



THE BELIZE COLLECTION



OPERATOR REPORT Q2 – JULY 1ST TO SEPT 30TH, 2023 FISCAL YEAR 2023/2024

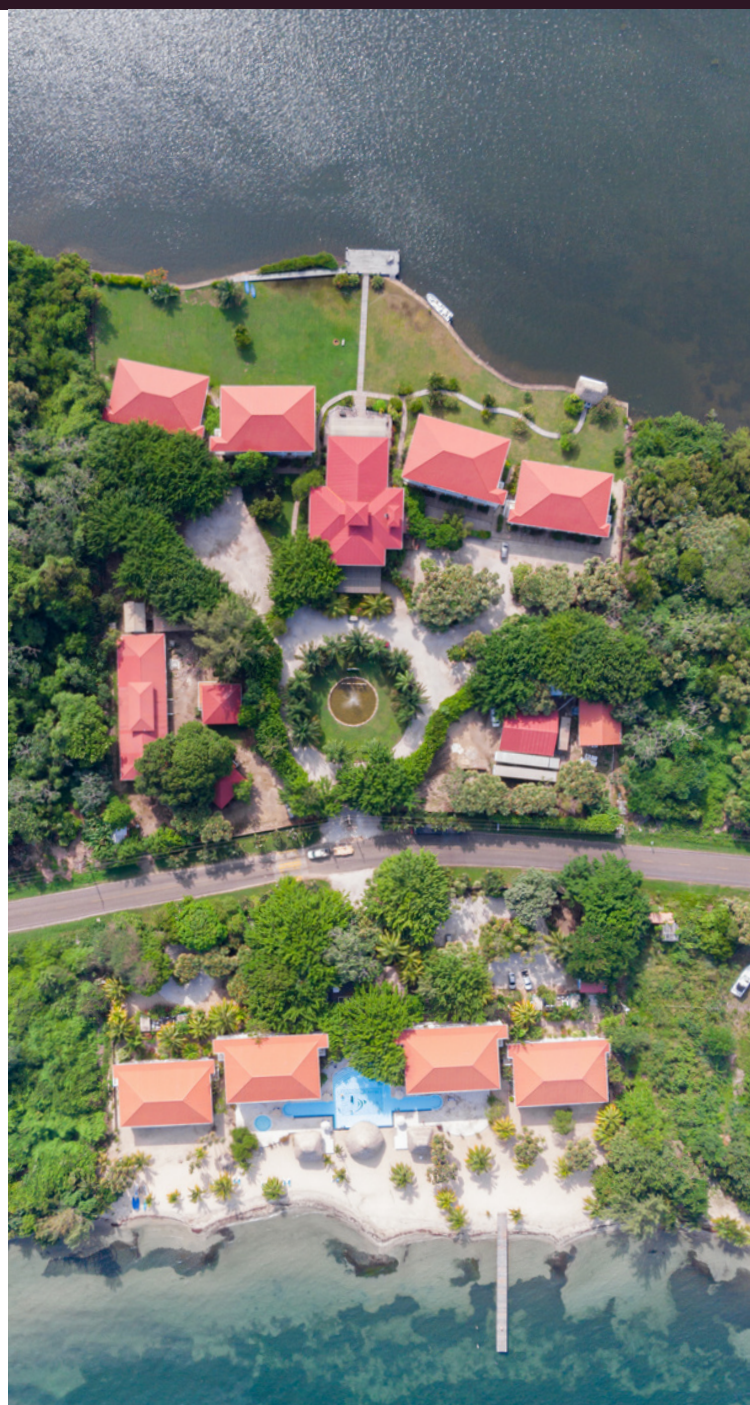
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INTRODUCTION

At the outset of the second quarter of this fiscal year, we were deeply concerned about the financial challenges we faced during the months of August through November. Our primary objective was to avoid incurring substantial losses as we did in the previous fiscal year. In pursuit of this goal, we dedicated ourselves to generating additional revenue by increasing our occupancy rates and scrutinizing our expenditures. We initiated a daily review of staffing levels and expenses to maintain a tight grip on our costs.

Our efforts yielded positive outcomes, with Ayamu achieving profitability in all three months of this quarter. As a result, we concluded the quarter with a net profit of BZ\$285,000, a remarkable turnaround from the loss of BZ\$9,000 in the same period last year. Furthermore, our profits surpassed our budget by an impressive BZ\$180,000.

