2024
ANNUAL REPORT

aml
FOODS LIMITED


HELLO
NASSAU
DELI
SALADS &
MEALS

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Mission:

Deliver the best customer experiences, fresh products, and great service

Vision:

To Transform AML Foods into the most valued and trusted retailer in The Bahamas.

Values:

We lead by example.

We WOW our customers.

We will always be our best.

We are one team.

ABOUT US: AML FOODS LIMITED

AML Foods Limited (the "Company") is an innovative Bahamian company with operations in New Providence, Grand Bahama and Exuma. Our brands – Solomon's, Solomon's Fresh Market, Cost Right Wholesale and Domino's Pizza – are known for quality and value and are well-recognized throughout The Bahamas.

Our Company is built on a strong foundation of integrity, respect for all, corporate responsibility, and community giving. We seek to create a brighter future for the communities that we operate in by directing charitable giving toward our core areas of commitment – Food and Nutrition Security, Sustainability and Youth Empowerment.

At AML our mission is to deliver the best customer experiences, fresh products, and great service to transform our Company into the most valued and trusted retailer in The Bahamas. We are committed to operational excellence and efficiency, while maintaining competitiveness in the marketplace and providing value to our customers. We are one team and lead by example, working every day to provide exceptional shopping experiences in all our stores. We do this for the benefit of our customers, our associates, our shareholders and our communities.

The Retail Distribution Division of AML Foods operates seven grocery stores. In New Providence stores include Solomon's Old Trail, Solomon's Yamacraw, Solomon's Fresh Market Old Fort Bay, and Solomon's Fresh Market Harbour Bay. The stores in Grand Bahama include Solomon's Lucaya and Solomon's Downtown, and in Exuma, Exuma Markets. These stores offer a wide range of consumer products from food items to kitchen accessories and household essentials. Our team members work every day to ensure that each location offers affordable products of the highest quality standards. To make the retail experience enjoyable for our customers, we challenge our associates to provide superior service.

Our Club Distribution Division includes two stores - Cost Right Wholesale Club Nassau and Cost Right Wholesale Club Freeport. Both locations offer a wide assortment of name-brand and club packed products at wholesale prices, from grocery to general merchandise and clothing. We cater to small businesses, offices, and the home, offering friendly service and convenience. Our team members are dedicated to giving customers value on the products we supply and providing a satisfying shopping experience.

Our Franchise Distribution Division operates ten Domino's Pizza stores – nine in New Providence and one in Grand Bahama. Domino's is an outstanding international brand with a well-earned reputation for value, quality products and exceptional service.

The Ecommerce Distribution Division of our Company consists of www.dominos242.com, www.exumamarkets.com and www.freshmarkets.com. The web-based, user-friendly platforms allow our customers to order their pizza and groceries online, at these locations, for delivery or in-store pick-up. We intend to launch further E-Commerce sites throughout 2024.

AML Foods Limited is a publicly traded company with 1,218 individual shareholders and is listed on the Bahamas International Stock Exchange. The Company employs 857 associates in New Providence, Grand Bahama and Exuma.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It gives me great honor to be able to write to you on the progress we have made at AML Foods during the last 12 months. Our journey to "Deliver the best customer experiences, fresh products, and great service in order to transform AML into the most valued and trusted retailer in The Bahamas" is well underway, as we celebrate our achievement of $191m in revenues and a net profit of $4.9m this year.

Over the last year, we continued our journey of upgrading our systems, fine tuning many of our processes since migrating to our ERP system. We are now confident that we have a solid grasp on several of our key measures of success which are inventory costs, shrink and out of stocks. I trust that as you shop our stores you can find all the brands and products you love, with a high level of consistency, across our grocery and fresh departments.

Additionally, our focus on cost containment and sustainability remains a top priority, and we will continue to invest in solar and other energy efficient technologies, to counteract our impact on our environment, and mitigate the rising costs of power and utilities. We believe that this investment, coupled with our ongoing investment in our associates who are benefitting from our training and development programs, will continue to set us apart from our competitors.

In Q1 we also concluded the purchase of four acres in the Carmichael Road and Faith Avenue areas which we plan to utilize for future growth and expansion, as we set our eyes on achieving our growth target of $250m in annual revenues by 2030.

I want to thank my board colleagues for their leadership and our team of executives, managers and associates who continue to commit to serving our customers every day and ensuring that we are the most valued and trusted retailer in The Bahamas.

Franklyn Butler II
Chairman

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

In 2025, AML Foods will celebrate the 50th anniversary of the beginning of a journey that started in Marsh Harbor, Abaco in 1975. While a grocery store's operations today are almost unrecognizable from back then, one thing remains the same - without great customer service and a great experience, you will not succeed in our industry. Over the past few years, our relentless focus at AML has been on improving the customer experience. From upgrading our store facilities and increasing the selection of products offered, to leveraging our partners and data to ensure optimal in-stock levels, we remain steadfast to this goal. The response from our customers has been amazing, and our customer count continues to grow, year over year.

We recently completed the long overdue upgrade of Solomon's Nassau, converting the store from its former Super-Centre format to a new neighborhood store. This layout closely models our Solomon's Downtown Freeport store and will be the prototype for future Solomon's locations. Work continues on the relocation of Cost Right Nassau to its new home, in the Solomon's Old Trail complex. This represents the final stage of our store upgrade program, and we are excited to finally deliver a new, modern and efficient experience to our Cost Right members.

As we look ahead, we are confident that we will exceed our goal to generate $250m in revenues by 2030. Our growth will be centered around three core areas.

Firstly, we expect our investments in technology to continue, specifically in the space of gathering and leveraging data to provide insights into how we can improve our business. Our first big win in this space was the recent reduction in our inventory levels by approximately $5m – delivered by the analysis of our sales and purchasing data. This reduction has freed up liquidity, and improved efficiency levels within our operations. Secondly, we expect that we will continue to add new locations to our store fleet. These locations may be a combination of new builds and acquisitions. Thirdly, we will leverage digital capabilities to create B2B partnerships, expanding our current base and creating new revenue streams.

As always, I would like to thank my team, our associates, our board, our partners and our shareholders for their support in driving AML Foods forward. We are all aligned on achieving our vision and mission and are committed to providing great customer experiences to the communities that we serve, whether at one of our locations or digitally. Lastly, I would like to express my sincere appreciation and gratitude to our loyal customers. Each week, you choose to do business with us. We do not take your loyalty for granted and every day we strive to provide you with great value, great quality, and an overall great experience. You are important to us and identifying opportunities to serve you better will continue to be our priority.

Gavin Watchorn

Gavin Watchorn,
President and CEO

2024 EXECUTIVE TEAM

Gavin Watchorn
President & CEO, Director

Joined Company in 2003

Davette Lightbourne
Chief Financial Officer & Corporate Secretary

Joined Company in 2018

Scott Miller
Chief Operating Officer

Joined Company in 2021

Kimberley Frazier
Head of Human Resources, Talent & Development

Joined Company in 2016

Renea Bastian
Vice President Marketing & Communications

Joined Company in 2010

Richard Jones
Vice President Facilities

Joined Company in 2011

Dave Forbes
Vice President Information Technology

Joined Company in 2020

Ben Brown
Vice President of Purchasing

Joined Company in 2021

Vanessa Pinder
Vice President of Operations

Joined Company in 2022

Indira Moss
Director of Margin Control & Logistics

Joined Company in 2009

Alissa Martin
Director of Purchasing

Joined Company in 2010

Gershwin Greene
Director of E-Commerce

Joined Company in 2023

2024 Management Discussion & Analysis

Management will use this report to provide an analysis of the movements in the Statement of Financial Position, Statement of Proft of Loss and Comprehensive Income, Statement of Cash Flows and Statement of Equity of AML Foods Limited ("AML" or "the Company") for the fiscal year beginning May 1, 2023 to April 30, 2024, and to discuss significant results from operations for the year ended April 30, 2024.

This report should be read in conjunction with the audited consolidated financial statements and its accompanying notes. This report may include "forward-looking statements." While the Company believes that the expectations reflected in such statements are reasonable, it gives no assurance that such expectations will prove to be correct. Important factors that could cause actual results to differ materially from the Company's expectations include external economic conditions, changes in the marketplace, changes in interest rates, operating costs, and other unforeseen events or conditions that may affect performance.

FINANCIAL OVERVIEW

For the year ended April 30, 2024, the Company recorded a net profit of $4.9m, which was up $2.1m or 74.9% compared to prior year's net profit of $2.8m. Total comprehensive income increased from $2.8m to $6.5m and includes a $1.6m gain in other comprehensive income resulting from revaluations of land, land improvements and buildings. Sales improved by 3.2% or $6.0m, driven primarily from increased transactions offset by declines in average spend. Gross profit dollars increased by $5.6m due to improved margin performance offset by an increase in total shrink. We have managed expenses well at 27.7% of sales compared to 27.0% in the prior year with increases stemming mostly from investments in payroll.

