ANNUAL REPORT

2021

FOODS LIMITED

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AML Foods Limited is an innovative Bahamian Company with operations in New Providence, Grand Bahama and George Town Exuma. Our brands – Solomon's, Solomon's Super Centre, 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; Hunger Prevention & Healthy Living, The Environment, Youth Empowerment and Volunteerism.

At AML we are committed to driving operational efficiencies and running our businesses better, as well as providing our customers with value while remaining competitive. 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, and our shareholders.

AML Foods' Retail Distribution Division comprises six grocery store locations; four in New Providence which include Solomon's Super Center, Solomon's Yamacraw, Fresh Market Old Fort Bay and Fresh Market Harbour Bay; one in Grand Bahama, Solomon's Lucaya, and one in Exuma, Exuma Markets. These stores offer a wide range of consumer products from food items to general merchandise and clothing. Our team members work every day to ensure that each location offers affordable products meeting the highest quality standards. By focusing on making the retail experience an enjoyable one 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 convenient shopping. Our team members are dedicated to giving customers value on the products we supply, all while making shopping a pleasant 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.

Our E-Commerce Distribution Division is comprised of the web based platform www.dominos242.com, which allows customers to purchase their pizza online for carryout, dine-in or delivery. Domino's Pizza Bahamas was the first local pizza company to offer this engaging ordering experience to Bahamians.

AML Foods Limited is a publicly traded company with 1,200 individual shareholders and is listed on the Bahamas International Stock Exchange. The Company employs 809 associates in New Providence, Grand Bahama and Exuma.

Mission	Deliver the best grocery experiences, fresh products and great service
Vision	Transform AML 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

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 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 be comprised 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 behaviour. Each Director and Officer of the Company has confirmed their compliance with the Code of Conduct in the year ended April 30, 2021.

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 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.

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 Ms. Alison Treco (Chair), Mrs. Meike de Vaere-Hoorn, Mr. Michael Maura (resigned December 2020), Mr. Jeff Gordman (appointed March 2021) and Mr. Sunil Chatrani (appointed March 2021).

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), Mr. Franklyn Butler (resigned March 2021), Mrs. Meike de Vaere-Hoorn, Mrs. Tara Cooper Burnside (appointed March 2021) and Mr. Sunil Chatrani (appointed March 2021).

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) (appointed March 2021), Ms. Alison Treco (appointed March 2021), Mr. Franklyn Butler, Mr. Craig Symonette (resigned December 2020) and Mr. Gavin Watchorn. In June 2021, Mr. Franklyn resigned as Chair of the Corporate Governance and Mrs. Tara Cooper Burnside became Chair.

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, 2021:

Director	Number of Board Meeting Invitations	Number of Board Meetings Attended	Number of Committee Meeting Invitations	Number of Committee Meetings Attended
Franklyn Butler II	6	6	2	2
Robert Sands	6	6	2	2
Alison Treco	6	6	4	4
Meike de Vaere-Hoorn	6	6	6	6
Tara Cooper Burnside	6	5	2	1
Jeff Gordman	2	2	1	0
Sunil Chatrani	2	2	1	1
Mike Maura	3	3	3	3
Craig Symonette	3	3	1	0
Gavin Watchorn	6	6	7	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 (2020: $15,000 per annum) except for the Chairman of the Board who receives an annual retainer of $20,000 (2020: $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 $Nil for the year ended April 30, 2021. Total fees, including retainers, for the year ended April 30, 2021 were $204,750.

Director's Interest in Transactions

Mr. Franklyn Butler, II is the Chairman 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. The Company exercised its option to renew this lease on April 1, 2017.

During the year, the Company, as a lessee, operated on a month-to-month lease under terms of an expired agreement with Milo B. Butler and Sons Investment Co., Ltd. The month-to-month lease ended in April 2021.

Mr. Franklyn Butler, II is also the Chairman 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.

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.

2021 BOARD OF DIRECTORS

Franklyn Butler II
Chairman

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

Tara Cooper Burnside
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

Alison Treco
Director

Director since 2017
Director & Shareholder
FT Consultants Ltd.
New Providence, The Bahamas

Sunil Chatrani
Director

Director since 2020
Chairman
The Barbados Hotel & Tourism Association
St. Michael, Barbados

Meike de Vaere
Director

Director since 2017
Marketing Consultant
Amsterdam, Netherlands

Gavin Watchorn
President & CEO, Director

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

CHAIRMAN'S MESSAGE

As Chairman, I am delighted to report on the fiscal 2020/21 progress of the company which I would describe as one where in the face of much uncertainty, we were able to "Deliver the best grocery experiences, fresh products and great service." While the upheaval of global supply chains certainly impacted our business, I believe our team remained committed and rose to the occasion at every turn during this year, where COVID-19 continued to impact the way we operate and serve our customers. As we embarked on our 30th year as a company, we affirmed our Vision to "Transform AML into the most valued and trusted retailer in The Bahamas", and we ended the year more certain than ever of the essential role, that our investment in technology and training and development for our team will play, in growing our business and servicing our communities.