Simultaneously, we remain committed to settling outstanding accounts payable before July 2021, predating our management tenure, which continues to impact our available cash reserves.



INFRASTRUCTURE & OPERATIONS

The following is a comprehensive list of tasks accomplished in the previous quarter, illustrating the substantial workload required to uphold and enhance a resort's appearance. This process places a premium on attention to detail, as it is the combined execution of these details that distinguishes the overall quality of the experience for both owners and guests.

JULY 2023

- Serviced AC Compressor area by Buildings 3 and 4.
- Continued to service indoor A/Cs in units in buildings 2,3 and 4.
- Executed SICA conference with no issues.
- Varnished and stained the Front Desk bathroom counter.
- Repaired cold room ceiling.
- Pressure wash and clean inside the fishpond.
- Cleaned compressor area by building 5.
- Repaired rotten wood by oceanside.
- Hosted EF group with no issues.
- Repaired water gutter by staff quarter.
- Pressure wash by the pool area.
- Prepared conference room for two days of events Monday and Tuesday.
- Painted the wall at the entrance to Front Desk.
- Painted the storeroom door by the oceanside from White to Green color.
- Built gate by garbage entrance.
- Painted pool bar chairs.
- Changed pool bar lounge cushions.
- Repaired the washing machine at the laundry.
- Painted the pool kitchen door.
- Repaired leakage at the conference ceiling.
- Repaired gutters by Building 5.
- Fixed some walkway boards on both sides of the property.
- Hosted Absolute Belize Travel Agent group with no issues.
- Repainted white plastic chairs for the 3-day conference.
- Installed light baskets by Building 5 verandah.