Total assets increased by $15.4m or 13.8% despite a $4.8m or 24.1% decrease in merchandise inventories. A large portion of the total asset increase can be attributed to the purchase of the Old Trail building that is home to Solomon's Old Trail (formally Solomon's Supercenter) and the associated renovations. We continue to maintain a strong balance sheet with total assets of $127.4m at April 30, 2024 compared to $111.9m at April 30, 2023.

During the year, we declared and paid dividends of $3.3m representing 67.3% of the current year's net profit. Cumulatively, for the past three years, total ordinary and extraordinary dividends distributed was $9.5m or 80.9% of net income, up from 50.3% for the three years ended April 30, 2023.

CASH AND BANK BALANCES

The Company's cash and bank balances grew during the year by $1.1m and increased from $8.1m at April 30, 2023 to $9.2m at April 30, 2024. During the year, cash generated from operating activities increased by $5.0m attributed to year over year net profit increases and a $4.7m reduction in inventory. Supplemented by drawn downs from bank loans totaling $13.9m, the Company invested a total $20.3m in capital expenditures.

MERCHANDISE INVENTORIES

Merchandise inventory levels decreased significantly during the year compared to prior year improving liquidity by $4.7m. Inventory decreased as we converted Solomon's Supercenter to a neighbourhood store resulting in a release of inventory dollars previously tied to General Merchandise and Clothing departments. Also, a combination of improved logistics, strategic vendor relationships and investments in use of data has allowed us to improve the frequency of items purchased – focusing on having the right amount of the products our customers want on our shelves – just in time. During the year, we were also able to reduce a large amount of slow moving or aged items from our stores.

PROPERTY, PLANT, AND EQUIPMENT

At April 30, 2024, net property, plant, and equipment was $62.6m compared to $45.5m in prior year. The movement comprised additions of $20.3m, depreciation of $4.3m and $1.6m of increases from property revaluations.

Our work-in-progress balance at April 30, 2024 of $8.6m is as a result of the ongoing renovations at our Old Trail location.

For the year ended April 30, 2024, the Company performed its tri-annual property revaluations which resulted in a net increase in the fair value of land, land improvements and buildings of $1.3m.

GOODWILL

The Company conducted its annual impairment test by determining the net present value (NPV) of the operating units on which it carries goodwill. In determining the overall NPV of the operating units, the Company used the NPV of projected future cash flows, the NPV of terminal values discounted by the growth rate, and a discount factor based on the Company's weighted average cost of capital (WACC). The NPV was compared to the operating units value in use, to determine whether an impairment existed. The results of the Company's annual impairment test indicated no impairment.

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses totaled $16.2m at April 30, 2024 compared to $16.2m at April 30, 2023. Our A/P balances are comprised primarily of amounts due to inventory suppliers. The total amount of inventory purchases made during the year were generally consistent with prior year trends and overall our accounts payable and accrued expense balance remained relatively flat year over year.

PREFERENCE SHARES

For the period ended April 30, 2024, the Company had a total of 6,801 outstanding preference shares compared to 6,801 outstanding shares at April 30, 2023. In December 2022, the Company paid the remaining principal and interest due to Class C and D preference shareholders. The remaining Class E shares attract interest only payments through October 30, 2025 therefore there was no movement during the current year of the outstanding principal balance of preference shares. Preference shares attract an interest rate of 6.0% per annum. Dividends of $0.4m were paid to preference shareholders during the year compared to $0.5m in the prior year.

BANK LOANS

The Company has a total of five bank loans with RBC Royal Bank (Bahamas) Limited which all originated in previous years to fund various capital purchases. During the year, $13.9m was drawn down on the existing facilities. All loans attract a blended interest rate of Bahamas Prime minus 0.65%. Currently, The Bahamas Prime rate is 4.25% . A total of $2.8m of principal payments were made on bank loans during the year. At April 30, 2024, the total principal amount outstanding on bank loans was $19.2m.

SALES

This fiscal year, we recorded another consecutive year of sales growth. Sales increased by $6.0m or 3.2% for the year compared to $9.6m or 5.5% in prior year. We experienced same store sales growth in both our Food Distribution and Franchise divisions. Sales increases were driven mostly from increases in transaction count as inflation pressures put a strain on average ticket performance.

Our Food Division sales grew by $5.4m or 3.1%. A sizable portion of this increase was as a result of our Solomon's Downtown Freeport location which had a full year of operations this fiscal year. Many of our other locations experienced same store sales growth however during its renovations, Solomon's Old Trail experienced a decline in sales. Comparative sales in this location decreased both due to removal of general merchandise and clothing inventories at this location but also through loss of transactions. In July 2024, we held our grand opening of Solomon's Old Trail and we have seen a steady improvement in sales volumes.

Franchise sales continue to generate year over year sales growth and increased by 6.5% over prior year and has returned to exceeding $10m in annualized revenues. This fiscal year represents the third consecutive year of growth for this division.

As a Company, we have experienced thirteen years of consecutive sales growth.

GROSS PROFIT

After several years of decreasing gross profit attributed to poor shrink performance and inflation pressures, overall gross profit for the 12 months ended April 30, 2024 increased by $5.6m and was 31.1% of sales compared to 29.0% in prior year. Through product mix offerings and the revamp of our deli program, we have been able to improve gross profit margin in several locations and departments. Additionally, we continue to explore new vendor relationships and during the year, we have been able to decrease the cost of supplies by 9.3%. We continue to look for ways to reduce inputs to cost of sales. Our efforts to improve shrink paid off for half of our stores that experienced year over year improvement in shrinkage; however, our Solomon's Old Trail location, partly due to renovations, experienced a large increase in shrink during the year. Additionally, group-wide, our meat shrink performance declined compared to prior year. While overall shrink was less favorable than prior year, the majority of our excess shrink was experienced in the first three quarters of the year and trends show improvements in shrink as the year progressed. With this continued trend, we expect an improvement in shrink for the upcoming year.

EXPENSES

Total Selling, General, and Administrative expenses (SG&A) increased by $2.7m or 5.4% compared to prior year mostly from payroll and sales related costs. During the year, we invested in our people and payroll dollars were up $1.5m or 7.2% over prior year. As a percentage of sales, payroll was 11.7% compared to 11.3% in prior year. Our corporate division payroll as a percentage of overall sales remained flat to prior year however both food and franchise divisions saw an increase in payroll as a percentage of sales. We anticipate future investments in payroll will be offset through driving greater sales volumes throughout our stores.

2024-2025 OUTLOOK OPPORTUNITIES AND INVESTMENTS

We have invested heavily in data and technology over the past few years in order to transform the way we do business. With this being our focus, we have been able to improve our customer experience through our MySolomon's Smart Rewards and improving our product offerings. MySolomon's Smart Rewards' customer base has grown over 30% in the last 12 months through April 30, 2024. We continue to look for ways to provide our customers with more personalized offerings through our loyalty program.

All of our Solomon's and Fresh Market stores have been reset to our new planograms and we are able to run our stores more efficiently and maintain better in stock levels. We expect to create new vendor partnerships that will help to improve product availability and variety within our Cost Right Brand. The relocation of Cost Right Nassau is expected to be completed in November 2024 with improved offerings.

We are beginning to install Electronic Shelf Labels (ESLs) throughout our fleet of stores. This project is another investment in technology that will benefit both our associates and customers. ESLs are common place for grocery retailers globally and will improve the availability, accuracy, and efficiency of pricing of inventory with less effort.

Our e-commerce division was launched in Q4 of this year in Exuma Markets and subsequently within our Fresh Market locations, providing customers with the ability to order our products online. In the near future, we intend to offer an ecommerce platform for all locations.

ECONOMIC CONDITIONS, CHALLENGES AND RISKS

The economic conditions and challenges facing The Bahamas are multifaceted and deeply rooted in its reliance on tourism, vulnerability to external shocks, and exposure to climate change. While the nation has made strides in diversifying its economy through sectors like financial services, agriculture, and technology, the global pandemic and frequent natural disasters have underscored the need for greater economic resilience.

Over the years, the grocery retail sector has been significantly impacted with rising costs, supply chain disruptions, and inflation creating a difficult operating environment. Consumer spending remains constrained by factors such as high unemployment and inflation.

The nation's heavy reliance on imported goods has made grocery prices particularly sensitive to global market fluctuations and inflation, putting pressure on both retailers and consumers. To navigate these challenges, the sector will need to adapt by improving supply chain efficiency, and leveraging technology to manage costs and meet consumer demand. Addressing these issues is critical for ensuring food security and maintaining the sector's long-term viability in The Bahamas.

Our industry is expected to continue facing challenges such as significant pressures on wages and increased energy costs. Our approach to mitigating the impacts of these issues are paramount among our leadership team. We continue to invest in the development of our associates and in attracting and retaining quality talent. We have implemented a succession planning program to ensure that future successes of our organization are not significantly impacted by lack of talent.

To date, four of our five grocery locations in New Providence are solarized with the remaining store set to be completed by the end of fiscal 2024/25. In our most recent solar conversion, we have realized a reduction of nearly 50% in comparative energy billings. We hope to replicate this in as many of our current and future locations.

