifuna culture is incorporated throughout the culinary experience at the Hopkins resorts' restaurant. Guests can enjoy live drumming and dancing under amber-lit wicker baskets in the cool evenings at The Paddle House before taking a stroll down to the collection's overwater bar for cocktail hour.

Just a 40-minute drive south from Hopkins village is Umayá Resort situated at the entrance of the Placencia Peninsula. This newly added resort boasts both beach front and lagoon front units for sunrise and sunset enjoyment. An onsite beach bar, spa, and restaurant leaves guests with no need to leave the property, however, if you decide to venture into town the resort offers two complimentary daily shuttles into the heart of Placencia.

Use discount code Belize30 for 30% off your next stay with The Belize Collection. Valid until 30 January 2023. Blackout dates apply



The Belize Collection offers all-inclusive and customisable packages from jungle to beach adventures. Discover an authentic Belizean experience and take a journey off the beaten path. Explore unspoilt destinations within the country and create your Belizean story; a tailored, intimate one, unlike popular destinations. Getting to Belize is surprisingly easy with connecting flights from the US, Cancun and Panama.

Plan your next tropical vacation with The Belize Collection.



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Financial Report

The financial report is based off of our Quickbooks file and the figures have not been audited. That being said, we believe the figures presented below provide a pretty accurate picture of the financial performance of Ayamu Limited in this past fiscal year.

Profit & Loss

We finished the Fiscal Year running April 1, 2021 to March 31, 2022 with a net profit after all management fees of Bz\$606,063 on sales of Bz\$3,797,781.

The results are really a product of two different operators, SPE for the first three months and Sand and Stone for the last 9 months. The chart below shows the comparative results between the two operators and the combined figures.

Items	SPE		Sand & Stone		Ayamu Total	
	3 months		9 months		12 months	
Gross Sales	BZ\$	689,656.42	BZ\$	3,108,125.03	BZ\$	3,797,781.45
Average Monthly Sales	BZ\$	229,885.47	BZ\$	345,347.23	BZ\$	316,481.79
Net Profits/Loss	-BZ\$	35,206.32	BZ\$	641,270.19	BZ\$	606,063.87
Average Monthly Net Profits	-BZ\$	11,735.44	BZ\$	71,252.24	BZ\$	50,505.32
Average Monthly Management Fees	BZ\$	20,000.00	BZ\$	24,577.81	BZ\$	23,433.36

As you can see from the chart above, the performance in the past 9 months was significantly better than the first 3 months under SPE. And for not much additional management cost. Our average net profit per month was Bz\$71,252 and that works out to an annual net profit of Bz\$855,000 which is a pretty positive indicator for this coming year. On top of that, we, as operators, have much better control of the operation now than we did when we took things on back in July of 2021.

Profit Centers

Most of our departments were performing very well, especially considering that we were dealing with pretty low volumes for most of the year. Cost controls were pretty solid across the board and if we maintain the level of efficiency we currently have, we will see profits grow nicely as we grow business volumes.

One area we worked on extensively was the restaurant business where our food costs were up at 59% of food sales on the year (our other restaurants run around 45%). We have been working on those ratios and the food costs went down from December 58%, January 57%, February 55% and March 51%. March was our only month of the year where we made money from food sales, a positive.

The resort restaurant business is a very difficult business to make money and margins tend to be quite low. Compounding our problem was the poor food quality and poor reputation our restaurant had when we took over. The food quality and consistency has improved significantly and with all things Umaya, it still has a long way to go.

Positives for the restaurant business is that we are starting to see much better retention of guests and getting much better feedback about the dining experience. We are also starting to see some more local walk-in traffic.



Financial Summary

The business is in a much stronger position than it was back in July when we assumed control, but it is still not on solid ground. Although we have built up our cash reserves from Bz\$14,000 to Bz\$264,000, our available cash is about half of what it should be to be entering into the summer months. Sales are still pretty sluggish and there is a long way to go in terms of improving all aspects of the resort, something that is necessary for us to build the Umaya brand which in turn will improve sales.