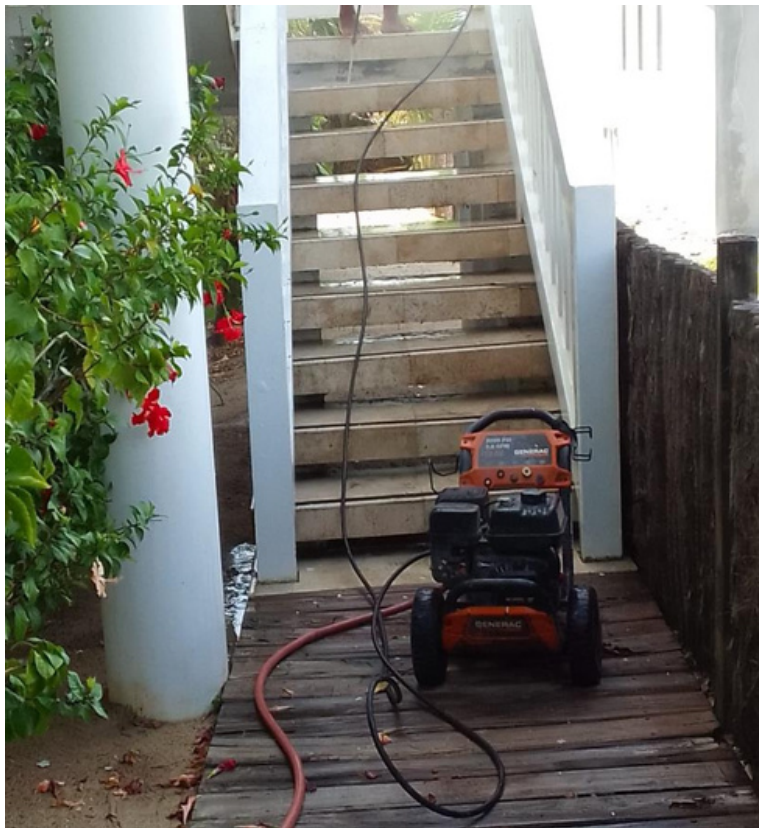
INFRASTRUCTURE & OPERATIONS

JULY 2023



INFRASTRUCTURE & OPERATIONS

JULY 2023



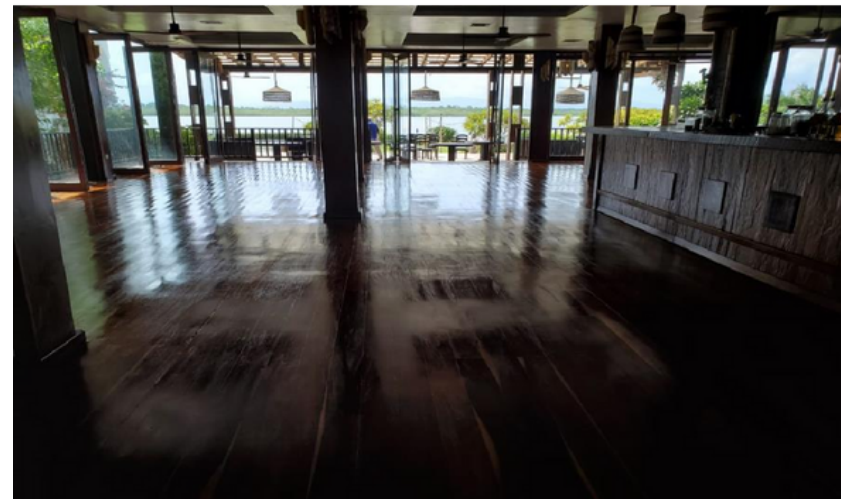
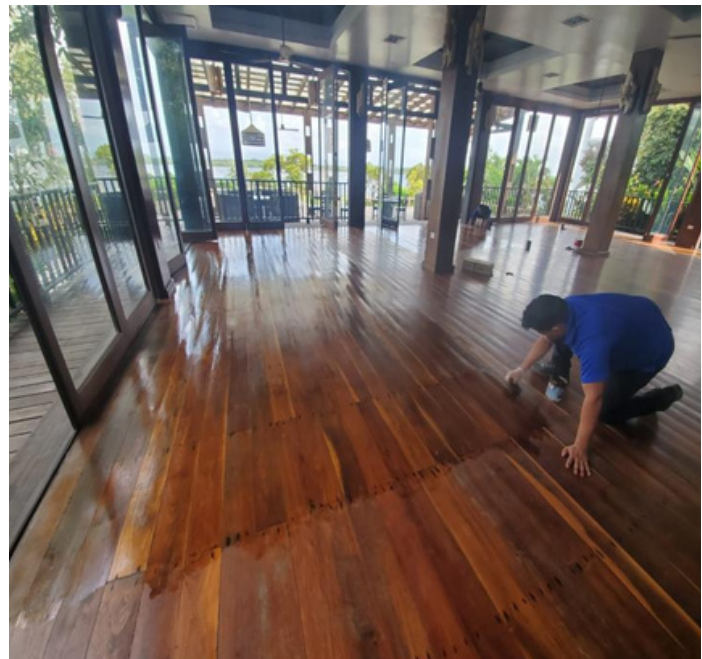
INFRASTRUCTURE & OPERATIONS

AUGUST 2023

- Maintenance of beach, pool, garden, and property completed.
- Pressure wash around the pool area/Tonito's area.
- Executed BOLD group with no issues.
- Executed the Holistica group with no issues.
- Finished installing new light baskets over by the lagoon building verandah.
- Pressure wash around the building.
- Pressure wash the Front Desk entrance walkway.
- Repaired rotten board at beach pier.
- Serviced AC by building 6.
- Pressure wash by building 3 stairs.
- Pressure wash by building 4 stairs.
- Pressure wash by building 5 stairs.
- Replace anti-slip tape by building 3 stairs.
- Pressure wash walkway by oceanside.
- Stained pool palapa posts.
- Stained chairs over by the pool bar.
- Repainted pool umbrella stands.
- Stained the lounge chair by the pool area.
- Removed old pool palapa by the beachside.
- Pressure wash buildings 2 and 1.
- Repaired rotten boards on the walkways on both sides of the property.
- Stained Laguna Restaurant flooring in preparation for Ben's Wedding.
- Stained outside Laguna deck.
- Built headstage for Ben's wedding over by Lagoon Side.
- Built an extra pastry stand for Ben's Wedding.
- Stained both pool palapa flooring.
- Pressure wash beach pier.