We are confident in our areas of focus and our commitment to reach annualized revenues of $250m by 2030.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of AML Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of AML Foods Limited (the Company) and its subsidiaries collectively, (the Group), which comprise the consolidated statement of financial position as at April 30, 2024, and the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at April 30, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Summary of the Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Impairment of Goodwill	At April 30, 2024, the Group carried Goodwill of $2,976,000 in the consolidated statement of financial position (refer to Note 11 to the consolidated financial statements) which is subject to an annual impairment test. Management's annual impairment assessment is considered to be a matter of key significance because the assessment process is complex, particularly around determination of the discount rate, and relies on significant estimates and assumptions. Management estimates the discount rate and determines assumptions in forecasting future cash flows, particularly revenues and gross margin percentages. Management's annual impairment assessment indicated no impairment during the year under audit.	In evaluating the impairment of Goodwill, we performed various procedures, including the following: • Reviewed the value in use calculations prepared by management. Assessed the design and implementation of controls surrounding the preparation of the impairment model. Involved fair value specialists to support our assessment of key assumptions used by management in the goodwill impairment methodology, model inputs, discount rate and long-term growth rate testing. • Compared the growth rates used to historical data regarding economic growth rates, and assessed key inputs into the cash flow forecast against historical performance and in comparison to management's strategic plans. • We also assessed the sufficiency and appropriateness of the disclosures given in respect of goodwill and its sensitivity.

Other Information

Management and those charged with governance are responsible for the Other Information. The Other Information comprises all the information in the AML Foods Limited 2024 annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated 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 consolidated 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. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 Group's internal control.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 to 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters 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 auditors' report is Talia Sweeting-Albury.

Deloitte & Touche

Nassau Bahamas
August 30, 2024

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2024
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2024	April 30, 2023
Assets		
Current assets		
Cash and bank balances (Note 5)	$ 9,200	$ 8,076
Term deposits with original maturities greater than 90 days	289	286
Receivables, net of provisions (Notes 6 and 21)	819	789
Merchandise inventories, net of provisions (Note 7)	15,215	20,035
Other current assets (Notes 8 and 21)	3,175	3,059
Total current assets	28,698	32,245
Non-current assets		
Other assets (Note 9)	4,088	3,138
Property, plant and equipment, net (Note 10)		
Land, land improvements, and buildings	42,135	31,638
Equipment	7,070	6,087
Leasehold improvements	4,795	5,886
Work in progress	8,627	1,846
	62,627	45,457
Right-of-use asset (Note 15)	28,986	28,094
Goodwill (Note 11)	2,976	2,976
Total non-current assets	98,677	79,665
Total assets	$ 127,375	$ 111,910

(Continued)

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2024
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2024	April 30, 2023
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued expenses (Notes 13 and 21)	$ 16,272	$ 16,293
Current portion of bank loan (Note 12)	2,544	1,871
Current portion of lease liability (Note 15)	1,892	2,150
Total current liabilities	20,708	20,314
Long-term liabilities		
Bank loan (Note 12)	16,624	6,214
Preference shares (Note 14)	6,801	6,801
Lease liability (Note 15)	30,787	29,323
Total long-term liabilities	54,212	42,338
Total liabilities	74,920	62,652
Shareholders' equity		
Ordinary share capital (Note 16)	7,378	7,378
Contributed surplus	2,231	2,231
Revaluation surplus (Note 10)	7,951	6,354
Retained earnings	34,895	33,295
	52,455	49,258
Total liabilities and shareholders' equity	$ 127,375	$ 111,910

(Concluded)

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors as of August 26, 2024 and are signed on its behalf by:

Director

Director

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
YEAR ENDED APRIL 30, 2024
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2024	April 30, 2023
Sales (Note 22)	$ 190,955	$ 184,951
Cost of sales	(131,653)	(131,260)
Gross profit (Note 22)	59,302	53,691
Selling, general and administrative expenses (Notes 18 and 21)	(52,623)	(49,918)
Other operating income (Notes 17 and 21)	1,168	1,506
Net operating profit	7,847	5,279
Interest expense (Notes 12, 15 and 22)	(2,100)	(1,741)
Dividends on preference shares (Notes 14 and 22)	(408)	(486)
Loss on property revaluation (Notes 10 and 22)	(237)	-
Loss on disposal of fixed assets (Note 10)	(184)	(34)
Pre-opening expenses	(16)	(215)
Net profit	$ 4,902	$ 2,803

OTHER COMPREHENSIVE INCOME

	April 30, 2024	April 30, 2023
Gain on property revaluation that will not be reclassified subsequently to profit or loss	$ 1,597	$ -
Other comprehensive income	1,597	-
Total comprehensive income	$ 6,499	$ 2,803
Weighted average number of ordinary shares outstanding	15,008,048	15,008,048
Earnings per share (Note 19)	$ 0.33	$ 0.19

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED APRIL 30, 2024
(Expressed in thousands of Bahamian dollars except per share amounts)

	Number of Shares ('000s)	Ordinary Share Capital	Treasury Shares	Contributed Surplus	Revaluation Surplus	Retained Earnings	Total
Balance as of April 30, 2022	**15,049**	**$ 7,524**	**$ (146)**	**$ 2,231**	**$ 6,354**	**$ 33,348**	**$ 49,311**
Cancellation of treasury shares (Note 16)	(41)	(146)	146	-	-	-	-
Net profit	-	-	-	-	-	2,803	2,803
Declared dividends ($0.19 per share)	-	-	-	-	-	(2,856)	(2,856)
Balance as of April 30, 2023	**15,008**	**7,378**	**-**	**2,231**	**6,354**	**33,295**	**49,258**
Net profit	-	-	-	-	-	4,902	4,902
Other comprehensive income	-	-	-	-	1,597	-	1,597
Declared dividends ($0.22 per share)	-	-	-	-	-	(3,302)	(3,302)
Balance as of April 30, 2024	**15,008**	**$ 7,378**	**$ -**	**$ 2,231**	**$ 7,951**	**$ 34,895**	**$ 52,455**

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2024
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

	April 30, 2024	April 30, 2023
Cash flows from operations		
Net profit	$ 4,902	$ 2,803
Adjustments for:		
Depreciation (Notes 10 and 15)	6,730	6,814
Dividends on preference shares (Note 14)	408	486
Increase / (decrease) in inventory provision (Note 7)	111	(924)
Increase / (decrease) in provision for doubtful debts (Note 6)	28	(3)
Loss on property revaluation (Note 10)	237	-
Loss on disposal of property, plant and equipment (Note 10)	184	34
Interest on lease liability (Note 15)	1,469	1,416
Operating cash flow before changes in working capital	14,069	10,626
Decrease / (increase) in working capital source/(use):		
Decrease in merchandise inventories (Note 7)	4,709	964
(Increase) / decrease in receivables (Note 6)	(58)	117
(Increase) / decrease in other current assets (Note 8)	(116)	263
(Increase) in other assets (Note 9)	(950)	-
(Decrease) / increase in accounts payable and accrued expenses (Note 13)	(21)	707
Net cash provided from operating activities	17,633	12,677
Cash flows from investing activities		
Movement in term deposits with original maturities greater than 90 days	(3)	(2)
Additions to property, plant and equipment (Note 10)	(20,258)	(6,654)
Proceeds from sale of property, plant and equipment	8	6
Net cash used in investing activities	(20,253)	(6,650)

(Continued)

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2024
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

	April 30, 2024	April 30, 2023
Cash flows from financing activities		
Dividends paid on ordinary shares (Note 16)	$ (3,302)	$ (2,856)
Dividends paid on preference shares (Note 14)	(408)	(486)
Repayment of preference shares (Note 14)	-	(2,157)
Proceeds from bank loans (Note 12)	13,923	4,500
Repayment of bank loan (Note 12)	(2,840)	(2,043)
Payment of lease liabilities (Note 15)	(3,629)	(3,971)
Net cash provided by / (used in) financing activities	3,744	(7,013)
Net increase / (decrease) in cash and cash equivalents	1,124	(987)
Cash, beginning of period	8,076	9,063
Cash, end of period (Note 5)	$ 9,200	$ 8,076
Supplemental information:		
Interest received	$ 3	$ 3
Interest paid	$ 1,031	$ 945

(Concluded)

See notes to consolidated financial statements.

1. GENERAL INFORMATION

AML Foods Limited ("the Company") is incorporated under the laws of The Commonwealth of The Bahamas and its shares are listed on the Bahamas International Securities Exchange. The registered office of the Company is at One Millars Court, off Shirley Street, Nassau, New Providence, Bahamas and the corporate office is at #20 University Drive, New Providence, Bahamas.

The Company and its wholly owned subsidiaries (together, referred to as "the Group") are primarily engaged in the operations of retail and club stores offering dry and perishable food items and other consumer products, and the operation of a food franchise business.