On behalf of the Board, I would like to recognize all our team members who rose to meet every challenge over the last year, who sacrificed to be present and to serve our community in the face of uncertainty, with great duty and pride. Thank you for truly committing to "Being One Team" and for "Wowing our customers" when you could have allowed fear and uncertainty to impact not just our customer experiences, but your personal lives. I am incredibly proud of how the team at AML brought our values to life. We truly "Led by example" whether it was through the implementation of the safety protocols put in place throughout our stores, or managing our supply chain and acting nimbly in partnership with our local and international supply network partners, to manage out of stocks. Our results reflect the team bringing these values to bear in our operations. I acknowledge that there is still much to do in this area to improve out of stocks and strengthen our core systems supporting our supply chain, but I am convinced that our investment in these areas will enable greater self-service of our customers, and put AML on a path to lead digital retailing here in The Bahamas – "We will always be our best". In addition to this investment, I am pleased to note that our teams managed well the risks associated with the soft domestic economy and kept expenses in line with targets, which mitigates any future impact of reduced sales and volumes.

We are excited to expand our operations to Exuma, adding to our grocery store portfolio, and we expect that this acquisition along with other business development opportunities, including our new store in Downtown Freeport, will continue to support our growth strategy.

I want to thank my fellow Board members for contributing their business expertise, insights, time, and industry knowledge over the year – especially in this new virtual way of working. Also, I commend our Senior Leadership Team for so capably executing AML's business strategy in a turbulent year. Although much uncertainty remains, I feel confident that AML is on a strong footing as we look to the future. It is my privilege and with great pride that I share this 2021 Annual Report that highlights a story of our Vision, Mission and Values coming to life, as we cautiously look ahead and move the company to an even brighter future over the next 30 years and beyond.

Franklyn Butler II
Chairman

CHIEF EXECUTIVE OFFICER'S MESSAGE

It is my pleasure to write to you again as Chief Executive Officer of our Company, reflecting on the past year which has been anything but normal, as well as looking to the future with a sense of opportunity and expectation.

Our team continues to do a great job in managing through the additional complexities that the COVD-19 pandemic has brought to our industry. Doing business in The Bahamas has never been easy, and the pandemic has only intensified these difficulties as health and safety concerns, changing customer expectations, and limitations in supply chain presented additional challenges for us to work through. Our team has performed admirably in the face of these circumstances, and I wish to publicly thank them for their efforts and personal sacrifices to serve our customers and our communities. These efforts have resulted in our Company recording greatly improved sales and profitability.

While we all yearn to return to the life we knew prior to COVID-19, it is becoming more apparent, that certain aspects of the changes we have experienced over the past 12-18 months will remain a part of our daily routines and processes. Health and safety concerns for our customers will remain elevated, as well as the expectation of quality products and service. The use of technology to determine how and where we work and manage our business to drive efficiencies will also continue.

These are exciting times for our Company. In June 2021, we welcomed our team members from Exuma Markets into the AML Family. The acquisition of Exuma Markets provides us with an opportunity to serve the communities of the Exuma Islands and Cays, and we look forward to delivering exceptional customer experiences to this new market. We eagerly anticipate the re-opening of Solomon's Freeport in its new location in Downtown Freeport in early 2022. While this store was badly impacted by Hurricane Dorian in September 2019, our commitment to the Grand Bahama community never wavered. Both additions are a part of our strategy to grow our Company by establishing a network of smaller, neighborhood focused stores, operating within a lower footprint and with lower investment and operating costs.

The Bahamas remains economically challenged, with certain industries working to rebound from the impact of the pandemic and unemployment remaining high. Tourism, our main industry, is showing signs of a strong rebound, and while we are hopeful, we must be mindful that our nation's recovery may be prolonged.

Our focus is very clear – provide great experiences for our customers. We are steadfast with this focus and are expecting that we will deliver consistent results and growth, as we manage our day-to-day operations more effectively and capitalize on business development opportunities.

I am appreciative of the support of my executive and management team, our associates, our customers, and our shareholders. Each of you support the success of our Company and I look forward to working with each of you to record another successful year.

Gavin Watchorn,
President and CEO

2021 EXECUTIVE TEAM

President & Chief Executive Officer
Gavin Watchorn, FCA

Chief Human Resources Officer
Rhonda Rolle, MSc, SPHR, SHRM-SCP

Chief Financial Officer
Davette Lightbourne, BComm., CPA

Vice President Marketing & Communications
Business Development
Renea Bastian, BA, MBA

Vice President Inventory & Loss Prevention
Carlos Sands, Master Course Loss Prevention

Vice President Facilities
Richard Jones, BSc. Eng.