INFRASTRUCTURE & OPERATIONS

AUGUST 2023



INFRASTRUCTURE & OPERATIONS

AUGUST 2023



INFRASTRUCTURE & OPERATIONS

AUGUST 2023



INFRASTRUCTURE & OPERATIONS

AUGUST 2023



INFRASTRUCTURE & OPERATIONS

AUGUST 2023



INFRASTRUCTURE & OPERATIONS

SEPTEMBER 2023

- Maintenance of beach, pool, garden, and property.
- Organize conference room for 3 days.
- Executed a 3-day Belize Electricity Limited (BEL) conference.
- Pressure wash around the pool due to after party for Ben Mason's wedding too much sand and dirt around the pool flooring.
- Fixed the outlet by the beach pier to waterproof.
- Hosted EF group with no major issues.
- Hosted Holistica Group.
- Pressure wash around the pool and Tonito's area.
- Painted wooden Sun loungers for the Lagoon Side.
- Fixed water pipe issues in unit 303.
- Started work on the spa roof repair.
- Completed minor maintenance work in rooms & balconies in building 1.
- Serviced all Internal AC Units in building 1.
- Completed paint touch-ups by building 2 railings and steps.
- Completed Spa Roof Repairing
- Sprayed the indoor unit for insects, roaches, and bugs in both the lagoon and oceanside.
- Completed Redo Pool bar countertop with new tiles.
- Pressure wash walkways at the lagoon area.
- Installed 2 wall fans in the laundry.
- Executed employee sports day and it was a success.
- Pressure wash around building 8.
- Cleared dry plants from the front of building 8.
- Executed UNDP 2-day conference with no issues.
- Executed IDB one-day conference with no issues.
- Serviced AC in the spa area.

We have ordered 45 new solid wood interior doors to replace the remaining hollow core doors we have on the property. The hollow core doors have all started to either delaminate, have holes knocked in them by guests, or have water damage near the floor. The doors should all be installed by the end of November.

INFRASTRUCTURE & OPERATIONS

SEPTEMBER 2023



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INFRASTRUCTURE & OPERATIONS

Additional Infrastructure Enhancements

There is no additional update on the municipal water connection. We continue to pursue having the connection done, but it is a slow process for Belize Water Services to connect us as they make their way up from the village cleaning the newly installed water lines and connecting customers.

Our water costs were unusually high this past quarter as we received very little rainfall and as such, we were unable to collect the amount of water we normally would this time of year.

We continue to upgrade our internet services and we have finished the upgrades for another building. We will continue to expand the network upgrades this year.

We are still looking at the possibility of upgrading the docks on both the lagoon and beach sides of the property. We know these are both areas that will be beneficial for us to upgrade, we are just waiting for our profits and cash flow to be strong enough that we can recommend undertaking those improvements.



SALES & MARKETING

There are no new updates to our marketing program from the previous report. Please refer to the 1st Quarter report if you are curious about our sales and marketing activities.

SALES RESULTS

Our fiscal year has shown promising results, thanks to a combination of product enhancements and a comprehensive marketing strategy. The data below covers the period from July through December, noting that November and December figures for this year are subject to change as there's more time for sales.

As mentioned in our previous report, our overarching strategy has been focused on maximizing revenue, with a particular emphasis on boosting occupancy rates. Despite Umaya Resort's longstanding presence of over 15 years, we recognize that the Umaya brand is still relatively new, lacking sufficient recognition within both the local market and among foreign tourists who have had the opportunity to experience and recommend our property.

ADR AND OCCUPANCY METRICS – AS OF OCTOBER 29, 2023

2022/23 Fiscal Year				2022/24 Fiscal Year		
Month	Occupancy	ADR	Room Revenue	Occupancy	ADR	Room Revenue
July	57%	\$163	\$124,000	92%	\$122	\$148,000
August	37%	\$144	\$70,000	84%	\$124	\$138,000
September	35%	\$110	\$51,000	53%	\$101	\$71,000
October	39%	\$115	\$59,000	56%	\$100	\$73,000
November	41%	\$136	\$74,000	46%	\$105	\$64,000
December	54%	\$162	\$120,000	63%	\$169	\$140,000
Total/AV	44%	\$138	\$498,000	66%	\$120	\$634,000

At this stage of Umaya's evolution, we recognize the immense value of enhancing our brand exposure and recognition. In the previous year, Umaya's occupancy from July to December stood at 44%, whereas The Belize Collection, as a group, achieved a 63% occupancy rate during the same timeframe. This year, we're thrilled to report that Umaya has already achieved a remarkable 66% occupancy rate for the corresponding period, marking an impressive year-on-year increase of 50%, and we anticipate further improvements with two more months to go.