The Company has seven (7) subsidiaries that management deems to be significant to the operations of the Company for the year ended April 30, 2024. The Company holds 100% of the voting rights in all subsidiaries. The significant operating entities are all incorporated in The Commonwealth of The Bahamas. These are separated into two operating segments as listed below:

Food Distribution

- Solomon's Supercentre (Nassau) Limited
- Cost Right Nassau Limited
- Solomon's Club (Freeport) Limited
- Thompson Wholesale Limited
- Solomon's Fresh Market Limited
- Solomon's Exuma Limited

Franchise

- Caribbean Franchise Holdings Limited

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, there were several new and amended Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB effective for annual reporting periods beginning on or after May 1, 2023. The adoption of these standards, amendments and interpretations were not relevant or not significant to the Company's operations and therefore did not have a material impact on the consolidated financial statements.

a. ***Standards and Interpretations effective but not affecting the reported results or financial position***

IFRS 17 Insurance Contracts
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amended)
IAS 12 Income Taxes (Amended)

The above standards have not led to any material changes in the consolidated financial position of the Company during the current year.

b. ***Standards and Interpretations in issue but not yet effective***

IFRS 7 Financial Instruments: Disclosures (Amended)
IFRS 9 Financial Instruments (Amended)
IFRS 16 Leases (Amended)
IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 19 Subsidiaries without Public Accountability: Disclosures
IAS 1 Presentation of Financial Statements (Amended)
IAS 7 Statement of Cash Flows (Amended)

Management is currently reviewing the potential impact of these new standards and interpretations.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance - The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

Basis of preparation - The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain land, land improvements and buildings.

Basis of consolidation - The consolidated financial statements include the assets, liabilities, equity, income, expenses, and cash flows of the Company and its subsidiaries and are presented as those of a single economic entity. Subsidiaries are all entities controlled by the Company. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Accounting policies of subsidiaries are consistent with the policies adopted by the Company. All significant inter-company balances and transactions are eliminated on consolidation.

The following is a summary of the significant accounting policies:

a. ***Revenue recognition*** - Revenues comprise the fair value of the consideration received or receivable in the ordinary course of the Company's activities. Revenues are presented net of returns and discounts. The Company derives revenues from two types of operations:

i. Retail sales, which include grocery, appliances and household items
ii. Franchise sales, which comprise prepared food

IFRS 15 introduces a five-step approach to the timing of revenue recognition based on performance obligations in customer contracts. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company recognizes revenue from the principal activities as described above. Retail sales in both food distribution and food franchise are usually settled by cash or by credit card at the time of sale.

During the prior year, the Company introduced a 'MySmart Rewards' loyalty program through which retail customers accumulate points on purchases of goods sold within its Solomon's and Fresh Market brands that entitle them to discounts on future purchases. These points provide a discount to customers that they would not receive without purchasing the goods (i.e. a material right). The promise to provide the discount to the customer is therefore a separate performance obligation and the transaction price is allocated between the product and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption. During the year, management assumed that 100% of the points accumulated during the year would be redeemed in future periods. A contract liability is recognized for revenue relating to the loyalty points at the time of the initial sales transaction and is included in Accounts Payable and Accrued Expenses in the Statement of Financial Position. Revenue from the loyalty points is recognized when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognized in proportion to the pattern of rights exercised by customers. If unredeemed, loyalty points expire two years from the date earned.

b. ***Cost of sales*** - Cost of sales consists of the purchase price of inventory sold, shipping charges, import duties and other costs. Cost of sales also includes supplies, shrink, and loss and damage. For Franchise Distribution, cost of sales also comprises all cost associated with the operations of the commissaries including salaries, facilities cost, office costs, motor, and depreciation charges.

Vendor discounts, wherever applicable, are factored into the total landed cost of the inventory.

c. ***Cash and cash equivalents*** - Cash and cash equivalents comprise unrestricted cash on hand and in banks that are available for use in operations and capital expenditures. In the consolidated statement of cash flows, bank overdraft is deducted from cash and cash equivalents to present a net cash position. Cash and cash equivalents also include term deposits with original maturity dates less than 90 days.

d. ***Term deposits*** – Term deposits with original maturity dates greater than 90 days are shown separate and apart from cash and bank balances. Term deposits may be established for a specific purpose and / or for a certain period of time.

e. ***Receivables*** - Under IFRS 9, financial assets should be classified and measured at fair value, with changes in fair value recognized in profit and loss as they arise ("FVPL"), unless restrictive criteria are met for classifying and measuring the asset at either Amortized Cost or Fair Value through Other Comprehensive Income ("FVOCI").

IFRS 9 establishes an "expected credit loss" ("ECL") model for loans and receivables, including trade receivables that focuses on the risk that a loan or receivable will default or become uncollectible rather than whether a loss has been incurred. Under the ECL model, an entity calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

The Company's trade receivables are not material and do not have a significant financing component and in accordance with IFRS 9 are allowed to be measured at undiscounted invoice price rather than fair value. Based on this treatment, there was no material impact on the treatment of the Company's receivables balance.

f. ***Merchandise inventories*** - Food distribution and franchise inventories are stated at the lower of weighted average cost less provisions and net realizable value.

Provisions for shrinkage are made for differences between book value and the last physical inventory count based on percentage of sales. Provisions are also made for slow moving and obsolete inventory by applying a range of percentages to inventory aging reports. Losses and damages incurred during the normal course of business are recognized in the consolidated statement of profit or loss and comprehensive income at the time that such impairment is known. These are made in order to estimate the amount by which inventory needs to be reduced to estimated net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to conclude the sale.

g. ***Property, plant and equipment*** – Land, land improvements and buildings are carried at fair value based on independent appraisals that are performed every 3 years unless a significant event occurs earlier which may materially impact property values. Any increase in the carrying value of an asset as a result of a revaluation is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the reversal is credited to the profit or loss to the extent of the decrease previously expensed. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of the same asset. No depreciation is provided on land.

Properties in the course of construction are carried at cost, less any recognized impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets commences when the assets are ready for their intended use, on the same basis as the other property assets.

Equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided on a straight-line basis on cost or revalued amounts less estimated residual values (if applicable) over the estimated useful lives of the assets as follows:

Land improvements	10 - 15 years
Buildings	40 years
Furniture, fixtures and equipment	2 - 15 years
Motor vehicles	4 years
Computer equipment and software costs	3 - 4 years
Leasehold improvements	Lesser of 7 years or the life of the relevant lease where renewal is not expected

At the time assets are retired or otherwise disposed of, the cost and related accumulated depreciation and revaluation surplus are eliminated from the accounts and any gain or loss on the transaction is recognized in the consolidated statement of profit or loss and comprehensive income.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

All other costs are classified as repairs and maintenance and are charged to the consolidated statement of profit or loss and comprehensive income during the financial period in which they are incurred.

h. ***Business combinations*** - The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

i. ***Goodwill*** - Goodwill represents the excess of the acquisition cost of subsidiaries over the fair value of net identifiable assets acquired at the date of acquisition. Goodwill is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The Company performs an impairment assessment annually or earlier if indications of impairment exist. An impairment loss for a business unit arises when the assets in use, including goodwill, exceed the recoverable amount, which is calculated as the higher of net selling price and value in use.

j. ***Impairment of intangible and tangible assets other than goodwill*** - At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

k. ***Dividends*** - Dividends on ordinary shares are paid out of net profits at the discretion of the Board of Directors. Dividends declared and paid are recognized in the period declared in the consolidated statement of changes in equity.

l. ***Preference shares*** - Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognized in the consolidated statement of profit or loss and comprehensive income.

m. ***Treasury shares*** - Shares purchased under the Company's share buyback plan are recorded at cost plus applicable fees. Dividends received on these shares are offset against total dividends paid.

n. ***Employee benefits -*** Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

o. ***Defined contribution pension plan*** - The Company maintains a defined contribution pension plan. The Company's contribution to the defined contribution pension plan is limited to 5% of a participant's annual base salary. All funds are held together in trust by an independent third party.

The Company's contributions to the plan are recognized as an expense in the consolidated statement of profit or loss and comprehensive income as incurred. The Company does not manage or administer the plan and its obligation is limited to the amount of its contribution. The funds are remitted to a third party manager.

p. ***Segment reporting*** - A segment is a distinguishable component of the Company that is engaged either in providing products (business segment), or in providing products within an economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

q. ***Foreign currency translation*** - Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency").

The consolidated financial statements are presented in Bahamian dollars, which is the Company's functional and reporting currency.

Monetary assets and liabilities denominated in foreign currencies other than the Bahamian dollar are translated at the exchange rates in effect at the year-end date. Income and expenses in foreign currencies are translated at the rates in effect at the transaction dates.

r. ***Leases*** - Leases are recognized as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company. The right of use asset is presented separately in the statement of financial position. At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use asset during the lease term:

- Fixed payments
- Variable lease payments that are based on an index or rate

The lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of the liability is remeasured to reflect any re-assessment, lease modification or revised in-substance fixed payments.