Vice President Human Resources
Kimberly Bodie, PHRi, CHRM

Vice President Information Technology
Dave Forbes, CISA, CEH

Vice President Purchasing
Shannon West, BA

Group Financial Controller
Paula Plakaris

District Manager Food Distribution
Nelson Moss

Director of Franchise Operations
Etienne Clement, MBA

Management will use this report to provide an analysis of the movements in AML Foods Limited's ("AML" or "the Company") balance sheet, cash flow statement and statement of equity for the fiscal year beginning May 1, 2020 to April 30, 2021, and to discuss significant results from operations for the year ended April 30, 2021.

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, 2021, AML recorded a net profit of $11.1m, up $9.7m or 673% compared to the year ended April 30, 2020. Net operating profit increased by $2.0m from $6.8m to $8.8m, an increase of 30.9%. Sales increased by $2.5m (or 1.4%) and SGA as a percentage of sales improved from 27.3% to 26.3%, impacting profit positively by $1.6m. During the year, the Company received and recorded $4.7m of net hurricane recoveries.

The Company's balance sheet remains strong with total assets of $109m, an increase of $6.4m compared to April 30, 2020. Total current assets increased by $7.9m, driven mostly by an increase in cash and bank balances of $6.5m. Net property, plant and equipment increased during the year, as we recorded a revaluation surplus of $2.5m due to our tri-annual appraisal of land and buildings.

During the year, AML declared and paid dividends of $2.9m representing 26% of the current year's net profit. Cumulatively, for the past three years, dividends distributed totaled $7.7m and represents 48% of net income for the same period. Earnings per share was $0.74 for the 12 months ended April 30, 2021 compared to $0.10 for the comparative period.

BALANCE SHEET REVIEW

CASH AND BANK BALANCES

The Company's cash and bank balances increased during the year by $6.5m from $7.3m at April 30, 2020 to $13.8m at April 30, 2021. Cash generated from operating activities was $20.1m, an increase of $2.9m over prior year. During the year, the Company received $4.9m in Hurricane Dorian insurance recoveries which contributed largely to its increase in cash. The Company also invested $2.9m in capital expenditures primarily to improve leasehold assets and invest in various IT infrastructure. In October 2020, the Company restructured its existing preference shares to allow for an interest only period through 2025 for those shareholders who opted to participate. The Company was able to reduce its principal payments during the year by $1.1m through the preference share restructure. Ordinary shareholders received dividends of $2.9m during the year and bank debt payments totaled $1.8m for the twelve months ended April 30, 2021, both comparative to prior year.

MERCHANDISE INVENTORIES

Merchandise inventory was relatively flat during the year. Management continues to focus on maintaining ideal levels of inventory in store backrooms and eliminating excess, slow-turning inventory. For the 12 months ended April 30, 2021, inventory turnover improved to 7 from 6.6.

OTHER CURRENT ASSETS

Other current assets increased to $4.6m at April 30, 2021 from $3.2m at April 30, 2020. Following Hurricane Dorian, many items purchased within the Freeport market were designated as VAT-free and the Company was required to waive VAT for all approved goods at the point of sale. As a result, the Company had a VAT receivable balance of $2.7m as at April 30, 2021, an increase of $1.2m over prior year. The Company has applied through the Department of Inland Revenue to receive a refund of its accumulated VAT credits. As of August 30, 2021, the Company received $1.2m of the VAT credits outstanding at April 30, 2021. The remaining balances in other current assets relate to security deposits, prepaid quarterly rents, and utilities deposits.

PROPERTY, PLANT, AND EQUIPMENT

At April 30, 2021, net property, plant, and equipment ("PPE") increased by $0.8m to $42.7m from $41.9m at April 30, 2020. The movement in the balance comprised of additions of $2.9m, depreciation of $4.6m and a revaluation increase to land and buildings of $2.5m.

During the year, the Company spent $0.9m on upgrades to both its Cost Right Freeport and Solomon's Lucaya locations. This included the relocation of our Freeport Distribution Center to the Cost Right Freeport building. Additionally, in its ongoing journey to improve technology, the Company spent a further $0.8m on various IT hardware and software purchases. The remaining $1.2m was spent on various leasehold improvements and equipment upgrades across all locations. Depreciation expense excluding right-of-use assets was flat during the year, despite net PPE additions, as many assets in our older locations became fully depreciated during the year.

For the year ended April 30, 2021, the Company performed its standard tri-annual property revaluation which resulted in an increase in its land and buildings values of $2.5m. The increase in the value of land and buildings from the revaluations was included as an addition to revaluation surplus within our Statement of Equity.

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 $16.4m at April 30, 2021 compared to $16.0m at April 30, 2020. Included in the accounts payable and accrued expenses balance is taxes payable, which increased during the year by $1.3m and comprised primarily of outstanding business license fees.

Accrued expenses decreased by $1.1m during the year. Several of the Company's leases are based on the higher of a minimum rent payment or a percentage of sales. At April 30, 2020, the Company owed several of its lessors excess rent payments, due to the increased sales that occurred in March and April of 2020 at the onset of the pandemic. These rental payments were settled following the end of the 2020 fiscal year and contributed to the reduction in accrued expenses at April 30, 2021. Other key components of accrued expenses are amounts provided for utilities, advertising, and store operating supplies.