Although the Average Daily Rate (ADR) has dipped from US\$138 to US\$120 in this period, our overall room revenue has surged by 27% for the same timeframe, underscoring the positive trajectory of our business.

FINANCIAL REPORT

The financial report is based on our QuickBooks file, and the figures have not been audited. We believe the figures presented below provide a pretty accurate picture of the financial performance of Ayamu Limited for this reporting period. For the purposes of this report, we have included results for July as well, as those results were available at the time of writing this report.

Sales and Income

The charts below summarize the financial performance from April 1st up until the end of September and compare it to the same period last year.

CHART 1: SALES AND INCOME THIS YEAR COMPARED TO LAST YEAR (as of Sept. 30 th)				
ITEM	ACTUAL 2022-2023	ACTUAL 2023-2024	YOY CHANGE	YOY % CHANGE
ROOM SALES	BZ\$ 1,136,000	BZ\$ 1,558,000	BZ\$ 422,000	37%
RESTAURANT SALES	BZ\$ 317,000	BZ\$ 585,000	BZ\$ 268,000	85%
BEVERAGE SALES	BZ\$ 191,000	BZ\$ 283,000	BZ\$ 92,000	48%
TOUR SALES	BZ\$ 126,000	BZ\$ 131,000	BZ\$ 5,000	4%
RESORT FEE INCOME	BZ\$ 79,000	BZ\$ 97,000	BZ\$ 18,000	23%
EVENT SALES	BZ\$ 18,000	BZ\$ 115,000	BZ\$ 97,000	539%
SPA SALES	BZ\$ 45,000	BZ\$ 62,000	BZ\$ 17,000	38%
OTHER INCOME	BZ\$ 36,000	BZ\$ 34,000	-BZ\$ 2,000	-6%
TOTAL SALES	BZ\$ 1,948,000	BZ\$ 2,865,000	BZ\$ 917,000	47%
NET EARNINGS	BZ\$ 217,000	BZ\$ 512,000	BZ\$ 295,000	136%

There is a lot to like about this year's performance so far. Our sales overall are up by 47% and our profits are up by 136% over last year.

The next chart shows our performance so far this year to the budget we set. As a reminder, our budget was set at BZ\$1 million in profit.

CHART 2: SALES AND INCOME THIS YEAR COMPARED TO BUDGET (as of Sept. 30 th)				
ITEM	BUDGET 2023-2024	ACTUAL 2023-2024	ACTUAL TO BUDGET	ACTUAL-BUDGET %
ROOM SALES	BZ\$ 1,333,000	BZ\$ 1,558,000	BZ\$ 226,000	17%
RESTAURANT SALES	BZ\$ 410,000	BZ\$ 585,000	BZ\$ 175,000	43%
BEVERAGE SALES	BZ\$ 212,000	BZ\$ 283,000	BZ\$ 71,000	34%
TOUR SALES	BZ\$ 107,000	BZ\$ 131,000	BZ\$ 24,000	23%
RESORT FEE INCOME	BZ\$ 77,000	BZ\$ 97,000	BZ\$ 20,000	26%
EVENT SALES	BZ\$ 30,000	BZ\$ 115,000	BZ\$ 85,000	384%
SPA SALES	BZ\$ 47,000	BZ\$ 62,000	BZ\$ 15,000	32%
OTHER INCOME	BZ\$ 38,000	BZ\$ 34,000	-BZ\$ 4,000	-10%
TOTAL SALES	BZ\$ 2,254,000	BZ\$ 2,865,000	BZ\$ 611,000	27%
NET EARNINGS	BZ\$ 369,000	BZ\$ 512,000	BZ\$ 143,000	39%

Our total sales between April 1st and the end of September are \$611,000 (27%) above budget and our profits are BZ\$143,000 (39%) above budget. We are halfway through the period that ruined our results last year and so far, we have been able to correct the issues that hurt us, namely occupancy rate, sales revenue, and cost controls.

Looking Ahead

While our performance in the last two quarters remains a concern, our focus is particularly on Q3, which proved disappointing last year. As of the current report, October is nearly concluded, and it appears to be a notable improvement compared to the previous year, which saw a loss of \$47,600. Room revenue has surged by \$13,300, a remarkable 23% increase over last year, and we've exercised prudence in our spending. Additionally, our other revenue streams have also seen significant growth compared to the previous year.