The lease term is a non-cancellable period of lease. Periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

Right-of-use assets are measured initially at the amount of the initial measurement of the lease liability. Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses are adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis. The amortization period for the right-of-use assets are as follows:

Buildings	2 - 40 years

s. ***Related parties*** - Related parties are defined as follows:

i. Controlling shareholders;
ii. Subsidiaries;
iii. Associates;
iv. Directors;
v. Individuals owning, directly or indirectly, an interest in the voting power that gives them significant influence over the enterprise, i.e. normally more than 20% of shares (including close family members of such individuals);
vi. Key management personnel - persons who have authority for planning, directing and controlling the enterprise (including close family members of such individuals);
vii. Enterprises owned by the individuals described in (iv) and (v).

t. ***Selling, general and administrative expenses*** - Selling, general and administrative expenses include all operating costs of the Company except cost of sales, as described above.

u. ***Pre-opening costs*** – Pre-opening costs include the cost of start-up activities, including organization costs, related to new store openings. Store remodels, expansions, and relocations are expensed as incurred.

v. ***Equity instruments*** - An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are detailed in Note 3, management is required to make judgments and estimates about the carrying amounts of certain assets and liabilities. Those judgments and estimates are based on historical experience and other relevant industry standards. Actual results may vary from management's judgments and estimates.

These judgments and estimates are periodically reviewed and revised when necessary. Revisions are recognized in the applicable accounting periods.

Following are judgements and estimates that management has made when applying the Company's accounting policies, which have the most significant impact on the consolidated financial statements.

a. **Goodwill -** Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Management uses estimates to determine the fair value of assets at purchase. The Company performs an annual test to determine if any impairment has occurred to the carrying value of goodwill. In carrying out this test, management uses estimates and projections to determine net present value (NPV) of the cash generating units goodwill by calculating NPV of projected cash flows and NPV of terminal values discounted by discounted growth rate and a discount factor based on the Company's weighted average cost of capital (WACC). These estimates are based on government prime rate, estimated internal growth rate, and calculating cost of equity and debt to determine the Company's WACC.

b. **Inventory -** The Company's gross inventory is calculated using weighted average cost. In order to assess net inventory values, the Company makes a provision for loss and damage (inventory that is found to be non-sellable) and shrink (difference between book value and periodic physical counts). A series of estimates are used for each category of product based on historical performance and U.S. industry norms adjusted for the Bahamian market. The Company makes a further provision for obsolescence by applying defined discounts based on an inventory aging report.

c. **Leases -** The Company is unable to readily determine the interest rate implicit in the leases, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

d. **Land, land improvements and buildings -** The Company measures its land, land improvements and buildings at revalued amounts every three years with changes being recognized in the revaluation surplus in the consolidated statement of financial position. The valuation techniques are based on a blended approach of the cost and income methods and considers comparable data for similar properties, performed by an independent appraiser to determine the fair values. The fair values consider specific market factors such as the location and condition of the respective properties. Management considers that the valuation methodologies and assumptions utilized are appropriate for determining the fair value of the Company's land, land improvements and buildings.

5. CASH, BANK BALANCES AND BANK OVERDRAFT

The Company was in compliance with all of its debt covenants as of April 30, 2024. These covenants are in relation to the overall credit arrangements with the Company's bankers.

The credit arrangements with RBC Royal Bank (Bahamas) Ltd. were renegotiated with effect from April 6, 2023. The credit facilities are secured with guarantees and postponement of claims, by fixed and floating debentures over all the Company's assets and by the assignment of insurance policies pertaining to loss of profits, and damage to buildings, equipment and inventories. At April 30, 2024, the Company maintained an overdraft facility of $3 million bearing an interest rate of Bahamian Prime 4.25% plus 0.5% (2023: 4.25% plus 0.5%). The total overdraft amount utilized at April 30, 2024 was $nil (2023: $nil).

6. RECEIVABLES, NET OF PROVISIONS

Receivables consist of the following:

	2024	2023
Trade receivables	$ 932	$ 874
Less: Provision for doubtful accounts	(113)	(85)
Total	$ 819	$ 789

The aging of receivables is as follows:

	2024	2023
0 to 30 days	$ 784	$ 702
31 to 60 days	23	66
61 to 90 days	14	18
91 days and over	111	88
Total	$ 932	$ 874

Movement in the provision for doubtful accounts	2024	2023
Balance at beginning of the year	$ (85)	$ (88)
Impairment losses recognized on receivables	(37)	1
Amounts written off during the year as uncollectible	9	2
Balance at end of the period	$ (113)	$ (85)

Management has deemed $35 (2023: $86) of the receivables to be past due, but not impaired.

As at April 30, 2024, the total amount of all receivables deemed uncollectible was $51 (2023: $51). These amounts are included as a provision in the total receivables balance.

7. MERCHANDISE INVENTORIES, NET OF PROVISIONS

Merchandise inventories consist of the following:

	2024	2023
Food distribution	$ 15,451	$ 20,248
Franchise	550	462
	16,001	20,710
Less: Provisions	(786)	(675)
Total	$ 15,215	$ 20,035

8. OTHER CURRENT ASSETS

Other current assets consist of the following:

	2024	2023
Prepayments	$ 2,098	$ 2,081
Security deposits	1,077	978
Total	$ 3,175	$ 3,059

9. OTHER ASSETS

On September 21, 2016, the Company signed an agreement to purchase a building located at Soldier Road Industrial Site for $3,359. Subsequent to the payment of the final purchase price in July 2017, a dispute arose as to the ability of the vendors to provide good title to the property. This dispute is currently before the Supreme Court. Included in other assets is $3,138 which excludes value added taxes.

On November 21, 2023, the Company was issued a formal and final levy from the Department of Inland Revenue (DIR) concerning alleged unpaid taxes totaling $949,833 which related to VAT outstanding for items sold VAT Free in Grand Bahama during the period of January 1, 2019 through December 31, 2021 under the SERZ order.

On December 20, 2023, the Company, with the assistance of legal counsel, initiated a formal dispute against the DIR related to this assessment. To comply with the appeal process, the Company was required to provide full payment of the assessment, which the Company also made on December 20, 2023. This payment was made without waiving any rights in the ongoing dispute, and the Company intends to vigorously contest the assessment. The full payment of $949,833 is included in Other Assets on the Company's Statement of Financial Position as at April 30, 2024.

The total amount included in Other Assets is subject to change based on subsequent rulings and could be material to the financial results of the Company.

10. PROPERTY, PLANT AND EQUIPMENT, NET

The movement in property, plant and equipment for the year is as follows:

	Land, Land Improvements and Buildings	Equipment and Motor Vehicles	Leasehold Improvements	Work in Progress	Total
Cost/revalued amount:					
At April 30, 2023	$ 34,647	$ 24,089	$ 19,514	$ 1,846	$ 80,096
Additions	9,103	2,505	135	8,515	20,258
Disposals	-	(819)	(1,308)	-	(2,127)
Transfers	950	772	12	(1,734)	-
Revaluations	(2,331)	-	-	-	(2,331)
At April 30, 2024	$ 42,369	$ 26,547	$ 18,353	$ 8,627	$ 95,896
Accumulated depreciation:					
At April 30, 2023	$ 3,009	$ 18,002	$ 13,628	$ -	$ 34,639
Depreciation	915	2,150	1,190	-	4,255
Elimination on disposal	-	(675)	(1,260)	-	(1,935)
Revaluations	(3,690)	-	-	-	(3,690)
At April 30, 2024	$ 234	$ 19,477	$ 13,558	$ -	$ 33,269
Net book value:					
At April 30, 2024	$ 42,135	$ 7,070	$ 4,795	$ 8,627	$ 62,627

	Land, Land Improvements and Buildings	Equipment and Motor Vehicles	Leasehold Improvements	Work in Progress	Total
Cost/revalued amount:					
At April 30, 2022	$ 33,531	$ 22,787	$ 16,767	$ 2,228	$ 75,313
Additions	1,116	1,846	1,873	1,819	6,654
Disposals	-	(1,553)	(317)	-	(1,870)
Transfers	-	1,009	1,191	(2,201)	(1)
At April 30, 2023	$ 34,647	$ 24,089	$ 19,514	$ 1,846	$ 80,096
Accumulated depreciation:					
At April 30, 2022	$ 2,328	$ 17,394	$ 12,829	$ -	$ 32,551
Depreciation	681	2,125	1,113	-	3,919
Elimination on disposal	-	(1,517)	(314)	-	(1,831)
At April 30, 2023	$ 3,009	$ 18,002	$ 13,628	$ -	$ 34,639
Net book value:					
At April 30, 2023	$ 31,638	$ 6,087	$ 5,886	$ 1,846	$ 45,457

(Continued)

The Company's accounting policy is to revalue land, land improvements, and buildings, which comprise of retail store locations and a food franchise commissary. Because of the size and nature of these properties, and the fact that these properties are in markets that have little or no comparable real estate transactions, the majority of the appraisals are valued using a blend of the cost and income capitalization methods. During the year, the Company obtained independent appraisals and recorded adjustments, based on the results, at April 30, 2024 for all land, land improvements and buildings except the land on Faith Avenue and the recently purchased Solomon's Supercenter property on Old Trail Road.