PREFERENCE SHARES

For the period ended April 30, 2021, the Company had a total of 9,584 issued and outstanding preference shares compared to 10,211 shares at April 30, 2020. During the year, a total of 6,800 preference shares were converted to a new Class E and resulted in a decrease in principal payments of $0.6m, compared to $1.8m in the prior year. The new Class E shares are interest only through 2025. Dividends of $0.6m were paid to preference shareholders during the year

BANK LOANS

The Company has two bank loans with RBC Royal Bank (Bahamas) Limited which bear a blended interest rate of 4.75% each. The Company made payments of $1.4m towards the principal outsanding on its bank loans during the year. At April 30, 2021, the total principal amount outstanding on the Company's loans was $7.0m.

INCOME STATEMENT REVIEW

For the 12 months ended April 30, 2021, the Company recorded its highest net profit in any single year. Net profit was $11.1m compared to a net profit of $1.4m for the 12 months ended April 30, 2020. During the year, the Company received insurance recoveries related to Hurricane Dorian claims in the amount of $4.9m which was included in the current year's profit and loss. Expenses were well managed and were $0.9m (or 2.0%) lower than prior year despite a 1.4% sales growth during the year. Given the decreasing debt balances for both preference shares and bank loans, dividends on preference shares and interest expense also decreased during the year by $0.2m. The Company incurred $0.1m of pre-opening expenses during the last quarter of the year, related to its new Exuma location which subsequently opened in June 2021.

SALES

Sales performance was strong during the year despite the challenges faced globally caused by the COVID-19 pandemic. For the tenth consecutive year, sales growth was positive. Total sales were $174.9m for the 12 months ended April 30, 2021 compared to sales of $172.4m for the 12 months ended April 30, 2020.

Within our Food Distribution division, customer habits continued to trend toward larger basket sizes but lower shop frequency. Compared to 2020, transaction counts decreased by 16% while average spend increased by 23%. Overall, our Food Distribution segment recorded sales of $168.1m, an increase of $3.7m or 2.2% over prior year. Food Distribution sales accounted for 96% of total sales.

Our Franchise division sales struggled during the year amidst the various lockdowns and reduced operating hours as imposed by the Government throughout the year. For the majority of the year, our Domino's locations operated on reduced hours and there were periods of extended closures, particularly during the month of August 2020 when the operations were closed for the entire month. This had a significant impact on our Franchise division's performance, and sales decreased by $1.3m or 15% for the year ended April 30, 2021.

GROSS PROFIT

Gross profit margin percentage for the 12 months ended April 30, 2021 increased for a third consecutive year to 30.8%, compared to 30.7%, for the year ended April 30, 2020, and 30.6% for the year ended April 30, 2019. Our teams remain focus on leveraging buying power and pricing tools to offer customers the best value. Shrink performance for the year did not improve as expected and was 3.9% of sales. Several factors impacted our shrink levels including over ordering in our perishables department. Management has implemented several tools to better align purchases with forecasted and historical sales data. We have continued our focus on this area and expect to see an improvement in shrink in the upcoming year.

EXPENSES

Selling, General, and Administrative expenses (SGA) for the 12 months ended April 30, 2021 totaled $46.0m and was lower than prior year by $0.9m. As a percentage of sales, SGA expenses decreased to 26.3% for the 12 months ended April 30, 2021 compared to 27.3% for the 12 months ended April 30, 2020.

Management has managed expenses well throughout the year and has been able to reduce operating expenses despite the increase in sales. Expense reductions were experienced primarily in payroll and facilities costs. Included in SGA costs during the year, was $0.4m of bonus payments made to staff members in recognition of their hard work throughout the pandemic.

The Company reduced its utilities spend by $0.9m driven by a 9% decrease in energy usage for the 12 months ended April 30, 2021. This positively impacted overall facilities costs. The reduction comes as part of an ongoing plan to reduce overall energy usage across all locations.

2020-2021 OUTLOOK

OPPORTUNITIES AND INVESTMENTS

During the fiscal year ended April 30, 2021, the Company increased sales throughout its locations while incurring less overhead costs. Management remains committed to identifing more ways to increase top line revenues and profit margins. In June 2021, the Company opened its newest location, a 9,600 sqft store in George Town, Exuma, operating under the trade name of Exuma Markets. The new location puts the company one step forward in achieving top line revenues of $250m by 2030. Additionally, in July 2021, the Company entered into an agreement to lease space in the Downtown Freeport area which will be the future site of another one of its Solomon's brand grocery stores. In the near future, the Company has plans to open a new location in the South East district of New Providence and is exploring opportunities for additional sites. Access to data has become increasingly important. Our new business intelligence platform and investment in technology continue to provide insights into customer trends that will provide the steppingstone to the continued success of our Company.

ECONOMIC CONDITIONS, CHALLENGES AND RISKS

The outlook of the global economy remains uncertain as countries around the world continue to face threats of increased COVID-19 cases. Many regions have seen an increase in the rate of spread of the virus as new variants emerge and vaccine hesitancy persists. Local economists suggest that it will likely take years before The Bahamas' economy returns to pre-pandemic levels.