We feel we are on the right track and if we can improve slightly this coming year, we believe that one year from now we will be in a significantly better position.

Implications for the Rental Pool

When we arrived on site there were 37 units in the rental pool. That number grew to 46 units by March 31, 2022. Units that joined the rental pool during the year will participate in whatever proceeds are distributed based on how many days they were in the rental pool for the year. All participants will have additional time adjustments based on the formulas in the Revenue Management Agreement.

That being said we are providing the numbers below to give an indication of the benefits provided by being in the rental pool. The numbers are estimates assuming a unit was in the rental pool for the whole year without any owner use and are based on the assumption that we had an average of 42 units in the rental pool throughout the year.

We have looked at the value of two figures presented in the financial numbers. The first is the profits generated by Ayamu Limited. The profit doesn't directly translate to funds available for distribution as there were various cash flow requirements that absorbed profits. Paying off accounts payable from previous management companies being in the neighborhood of Bz\$300,000 during the course of the year being a significant impediment to building cash reserves.

AYAMU 2021/22 PROFIT \$606,000 VIEWED AS A PER UNIT FIGURE

	BZD	USD
Profit/unit	\$ 14,400	\$ 7,200
Profit/beach unit	\$ 17,280	\$ 8,640
Profit/lagoon unit	\$ 11,520	\$ 5,760

Again the net profits for the past year do not correlate that directly with the capacity of the operation to make distributions to the participants of the rental pool. Paying off old debts and needing to build some cash reserve cushion will negatively affect the ability of the operation to distribute all or most of the profits.

The ultimate decision on distribution to unit owners is made in the upcoming Ayamu Limited Annual General Meeting. The date of the meeting has not yet been set but it will be scheduled in the near future and all members of Ayamu Limited will be notified shortly. If you are not currently a member of Ayamu Limited and you want to participate then please notify us as soon as possible at odarli@thebelizecollection.com so we can add you as members.

At the moment and up until mid-November, we are very happy with the number of units in the rental pool. We do not believe we would be able to rent out additional units throughout this slower travel period. It would be nice to add some more units in late November for next year's high season as the more units we can rent out in peak periods the better.

Operating Budget for Fiscal Year 2022/23

We have completed our budget for the 2022/2023 Fiscal Year. We were originally to have this budget completed by the end of February but we would have had to prepare the budget without any information from the final 3 months of the fiscal year. With this being our first year of operating the hotel we felt we needed to have a full year of financial data prior to trying to set a budget.

The new budget basically extrapolates the performance we achieved this past year into the future, anticipating an improvement in sales and some benefits from cost cutting measures we took this past year.

We are projecting sales to increase by 58%, in the 1st quarter where we are improving on SPE's results and an 11% gain in sales for the remainder of the year with a year-on-year improvement of 20%. We are projecting the net profits to be just over Bz\$1 million. A summary of the financial projections is in the chart below.

Items	2022-23	2022-23	2022-23
	Q1	Q2-4	Year
Gross Sales	BZ\$ 1,089,200.00	BZ\$ 3,456,440.00	BZ\$ 4,545,640.00
Average Monthly Sales	BZ\$ 363,000.00	BZ\$ 384,000.00	BZ\$ 378,803.33
Net Profits	BZ\$ 206,000.00	BZ\$ 863,000.00	BZ\$ 1,070,054.00
Average Monthly Net Profits	BZ\$ 68,700.00	BZ\$ 95,900.00	BZ\$ 89,200.00

Water Project Updates

Reading these reports, an owner may wonder why we are so focused on water. And the answer is that the water supply from Plantation Water Services at US\$0.03 a gallon is prohibitively expensive.

By comparison, here in Belize the typical charge for a gallon of water is US\$0.0075. With the Plantation water being four times as expensive, it is vital that we reduce our dependence as much as possible. It also makes investing in water saving activities pay off much more quickly.