Due to the decrease in fair market value of one of the Company's properties beyond its original cost, \$0.2m was included in the Statement of Profit or Loss and Comprehensive Income as a loss on property revaluation. The values of all other properties increased in total by \$1.6m which is reported as a property revaluation surplus in the Statement of Equity and as other comprehensive income in the Statement of Profit or Loss and Comprehensive Income.

The net book value of land, land improvements and buildings that would have been included in the consolidated financial statements had the Company not adopted a revaluation policy is \$33,941 (2023: \$24,546).

The fair value measurement of the Company's land, land improvements and buildings is categorized in Level 3 in the fair value hierarchy. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs. There were no transfers between the levels during the year.

(Concluded)

11. GOODWILL

Goodwill on business acquisitions is as follows:

	2024	**2023**
Balance, beginning of period	\$ 2,976	\$ 2,976
Impairment	-	-
Balance, end of period	\$ 2,976	\$ 2,976

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- Cost Right Freeport
- Exuma Markets
- Domino's

The Company's annual impairment exercise indicated no impairment on the remaining goodwill as of April 30, 2024 (2023: \$Nil). The Company based its valuation of the cash generating units to which Goodwill has been assigned using a total of NPV (net present value) of projected cash flows and NPV of terminal values. The NPV of projected cash flows were based on cash flows for five (5) years using the Company's base growth rate discounted by the weighted average cost of capital ("WACC") less perpetual growth rate. The Company used a WACC between 12.2% to 13.2% (2023: 13.5% to 14.5%) and growth rate assumptions of 4.2% to 6.3% (2023: -5.7% to 8.1%) in its valuation. NPV of the terminal value was determined by multiplying the annual cash flows by the discount factor.

12. BANK LOAN

The Company's credit arrangement with RBC Royal Bank (Bahamas) Limited dated April 6, 2023, includes five Reducing Demand Loans totaling $25,474 (2023: $34,250) repayable over 10 years at a blended rate of Nassau Prime + 0.5%. During the year, $13,923 (2023: $4,500) was drawn down on the existing facilities. As of April 30, 2024, two loans were fully drawn down and a total of $3,277 remained available for draw down between two loans.

The credit facilities are secured with guarantees and postponement of claims, by fixed and floating debentures over certain Company assets and by the assignment of insurance policies pertaining to loss of profits, and damage to buildings, equipment, and inventories.

	2024	2023
Due within 1 year	$ 2,544	$ 1,871
Due within 2 to 5 years	9,647	4,135
Due > 5 years	6,977	2,079
Total	$ 19,168	$ 8,085

13. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable, taxes payable and accrued expenses consist of the following:

	2024	2023
Accounts payable - trade	$ 9,913	$ 10,518
Taxes payable	1,275	693
Accrued expenses	5,084	5,082
Total	$ 16,272	$ 16,293

14. PREFERENCE SHARES

The Company's authorized preference share capital consists of 150,000 Redeemable Non-Voting Cumulative Preference Shares.

Preference shares are entitled to cumulative preferential dividends and are redeemable at the issue price. The Company may redeem the shares, in whole or in part, earlier than scheduled by giving the shareholders 90 days written notice. During the year ending April 30, 2024, dividends totaling $408 (2023: $486) were paid to preference shareholders.

During 2022, the Company restructured its existing preference debt to allow for an interest only period until 2025. Preference shareholders who participated in the restructure were moved to a newly formed Preference Share Class E.

(Continued)

As of April 30, 2024, the following classes of preference shares were issued and outstanding at $1,000 per share:

Class	Authorized	Issued and Outstanding 2024	2023
E	25,000	6,801	6,801
	25,000	6,801	6,801

They are redeemable as follows:

	2024	2023
Due within 1 year	$ -	$ -
Due within 2 to 5 years	5,441	5,441
Due > 5 years	1,360	1,360
Total	$ 6,801	$ 6,801

(Concluded)

15. LEASES

The Company and its subsidiaries lease certain retail and office space under non-cancellable operating leases. As of April 30, 2024, 15 leases (2023: 14) are in effect. Four of these leases include variable lease terms where rent is paid on three of the leases at a minimum of $500 annually and on one at a minimum of $280 annually or a range of 3% to 3.5% of sales. Additionally, 12 of the leases include lease extension options that allow the Company to extend for periods from 2 years to 19 years. The leases do not provide for any restrictions that could impact the current nature of the operations. During the prior year, the Company entered into a new lease for its Solomon's Downtown Freeport location. The lease has a non-cancellable period of five years with five options to renew for a further five years each.

Right-of-use assets

The statement of financial position shows a separate line item for the right-of-use assets, which comprises the following:

	2024	2023
Right-of-use asset		
Land, land improvements and buildings	$ 28,986	$ 28,094

Movement in right-of-use asset is as follows:

(Continued)

	2024	2023
Beginning balance	$ 28,094	$ 24,304
Additions - new lease contracts	3,478	6,753
Adjustments to leases during the year	(111)	(68)
Depreciation for the year	(2,475)	(2,895)
Ending balance	**$ 28,986**	**$ 28,094**

The following amounts are recognized in the statement of profit or loss:

	2024	2023
Depreciation charge for right-of-use assets	$ 2,475	$ 2,895
Interest expense on lease liabilities (included in interest expense)	1,469	1,416
Expense relating to variable lease payments not included in lease liabilities (included in selling, general and administrative expenses)	2,107	3,127
Total expenses related to leases	**$ 6,051**	**$ 7,438**

Cashflows

The following amounts are recognized in the statement of cash flows related to leases:

	2024	2023
Cash outflows for leases - financing activities		
Principal	$ 2,160	$ 2,555
Interest	1,469	1,416
	3,629	**3,971**
Cash outflow for leases - operating activities	**2,107**	**3,127**
Total cash outflows	**$ 5,736**	**$ 7,098**

The maturity analysis for the undiscounted lease payments to be made after April 30, 2024 in relation to non-cancellable operating leases are as follows:

	2024	2023
Due within 1 year	$ 3,368	$ 3,567
Due within 2 to 5 years	6,886	8,770
Total	**$ 10,254**	**$ 12,337**

(Concluded)

16. ORDINARY SHARE CAPITAL AND TREASURY SHARES

As of April 30, 2024, 15,008,048 (2023: 15,008,048) ordinary shares of par value of $0.50 each were issued and fully paid.

In June 2014, the Company re-instated a share buy-back plan. This program is to be reviewed annually by the Board of Directors. During the year ended April 30, 2024, no shares (2023:0) had been repurchased at an aggregate cost of $0 (2023: $0). The total amount of treasury shares at April 30, 2024 was 0 (2023: 0) with an aggregate cost of $0 (2023: $0).

17. OTHER OPERATING INCOME

Other operating income comprises rental income, interest income, and other miscellaneous income such as club membership income, expiration of unredeemed gift cards and certificates, commissions from ATMs, vending machines income, visa credit card rewards, and purchasing rebates.

	2024	**2023**
Miscellaneous income	$ 1,070	$ 1,281
Rental income	95	222
Interest income	3	3
Total	**$ 1,168**	**$ 1,506**

18. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Included in selling, general and administrative expenses are the following items:

	2024	**2023**
Payroll and related costs	$ 22,265	$ 20,768
Facilities and rent	10,264	10,251
Sales and marketing expenses	7,829	7,218
Depreciation	6,730	6,814
Other costs	3,161	2,580
Office and computer costs	1,931	1,932
Pension contributions	246	229
Directors' fees	197	126
Total	**$ 52,623**	**$ 49,918**

Included in payroll and related costs is $2,104 (2023: $2,114) representing compensation for key members of management. This amount includes salaries and other employee benefits.

19. EARNINGS PER SHARE

Earnings per share are calculated by dividing the results for the period by the weighted average number of ordinary shares in issue less treasury shares during the respective periods. There were no dilutive transactions during the period that would have an impact on earnings per share.

Earnings per share have been calculated based on the following:

	2024	2023
Net profit applicable to continuing operations	$ 4,902	$ 2,803
Weighted average number of ordinary shares outstanding ('000s)	15,008	15,008

20. COMMMITMENTS AND CONTINGENCIES

Capital commitments amounting to $1,696 were outstanding as of April 30, 2024 (2023: $8,550).

Legal contingencies - The Company and its subsidiaries are involved in various claims and legal actions arising in the ordinary course of business, in which it is a defendant. Based on legal advice, Management has assessed the likelihood of loss, made accruals where deemed necessary, and do not expect the final outcomes of the legal actions to have a material effect on the Company's consolidated financial position.

The Company has letters of credit and guarantees of $4,380 outstanding as of April 30, 2024 (2023: $4,320).