The global pandemic has had a significant impact to our country's number one industry, Tourism. The Bahamas has been issued a Level 4 ranking by the Centers for Disease Control and Prevention (CDC) indicating that the country has very high cases of COVID-19. While travel has resumed for some around the world, various measures such as the need for COVID-19 tests, vaccinations, travel visas and travel insurance, as well as the increased risk of infection has prevented many persons from traveling. With tourism numbers low, this has a pervasive impact throughout the country and has contributed to high unemployment levels.

While the government has provided various support for individuals including stimulus packages, we expect that the short to medium term outlook will impact customer spend especially within our value brands.

It is more important now than ever that the Company looks for ways to provide better value to our customers during this time of downturn within our economy. We continue to believe in driving the best possible value in our product offerings, building supplier relationships, and looking for ways to protect our supply chain from any foreign currency risks that may arise. Additionally, the Company remains committed to the health and safety of its employees and customers. We have implemented recommended safety measures throughout our locations, and continue to provide a safe environment for all our stakeholders.

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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 of April 30, 2021, and the consolidated statement of profit or loss and other 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of April 30, 2021, 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, 2021, the Group carried Goodwill of $1,654,000 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 and relies on significant estimates and assumptions. Management estimates the discount rate and determines assumptions in forecasting future cash flows. 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 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. • Where management's assumptions differed from our expectations, we assessed the impact of the change on the impairment model.

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 2021 annual report, but does not include the consolidated financial statements and our auditors' report thereon ("the Other Information").

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.

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

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 31, 2021

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2021
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2021	April 30, 2020
Assets		
Current assets		
Cash and bank balances (Note 5)	$ 13,781	$ 7,253
Term deposits with original maturities greater than 90 days	281	279
Receivables, net of provisions (Note 6)	1,015	927
Merchandise inventories, net of provisions (Note 7)	17,268	17,331
Other current assets (Note 8)	4,605	3,227
Current assets held for sale (Notes 5 and 22)	-	44
Total current assets	36,950	29,061
Non-current assets		
Other assets (Note 9)	3,313	3,138
Property, plant and equipment, net (Note 10)		
Property, land improvements, and buildings	31,876	29,987
Equipment	6,360	7,187
Leasehold improvements	3,700	4,260
Work in progress	763	484
	42,699	41,918
Right-of-use asset (Note 15)	23,797	27,115
Goodwill (Note 11)	1,654	1,654
Total non-current assets	71,463	73,825
Total assets	$ 108,413	$ 102,886

(Continued)

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2021
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2021	April 30, 2020
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued expenses (Note 13)	$ 16,350	$ 15,997
Current portion of bank loan (Note 12)	1,580	1,438
Current portion of preference shares (Note 14)	626	1,775
Current portion of lease liability (Note 15)	3,802	3,519
Total current liabilities	22,358	22,729
Long-term liabilities		
Bank loan (Note 12)	5,499	7,081
Preference shares (Note 14)	8,958	8,436
Lease liability (Note 15)	22,979	26,744
Total long-term liabilities	37,436	42,261
Total liabilities	59,794	64,990
Shareholders' equity		
Ordinary share capital (Note 16)	7,524	7,524
Treasury shares (Note 16)	(146)	(86)
Contributed surplus	2,231	2,231
Revaluation surplus (Note 10)	6,354	3,857
Retained earnings	32,656	24,370
	48,619	37,896
Total liabilities and shareholders' equity	$ 108,413	$ 102,886

(Concluded)

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors as of August 24, 2021, 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, 2021
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2021	April 30, 2020
Sales (Note 24)	$ 174,898	$ 172,445
Cost of sales	(121,059)	(119,430)
Gross profit (Note 24)	53,839	53,015
Selling, general and administrative expenses (Note 18)	(46,058)	(46,996)
Other operating income (Note 17)	1,061	733
Net operating profit	8,842	6,752
Dividends on preference shares (Notes 14 and 24)	(594)	(666)
Interest expense (Notes 15 and 24)	(1,643)	(1,807)
Hurricane recoveries (losses) (Note 23)	4,669	(1,741)
Pre-opening expenses	(98)	-
(Loss) gain on disposal of fixed assets (Note 10)	(30)	5
Impairment of goodwill (Note 11)	-	(901)
Net profit from continuing operations	11,146	1,642
Discontinued operations		
Loss from discontinued operations (Note 22)	-	(202)
Net profit	$ 11,146	$ 1,440

OTHER COMPREHENSIVE INCOME (LOSS)

	April 30, 2021	April 30, 2020
Gain (loss) on property revaluation that will not be reclassified subsequently to profit or loss	$ 2,497	$ (1,183)
Other comprehensive income (loss)	2,497	(1,183)
Total comprehensive income	$ 13,643	$ 257