We have now connected all our major roofs to our collection system, expanding our collection and storage capacity by 4 times since July. We are now in a dry period and we are anxiously awaiting the rainy season to assess how well things will work.

Our consumption per guest night in Q1 of 2022 was down by 25% compared to the first quarter of 2020. The chart below summarizes our results (thanks to figures provided by Ms. Debbie Nichols).

Daily Cost of Water per Guest Night

ITEM	Year		Diff/Guest	% Savings
	2020	2022		
Month				
January	11.84	8.15	3.69	31%
February	9.20	6.88	2.32	25%
March	9.01	7.25	1.76	20%
Totals	10.02	7.43	2.59	25%

We believe the savings will be greater during the rainy season when it is far more likely we can collect most of our water needs. The rainy season typically begins in June and runs through to the end of November.

Our water costs last year were Bz\$144,000, we are projecting a cost next year of Bz\$115,000, with 20% more business. This means we will need to purchase a far lower percentage of our water as shown in the chart below. If we had not taken any steps to expand our system, our water bill for this coming year would be projected to be Bz\$60,000 higher at Bz\$175,000.

Water Analysis - Umaya Resort: Budget Year 2022/23

ITEM	2021/22	2022/23	DIFFERENCE
PLANTATION BILL	\$144,154	\$119,316	-\$24,838
WATER RATE/GALLON	\$0.06	\$0.06	\$0
PLANTATION GALLONS USED	2,402,567	1,491,450	-911,117
TOTAL GALLONS USED (ESTIMATED)	3,650,000	4,380,000	730,000
PERCENTAGE OF USE PURCHASED	66%	34%	-32%

Low Volume Fixtures

We will not be able to meet all of the resorts water needs with rain water collection alone. There is just not enough roof surface to collect enough water and the rain cycles will leave us with periods of the year where we will still need to purchase a fair amount of our water.

One way to reduce the costs is to switch over to low volume fixtures. We are now analyzing the benefits of using lower water use shower heads, faucets and toilets and trying to determine the payback period on each item.

For now, we are analyzing 2 types of fixtures; shower heads and toilets and looking at them in different locations; common areas, staff housing, condominium master bathrooms and condominium guest bathrooms. This list is in order of where we feel there is the greatest benefit. The chart below shows the projected annual savings for each combination.

ESTIMATED SAVINGS BY LOCATION

	WATER SAVINGS GLS /GUEST DAY	ESTIMATED PERSONS PER DAY	WATER SAVINGS GLS/YEAR	BZD SAVED/YEAR	BZD FIXTURE COST	PAYBACK YEARS
SHOWER HEADS						
STAFF ROOMS	10	4	14,600	\$ 657.00	\$ 120.00	0.18
CONDO MASTER BATHROOM	10	1.2	4,380	\$ 197.10	\$ 120.00	0.61
CONDO GUEST BATHROOM	10	0.6	2,190	\$ 98.55	\$ 120.00	1.22
TOILETS						
STAFF ROOMS	12	4	17,520	\$ 788.40	\$ 1,000.00	1.27
CONDO MASTER BATHROOM	12	1	4,380	\$ 197.10	\$ 1,000.00	5.07
CONDO GUEST BATHROOM	12	0.3	1,314	\$ 59.13	\$ 1,000.00	16.91

There are about 25 staff living on site and then around 35 or 40 staff working any given day. The plumbing fixtures they use are the ones that get the heaviest use and are the fixtures we should concentrate on replacing first. Also, replacing shower heads will provide a payback within the first year, so they should probably all be replaced with lower volume shower heads. There is the possibility of guest complaints, so we are buying several types of low volume rain-shower heads to test which one works the best.

There are common area toilets as well, both for guests and for staff. All of these toilets should be replaced as they are certainly being used enough to provide significant savings.

Collecting rain water and installing low volume plumbing fixtures are the right things to do and carry an additional benefit of being marketed under a "Green Initiative".