The chart below provides a visual representation of our room revenue and profit (loss) figures from the prior year, alongside the room revenue sold to date and the corresponding profit (loss) figures in our budget.

	2022- 2023 Fiscal Year		2022- 2023 Fiscal Year	
	Room Revenue USD	Profit (Loss) BZD	Room Revenue to Date USD	Budget Profit (Loss) BZD
October	\$ 58,700	\$ (47,600)	\$ 71,000	\$ 2,300
November	\$ 74,100	\$ (28,600)	\$ 64,000	\$ 55,200
December	\$ 120,000	\$ 34,200	\$ 140,000	\$ 163,900
Total	\$ 374,500	\$ (152,900)	\$ 401,000	\$ 208,500

As we move forward into November, it's apparent that this month will present its share of challenges for our team. Our projections for November room sales show that we're on track to finish just above last year's numbers, but it will still be a close call. We will maintain a vigilant eye on our expenses throughout the month to ensure that we stay on target.

On a brighter note, December is already showing remarkable promise. Sales for December are currently at BZ\$140,000, a remarkable 17% increase from the previous year. We are confident that we can secure an additional US\$25,000 to US\$30,000 in sales for December, which would make it a truly solid month for us. With this positive momentum, we look forward to ending the year on a high note.

INTO 2024

Our strategic planning for each quarter commences approximately two months in advance, strategically aligning us with the typical 45-day booking window leading up to our guests' arrival. In the subsequent sections, we offer an in-depth overview of our progress in assessing whether we are on track or potentially exceeding expectations for the first quarter of 2024.

The initial chart offers valuable insights into our present booking status for the upcoming first quarter of 2024, highlighting the current state of our reservations.

The second chart goes a step further by providing a year-on-year comparison, enabling us to gauge our performance relative to the same time last year. A notable increase in monthly occupancy is worth noting, amounting to approximately 10% more than the previous year. Additionally, there has been a significant upswing in the Average Daily Rate (ADR), which currently stands at approximately \$35.00 higher than it was at this juncture last year.

This data not only indicates that we are ahead of our targets but also presents an exciting opportunity for us to further enhance our ADR. This progress is a testament to our successful brand-building efforts, and it encourages us to continue our strategic initiatives with enthusiasm.

Umayya 2024 Sales (as of Oct 27, 2023)			
Occupancy %	Room Night	ADR	Room Rev
37%	538	\$ 156.00	\$ 84,000
42%	577	\$ 153.00	\$ 88,000
26%	385	\$ 158.00	\$ 61,000
34%	1,500	\$ 155.00	\$ 233,000

Umayya 2023 Sales (as of Oct 28, 2022)			
Occupancy %	Room Night	ADR	Room Rev
29%	402	\$ 125.00	\$ 50,000
22%	303	\$ 106.00	\$ 32,000
17%	236	\$ 122.00	\$ 29,000
22%	941	\$ 118.00	\$ 111,000

Umayya 2023 Sales for January to March Final Figures			
Occupancy %	Room Night	ADR	Room Rev
95%	1298	\$ 136.00	\$ 176,000
95%	1170	\$ 125.00	\$ 146,000
90%	1224	\$ 126.00	\$ 154,000
92%	3692	\$ 129.00	\$ 476,000

The chart summarizes our Q1 2023 performance, highlighting impressive occupancy rates and a rising ADR. Notably, our ADR, while improving, falls short of our 2024 booking rates.

Comparing this quarter's performance to the same period last year, the data reflects a substantial lead. We achieved a remarkable 50% increase in occupancy from January to March and an impressive 100% growth in revenue. Moreover, our ADR for the period is 20% higher than last year's final figure.

We are utilizing this invaluable data to inform our pricing strategy. As we analyze the results, we see an opportunity to further enhance our ADR. We aim to achieve an optimal balance, targeting approximately 85% occupancy with ADRs ranging between US\$165 to \$170 for the quarter.

To attain an 85% occupancy with an ADR of \$165 in January, we will need to sell the remaining room stock at a rate of US\$172. These calculations serve as our compass in setting rates that align with our objectives. We maintain an eye on our pace and adjust pricing strategies as needed to inch closer to our targets.

Should we successfully meet these benchmarks, our ADRs are expected to surge by approximately 30%, while our occupancy will see a modest 8% reduction. Ultimately, this translates to a 22% increase in total room revenue.