Earnings per share from continuing operations (Note 19)	$ 0.74	$ 0.11
Earnings per share from discontinued operations (Note 19)	$ -	$ (0.01)
Earnings per share (Note 19)	$ 0.74	$ 0.10

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED APRIL 30, 2021
(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, 2019	**15,049**	**$ 7,524**	**$ (40)**	**$ 2,231**	**$ 5,040**	**$ 25,789**	**$ 40,544**
Shares repurchased (Note 16)		-	(46)	-	-	-	(46)
Net profit from continuing operations		-	-	-	-	1,642	1,642
Net loss from discontinued operations		-	-	-	-	(202)	(202)
Other comprehensive loss (Note 10)		-	-	-	(1,183)	-	(1,183)
Declared dividends ($0.19 per share)		-	-	-	-	(2,859)	(2,859)
Balance as of April 30, 2020	**15,049**	**7,524**	**(86)**	**2,231**	**3,857**	**24,370**	**37,896**
Shares repurchased (Note 16)		-	(60)	-	-	-	(60)
Net profit from continuing operations		-	-	-	-	11,146	11,146
Other comprehensive income (Note 10)		-	-	-	2,497	-	2,497
Declared dividends ($0.19 per share)		-	-	-	-	(2,860)	(2,860)
Balance as of April 30, 2021	**15,049**	**$ 7,524**	**$ (146)**	**$ 2,231**	**$ 6,354**	**$ 32,656**	**$ 48,619**

See notes to consolidated financial statements.

AML FOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2021
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

	April 30, 2021	April 30, 2020
Cash flows from operations		
Net profit	$ 11,146	$ 1,440
Adjustments for:		
Depreciation (Notes 10 and 15)	8,328	8,007
Impairment on discontinued operations (Note 22)	-	202
Dividends on preference shares (Note 14)	594	666
Decrease in inventory provision (Note 7)	(1,066)	(526)
Decrease in provision for doubtful debts (Note 6)	(20)	(17)
Loss on disposal of property, plant and equipment (Note 10)	30	296
Loss on impairment of goodwill (Note 11)	-	901
Interest on lease liability (Note 15)	1,268	1,370
Operating cash flow before changes in working capital	20,280	12,339
Decrease / (increase) in working capital source/(use):		
Decrease in merchandise inventories (Note 7)	1,129	2,059
Increase in receivables (Note 6)	(68)	(262)
Increase in other current assets (Notes 8 and 22)	(1,378)	(343)
Increase in other assets (Note 9)	(175)	-
Increase in accounts payable and accrued expenses (Notes 13 and 22)	353	3,412
Net cash provided from operating activities	20,141	17,205
Cash flows from investing activities		
Movement in term deposits with original maturities greater than 90 days	(2)	(2)
Additions to property, plant and equipment (Note 10)	(2,934)	(3,100)
Proceeds from sale of property, plant and equipment	13	5
Net cash used in investing activities	(2,923)	(3,097)

(Continued)

See notes to consolidated financial statements.

AML FOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2021
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

	April 30, 2021	April 30, 2020
Cash flows from financing activities		
Dividends paid on ordinary shares (Note 16)	$ (2,860)	$ (2,859)
Dividends paid on preference shares (Note 14)	(594)	(666)
Repurchase of shares (Note 16)	(60)	(46)
Repayment of preference shares (Note 14)	(627)	(1,775)
Repayment of bank loan (Note 12)	(1,440)	(1,373)
Payment of lease liabilities (Note 15)	(5,153)	(5,038)
Net cash used in financing activities	(10,734)	(11,757)
Net increase in cash and cash equivalents	6,484	2,351
Cash, beginning of period	7,297	4,946
Cash, end of period (Note 5)	$ 13,781	$ 7,297
Supplemental information:		
Interest received	$ 4	$ 2
Interest paid	$ 375	$ 442

(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 food franchise businesses.

The Company has six (6) subsidiaries that management deems to be significant to the operations of the Company for the year ended April 30, 2021. 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

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, 2020. 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***

IAS 1 Presentation of Financial Statements (amended)
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amended)
IAS 39 Financial Instruments: Recognition and Measurement (amended)
IAS 41 Agriculture (amended)
IFRS 9 Financial Instruments (amended)
IFRS 16 Leases (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***

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amended)
IAS 16 Property, Plant and Equipment (amended)
IAS 39 Financial Instruments: Recognition and Measurement (amended)
IFRS 1 First-time Adoption of International Financial Reporting Standards (amended)
IFRS 3 Business Combinations (amended)
IFRS 4 Insurance Contracts (amended)
IFRS 7 Financial Instruments: Disclosures (amended)
IFRS 9 Financial Instruments (amended)
IFRS 17 Insurance Contracts (amended)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 parent 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.

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 unrestricted funds. 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" 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 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*** **–** Property and buildings are stated at fair value as determined by the Board of Directors. The Directors obtain independent valuations every three 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 over the estimated useful lives of the assets as follows:

Land improvements	10 years
Buildings	40 years
Furniture, fixtures and equipment	2 - 10 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 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 comprehensive income during the financial period in which they are incurred.

h. ***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 exercise 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.

i. ***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.

j. ***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.

k. ***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 comprehensive income.

l. ***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.

m. ***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 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.

n. ***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.

o. ***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.

p. ***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 and 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

q. ***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).