21. RELATED PARTY TRANSACTIONS

Balances and transactions not disclosed elsewhere in these consolidated financial statements are disclosed below:

The Company has leases with companies in which a Director had a significant influence as follows:

- A five-year lease term renewable for five subsequent periods of five years each with rent totaling $743 (2023: $754) was included in Selling, General and Administrative expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income. The total amount payable as of April 30, 2024 was $20 (2023: $25) and was included in Accounts Payable and Accrued Expenses in the Statement of Financial Position. The minimum lease payments over the non-cancellable period of this lease at April 30, 2024 was $1,773 (2023: $2,380).

- A five-year lease term renewable for five subsequent periods of five years each with rent totaling $365 (2023: $43) was included in Selling, General and Administrative expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income. The total amount payable as of April 30, 2024 was $7 (2023: $15) and was included in Accounts Payable and Accrued Expenses in the Statement of Financial Position. The minimum lease payments over the non-cancellable period of this lease at April 30, 2024 was $1,382 (2023: $1,778).

(Continued)

- The Company has also leased space to a company in which a director has significant influence. The Company recorded a total of $34 (2023: $34) in rental income which was included in Other Operating Income in the Consolidated Statement of Profit or Loss and Comprehensive Income. The total amount receivable as of April 30, 2024 was $8 (2023: $11) was outstanding and recorded in Receivables, net of provisions in the Statement of Financial Position.

In 2024, total remuneration of Directors was $ 197 (2023: $126) and was included in Selling, General and Administrative expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income. Unamortized amounts related to annual retainers to Directors totaled $60 (2023: $68) and were included in Other Current Assets in the Statement of Financial Position.

(Concluded)

22. SEGMENT REPORTING

Segment reporting is presented in the Company's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical segments - The Company and its subsidiaries operated on three Islands within The Bahamas during the fiscal year: Grand Bahama, Exuma, and New Providence.

The Company considers the economic environment in the three Bahamian Islands to be similar in terms of risks and returns, and therefore concludes that it operates in one geographic segment.

Business segments - The Company and its subsidiaries operate principally in three business segments: Food Distribution, Food Franchise and Corporate. The Food Distribution segment consists of the retail and club distribution of consumer and food products in Grand Bahama, Exuma, and New Providence. The Food Franchise segment consists of the manufacturing and delivery of pizza in Grand Bahama and New Providence. The Corporate segment consists of the Company's real estate and corporate management.

(Continued)

	Food Distribution		Food Franchise		Corporate		Consolidation	
	2024	2023	2024	2023	2024	2023	2024	2023
Sales	$ 180,661	$ 175,282	$ 10,294	$ 9,669	$ -	$ -	$ 190,955	$ 184,951
Gross profit	52,389	47,261	6,913	6,430	-	-	59,302	53,691
Gross profit %	29.0	27.0	67.2	66.5	-	-	31.1	29.0
Operating profit / (loss)	24,143	20,055	1,400	1,586	(11,150)	(9,582)	14,393	12,059
Depreciation	(4,969)	(5,072)	(345)	(400)	(1,416)	(1,342)	(6,730)	(6,814)
Dividends on preference shares	-	-	-	-	(408)	(486)	(408)	(486)
Loss on property revaluation	-	-	-	-	(237)	-	(237)	-
Interest expense	(1,431)	(1,373)	(38)	(43)	(631)	(325)	(2,100)	(1,741)
Pre-opening expenses	-	-	-	-	(16)	(215)	(16)	(215)
Net profit (loss)	**$ 17,743**	**$ 13,610**	**$ 1,017**	**$ 1,143**	**$ (13,858)**	**$ (11,950)**	**$ 4,902**	**$ 2,803**

(Concluded)

23. FINANCIAL INSTRUMENTS

The Company in the normal course of business uses various types of financial instruments. Information on financial risks and fair value of these financial instruments is set out below.

a. Interest rate risk - The Company is exposed to interest rate risk on term deposits and long-term debt, except preference shares which have a fixed interest rate. Management monitors interest bearing assets and liabilities to minimize the gap between interest rates.

   If interest rates had been 1% higher/lower, net profit for the year ended April 30, 2024 would decrease/increase by $178 (2023: $106) as a result of the change in interest rate.

b. Credit risk - The Company is exposed to credit risk in respect of losses that would have to be recognized if counterparties fail to perform as contracted.

   The Company's exposure to credit risk is primarily in respect of accounts receivable, bank balances, and short-term deposits. Credit risk on bank balances and short-term deposits is limited because counterparties are reputable and well-established financial institutions. The Company's credit risk is thus primarily limited to accounts receivable, which is shown net of provision for doubtful accounts. The Company has no significant concentration of credit risk.

c. Liquidity risk - The Company is exposed to liquidity risk if it encounters difficulty in raising funds to meet commitments associated with financial instruments.

   Prudent liquidity risk management implies maintaining sufficient cash. The Company monitors and maintains a level of bank balances deemed adequate to finance its operations. The Company deposits cash with financial institutions of good standing and maintains an overdraft facility as described in Note 5.

d. Capital risk management - The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from the year ended April 30, 2023.

   The capital structure of the Company includes debt and equity comprised of issued capital, revaluation surplus, and retained earnings.

e. Fair value of financial assets and liabilities - The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

   In management's opinion, the estimated fair value of financial assets and financial liabilities at April 30, 2024 were not materially different from their carrying values.

   The fair values of the Company's short-term financial instruments comprising accounts receivable, bank balances, other assets and accounts payable and accrued expenses, are not considered to be materially different from their carrying values due to their short-term nature.

(Continued)

The fair values of the Company's non-current financial instruments, comprising primarily bank loan and preference shares are estimated to approximate their carrying value as they bear interest rates which approximate market rates. For purposes of the fair value hierarchy, these instruments are classified as Level 2, whereby fair value is estimated using inputs, other than quoted prices, that are observable either directly (that is, as prices) or indirectly (that is, derived as prices).

(Concluded)

24. SUBSEQUENT EVENTS

On June 5, 2024, the Company declared an ordinary dividend of $0.04 per share and an extraordinary dividend of $0.03 per share payable on June 26, 2024, to shareholders of record on June 21, 2024.

* * * * * *

Corporate Governance

Duties of the Board

The Board of Directors of the Company has the obligation to oversee the conduct of the business of the Company and to supervise the Executive Management that is responsible for the day-to-day conduct of the business. Any responsibility that is not delegated to a committee of the Board or Executive Management remains with the full Board. The Board of Directors deals with all matters that materially impact the Company, including but not limited to divestments, acquisitions, new financings, and share transactions. The Board of Directors of the Company will comprise of a maximum of ten members who are elected at the Annual General Meeting. Of these Directors, only Mr. Gavin Watchorn is an executive of the Company.

The Board of Directors has established a written Code of Conduct to serve as a guideline for good business practices and ethical standards of behavior. Each Director and Officer of the Company has confirmed their compliance with the Code of Conduct in the year ended April 30, 2024.

Board Nominations

The Corporate Governance Committee is responsible for identifying potential new Directors and recommending selected nominees to the Board. The Board then considers Director nominees for election at the next annual meeting of members. The Board also has the authority to appoint a Director to fill a casual vacancy, which may arise during the year. In making its candidacy recommendations, the Committee will consider the competencies and skills that the Board considers to be beneficial to the ongoing function of the Board and the ability of the candidates to commit the necessary time to perform their duties.

In December 2023, Ms. Alison Treco resigned as Board Member. Subsequently, in January 2024, Mr. Juan Lopez was appointed to fill the casual vacancy of the Board of Directors.

Committees of the Board of Directors

The Board of Directors has delegated certain of its responsibilities to sub-committees of the Board. Such committees are generally responsible for reviewing matters specified in their mandates and making recommendations to the Board, which retains ultimate decision-making authority. The Board of Directors has constituted the following committees:

- Audit Committee
- Personnel Committee
- Corporate Governance Committee

Audit Committee

The Audit Committee, which is comprised of Directors who are neither paid officers nor employees of the Company or any of its subsidiaries, is responsible for the oversight of the financial reporting and internal controls of the Company, which includes the review and evaluation of the appropriate accounting principles and practices to be observed in the preparation of the accounts of the Company and its subsidiaries. The operations of the Audit Committee are governed by the Audit Committee mandate which is approved by the Board of Directors. The Audit Committee mandate addresses all of the required functions as set out by the Securities Industry (Corporate Governance) Rules, 2019.

The Audit Committee has responsibility for reviewing practices and procedures with a view to ensuring compliance with reporting and disclosure requirements of applicable securities laws, related to financial performance and material undertakings and activities of the Company and its subsidiaries. The Audit Committee also has initial responsibility for reviewing, when appropriate, public disclosure documents containing material financial information, including registration statements and prospectuses pertaining to the issue of securities in the Company prior to their submission to the Board. During the fiscal year, the Audit Committee members consisted of Mr. Sunil Chatrani (Chair), Mr. Franklyn Butler II, Mrs. Meike de Vaere-Hoorn, Mr. Jeff Gordman, Ms. Alison Treco (resigned in December 2023) and Mr. Juan Lopez (appointed in January 2024).