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

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

t. ***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 -** 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 lease, 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).

5. CASH, BANK BALANCES AND BANK OVERDRAFT

For purposes of the consolidated statement of cash flows, cash comprises the net balance of cash, bank balances, and bank overdrafts.

Cash at end of year in the cash flows statement comprises the following:

	2021	2020
Cash and bank balances	$ 13,781	$ 7,253
Cash of discontinued operations	-	44
Total	$ 13,781	$ 7,297

The Company was in compliance with all of its covenants as of April 30, 2021. 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 February 3, 2021. The credit facilities are secured with guarantees and postponement of claims, by fixed and floating debentures over all of the Company's assets and by the assignment of insurance policies pertaining to loss of profits, and damage to buildings, equipment and inventories. The Company maintains an overdraft facility of $2 million bearing an interest rate of Bahamian Prime 4.25% plus 0.5%.

6. RECEIVABLES, NET OF PROVISIONS

Receivables consist of the following:

	2021	2020
Trade receivables	$ 1,176	$ 1,108
Less: Provision for doubtful accounts	(161)	(181)
Total	$ 1,015	$ 927

The aging of receivables is as follows:

	2021	2020
0 to 30 days	$ 874	$ 738
31 to 60 days	107	112
61 to 90 days	25	49
91 days and over	170	209
Total	$ 1,176	$ 1,108

(Continued)

Movement in the provision for doubtful accounts	2021	2020
Balance at beginning of the year	$ (181)	$ (198)
Impairment losses recognized on receivables	(40)	(41)
Amounts written off during the year as uncollectible	60	58
Balance at end of the period	$ (161)	$ (181)

Management has deemed $180 (2020: $227) of the receivables to be past due, but not impaired.

As at April 30, 2021, the total amount of all receivables deemed uncollectible was $122 (2020: $91). These amounts are included in the total receivables balance.

(Concluded)

7. MERCHANDISE INVENTORIES, NET OF PROVISIONS

Merchandise inventories consist of the following:

	2021	2020
Food distribution	$ 17,282	$ 18,171
Franchise	456	696
	17,738	18,867
Less: Provisions	(470)	(1,536)
Total	$ 17,268	$ 17,331

8. OTHER CURRENT ASSETS

Other current assets consist of the following:

	2021	2020
Prepayments	$ 3,779	$ 2,395
Security deposits	826	832
Total	$ 4,605	$ 3,227

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.

(Continued)

During the year, the Company entered into an asset purchase agreement to purchase the assets of Exuma Markets Limited in Georgetown, Exuma and rights to use its trade name for $1.75m. A deposit of $175,000 representing 10% of the purchase price was made during the year and is recorded in other assets.

(Concluded)

10. PROPERTY, PLANT AND EQUIPMENT, NET

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

	Property, Land Improvements and Buildings	Equipment and Motor Vehicles	Leasehold Improvements	Work in Progress	Total
Cost/revalued amount:					
At April 30, 2020	$ 31,200	$ 27,080	$ 17,278	$ 484	$ 76,042
Additions	-	1,469	724	739	2,932
Disposals	-	(894)	(101)	-	(995)
Transfers	-	460	-	(460)	-
Revaluation	1,147	-	-	-	1,147
At April 30, 2021	$ 32,347	$ 28,115	$ 17,901	$ 763	$ 79,126
Accumulated depreciation:					
At April 30, 2020	$ 1,213	$ 19,893	$ 13,018	$ -	$ 34,124
Depreciation	608	2,739	1,259	-	4,606
Elimination on disposal	-	(877)	(76)	-	(953)
Revaluation	(1,350)	-	-	-	(1,350)
At April 30, 2021	$ 471	$ 21,755	$ 14,201	$ -	$ 36,427
Net book value:					
At April 30, 2021	$ 31,876	$ 6,360	$ 3,700	$ 763	$ 42,699

	Property, Land Improvements and Buildings	Equipment and Motor Vehicles	Leasehold Improvements	Work in Progress	Total
Cost/revalued amount:					
At April 30, 2019	$ 31,113	$ 28,312	$ 16,020	$ 2,329	$ 77,774
Additions	701	1,371	660	488	3,220
Disposals	-	(3,617)	(32)	-	(3,649)
Transfers	569	1,014	630	(2,333)	(120)
Revaluation	(1,183)	-	-	-	(1,183)
At April 30, 2020	$ 31,200	$ 27,080	$ 17,278	$ 484	$ 76,042
Accumulated depreciation:					
At April 30, 2019	$ 599	$ 20,762	$ 11,599	$ -	$ 32,960
Depreciation	614	2,471	1,432	-	4,517
Elimination on disposal	-	(3,340)	(13)	-	(3,353)
At April 30, 2020	$ 1,213	$ 19,893	$ 13,018	$ -	$ 34,124
Net book value:					
At April 30, 2020	$ 29,987	$ 7,187	$ 4,260	$ 484	$ 41,918

(Continued)

The Company's accounting policy is to revalue land, property 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 the income capitalization method. The Company obtained independent appraisals in April 2021 and recorded adjustments, based on the results, at April 30, 2021 for all land, property and buildings except its Queen's Highway location. Based on the appraisals, the value of land, property and buildings were increased by $$2.5 million which is included in the revaluation surplus in the statements of Other Comprehensive Income and Changes in Equity.