Personnel Committee

The Personnel Committee provides advice and direction to the Board and Chief Executive Officer on policy related to human resource management, generally. It reviews and assesses in conjunction with the Board the performance of the Chief Executive Officer and, with the Chief Executive Officer, all other key members of Senior Management who report to the Chief Executive Officer. It also reviews and recommends for approval by the Board, the performance targets and the creation, amendment or termination of benefit and compensation plans and major organizational changes affecting the Company. It monitors human resources policies and programs, establishes a methodology or process for Senior Management succession planning and reviews successor plans for key members of Senior Management.

Its primary responsibility is the approval of, where appropriate, and for making recommendations for approval by the Board with respect to matters related to human resource management, compensation and benefit programs, Senior Management succession planning, the appointment and compensation of key members of Senior Management and the appointment of officers of the Company. During the fiscal year, the Personnel Committee members consisted of Mr. Robert Sands (Chair), Mrs. Meike de Vaere-Hoorn, Mrs. Tara Cooper Burnside, and Mr. Sunil Chatrani.

Corporate Governance Committee

The purpose of the Corporate Governance Committee is to develop, recommend and administer the corporate governance guidelines of the Company. The Committee assists the Board by identifying individuals qualified to become board members and to recommend to the Board the Director nominees for election at the next annual general meeting. During the fiscal year, the Corporate Governance Committee members consisted of Mrs. Tara Cooper Burnside (Chair), Ms. Alison Treco (resigned December 2023), Mr. Franklyn Butler, Mr. Juan Lopez (appointed in January 2024) and Mr. Gavin Watchorn.

Meetings of Board of Directors

The Board of Directors aim to meet formally at least four times per year. The table below shows Director attendance of meetings held during the fiscal year ended April 30, 2024:

Director	Number of Board Meetings Invitationas	Number of Board Meetings Attended	Number of Committee Meetings Invitations	Number of Committee Meetings Attended
Franklyn Butler II	5	5	6	6
Robert Sands	5	5	2	2
Alison Treco	4	2	5	4
Meike de Vaere-Hoorn	5	3	6	5
Tara Cooper Burnside KC	5	4	4	3
Jeff Gordman	5	5	4	3
Sunil Chatrani	5	5	6	6
Juan Lopez	1	1	1	1
Gavin Watchorn	5	5	8	7

Compensation of Directors

Each Director who is not a salaried employee of the Company or of any of its subsidiaries is paid an annual retainer of $15,000 per annum (2023: $15,000 per annum) except for the Chairman of the Board who receives an annual retainer of $20,000 (2023: $20,000). In addition, a fee of $1,250 per meeting of the main board or sub-committee is paid to each Director, contingent upon attendance. A Director who is the chairperson of a subcommittee receives an additional annual fee of $1,500. Directors are also entitled to reimbursement for reasonable travel and living expenses incurred by them in attending any Board of Directors or committee meetings, which amounted to $7,066 (2023: $4,877) for the year ended April 30, 2024. Total fees, including retainers, for the year ended April 30, 2024 were $200,366 (2022: $193,500).

Director's Interest in Transactions

Mr. Franklyn Butler II, is a Director of Milo B. Butler and Sons Investment Co., Ltd. The Company entered into a lease agreement with Milo B. Butler and Sons Investment Co., Ltd. on April 1, 2012 for an initial term of five years with options to renew for five consecutive terms of five years each. During the year, the Company exercised its option to renew this lease and has extended the lease to include an initial 5 years term plus the option to renew for five consecutive five year terms.

Mr. Franklyn Butler II is also a related party of Milo B. Butler and Sons Limited. The Company entered into an agreement on February 1, 2018 to lease space to Milo B. Butler and Sons Limited commencing on April 1, 2018 for an initial term of five years with an option to renew for an additional five years. The lease is currently operating on a month-to month basis.

On July 1, 2021, the Company, as a lessee, entered into a separate lease agreement with Milo B. Butler and Sons Investment Co., Ltd. to begin on September 1, 2021. The lease has an initial term of five years with five options to renew for five successive years each.

There are no material contracts with related parties. In accordance with the Securities Industry (Corporate Governance) Rules, 2019, a material contract is a contract that has a transaction value of more than two percent of the revenues of a company.

2024
BOARD OF DIRECTORS

Franklyn Butler II
Chairman

Director since 2011
President & Group CEO
Cable Bahamas
New Providence, The Bahamas

Tara Cooper Burnside KC
Director

Director since 2019
Attorney & Partner
Higgs & Johnson
New Providence, The Bahamas

Robert Sands
Director

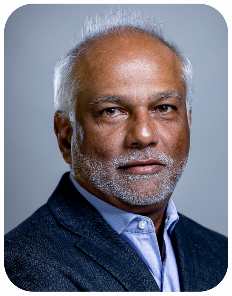
Director since 2003
Senior Vice President
Government & External Affairs,
Baha Mar Resorts Ltd.
New Providence, The Bahamas

Jeff Gordman
Director

Director since 2020
Principal
Jeff Gordman Advisory LLC
Nebraska, United States

Juan Lopez
Director

Director since 2024
Chartered Accountant
New Providence, The Bahamas



Sunil Chatrani
Director

Director since 2020
Executive Chairman
Apes Hill Barbados Inc.
St. Michael, Barbados

Meike de Vaere-Hoorn
Director

Director since 2017
Vice President
Partnerships & Business
Development,
WildBrain CPLG
Amsterdam, Netherlands

Gavin Watchorn
President & CEO, Director

Director since 2006
President & CEO
AML Foods Limited
New Providence, The Bahamas

Making a Difference

Supporting our community and leveraging our voice and strengths to support the people and neighbourhoods that we serve.

Giving back is important to us. Every day, we want to nurture positive change and partner with the community to create opportunities for everyone to live better, healthier lives. Over the past year, driven by our goal to promote food and nutrition security, sustainability and youth empowerment, AML Foods distributed more than $150,000 in cash and in-kind to support programs that align with our core areas of commitment.

To advance food security and help make nutritious food accessible to people in our communities, it is our goal to play a positive role in combating hunger and promoting healthy living. We will continue to raise awareness of the issue and partner with local organizations with a similar a similar mission.

Our company strives to preserve our environment for future generations by adopting ecofriendly practices and efficient supply chain management strategies. As an ally for sustainable policies in food retail, it is our goal to position AML as a leader in the industry.

Motivated by our goal to promote economic growth, we are committed to youth empowerment that promotes training, job readiness and workforce development.

CORPORATE SUPPORT CENTRE

#20 University Boulevard
P.O. Box SS-6322
Nassau, The Bahamas
Tel: 242.677.7200

AUDITORS

Deloitte & Touche
Collins Avenue
2nd Terrace West
P.O. Box N-7120
Nassau, The Bahamas
Tel: 242.302.4800

REGISTRAR & TRANSFER AGENTS

Bahamas Central Securities Depository
310 Cotton Tree Plaza, Unit #4
East Bay Street
P.O. Box N-9307
Nassau, The Bahamas
Tel: 242.322.5522/3

REGISTERED OFFICE

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Tel: 242.322.2511

LEGAL COUNSEL

Higgs & Johnson
Ocean Centre, Montagu Foreshore
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Nassau, The Bahamas
Tel: 242.502.5200

BANKERS

RBC Royal Bank (Bahamas) Limited
Royal Bank House
East Hill Street
P.O. Box N-7459
Nassau, The Bahamas
Tel: 242.322.8700

FINANCIAL ADVISORS

Providence Advisors Limited
2nd Floor, Goodman's Bay
Corporate Center
P.O. Box AP-59223
West Bay Street
Nassau, The Bahamas
Tel: 242.328.7115

STORES DIRECTORY

RETAIL DIVISION SOLOMON'S

NEW PROVIDENCE

Solomon's Old Trail
East West Hwy & Old Trail Road

Solomon's Yamacraw
Yamacraw Hill Road

GRAND BAHAMA

Solomon's Lucaya
Sea Horse Shopping Plaza

Solomon's Downtown
Downtown, Freeport

EXUMA

Exuma Markets
George Town

RETAIL DIVISION SOLOMON'S FRESH MARKET

NEW PROVIDENCE

Solomon's Fresh Market
Old Fort Bay Town Centre

Solomon's Fresh Market
Harbour Bay Shopping Plaza

WAREHOUSE CLUB DIVISION COST RIGHT

NEW PROVIDENCE

Cost Right Wholesale Club
Town Center Mall

GRAND BAHAMA

Cost Right Wholesale Club Freeport
The Mall Drive

FRANCHISE DIVISION DOMINO'S PIZZA

NEW PROVIDENCE

Blue Hill Road
Cable Beach Shopping Center
Carmichael Road
Coral Harbour Shopping Center
Golden Gates Shopping Center
Harbour Bay Shopping Plaza
Mall at Marathon
Sea Grapes Shopping Center
South Beach Shopping Center

GRAND BAHAMA

RND Plaza