During the prior year, the Company obtained an appraisal for its Queen's Highway land and building given the impact of Hurricane Dorian. Based on the appraisal, the value of the property was reduced by $1.2 million which is included in the revaluation deficit in the statements of Other Comprehensive Income and Changes in Equity of the prior year. No further appraisals were performed during the current year.

The net book value of property and buildings that would have been included in the consolidated financial statements had the Company not adopted a revaluation policy is $24,144 (2020: $24,499).

The fair value measurement of the Company's property and buildings is categorized in Level 3 in the fair value hierarchy. There were no transfers between the levels during the year.

(Concluded)

11. GOODWILL

Goodwill on business acquisitions is as follows:

	2021	2020
Balance, beginning of period	$ 1,654	$ 2,555
Impairment	-	(901)
Balance, end of period	$ 1,654	$ 1,654

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

- Cost Right Freeport
- Domino's

The Company's annual impairment exercise indicated no impairment on the remaining goodwill as of April 30, 2021 (2020: $901). The Company based its valuation of the units to which Goodwill has been assigned using a total of NPV (net present value) of projected cash flows and NPV of terminal values. NPV of projected cash flows were based on cash flows for five (5) years using the Company's base growth rate multiplied by discounted WACC (weighted average cost of capital) less perpetual growth rate. The Company used a WACC between 11.0% to 13.0% and growth rate assumptions of 2% to 24% in its valuation. NPV of the terminal value was determined by multiplying the annual cash flows by the discount factor. An increase in WACC to 14% or a growth rate of less than 2% could result in an impairment of one of the Company's CGUs.

12. BANK LOAN

The Company's credit arrangement with RBC Royal Bank (Bahamas) Limited includes two Reducing Demand Loans totaling $14,250, repayable over 10 years at a blended rate of Nassau Prime + 0.5%. As of April 30, 2021, both loans were fully drawn down.

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.

	2021	2020
Due within 1 year	$ 1,580	$ 1,438
Due within 2 to 5 years	4,888	4,752
Due > 5 years	611	2,329
Total	$ 7,079	$ 8,519

13. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

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

	2021	2020
Accounts payable - trade	$ 8,203	$ 8,083
Taxes payable	1,994	702
Accrued expenses	6,153	7,212
Total	$ 16,350	$ 15,997

14. PREFERENCE SHARES

The Company's authorized 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, 2021, quarterly dividends totaling $594 (2020: $666) were paid to preference shareholders.

During the year, 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. Preference shareholders who opted not to participate in the restructuring continue to receive annual principal payments in accordance with their Class C or Class D terms. A total of $1.1m preference shares were restructured and transferred to class E.

(Continued)

As of April 30, 2021, the following classes of preference shares were issued and outstanding at $1,000 per share:

Class	Authorized	Issued and Outstanding 2021	2020
C	25,000	1,423	2,198
D	25,000	1,361	8,013
E	25,000	6,800	-
	75,000	9,584	10,211

They are redeemable as follows:

	2021	2020
Due within 1 year	$ 626	$ 1,775
Due within 2 to 5 years	3,653	7,100
Due > 5 years	5,305	1,336
Total	$ 9,584	$ 10,211

(Concluded)

15. LEASES

The Company and its subsidiaries lease certain retail and office space under non-cancellable operating leases. As of April 30, 2021, 15 leases (2020: 17) are in effect. Three of these leases include variable lease terms where rent is paid at a minimum of $500 annually or a range of 3% to 3.5% of sales. Additionally, 11 of the leases include lease extension options that allow the Company to extend for periods from 2 years to 19 years. The leases do no provide for any restrictions that could impact the current nature of the operations.

Right-of-use assets

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

	2021	2020
Right-of-use asset		
Property, land improvements and buildings	$ 23,797	$ 27,115

(Continued)

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

	2021	2020
Beginning balance	$ 27,115	$ 26,863
Additions - new lease contracts	-	3,742
Adjustments to leases during the year	404	-
Depreciation for the year	(3,722)	(3,490)
Ending balance	**$ 23,797**	**$ 27,115**

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

	2021	2020
Depreciation charge for right-of-use assets	$ 3,722	$ 3,490
Interest expense on lease liabilities (included in interest expense)	1,268	1,370
Expense relating to variable lease payments not included in lease liabilities (included in selling, general and administrative expenses)	1,581	1,322
Total expenses related to leases	**$ 6,571**	**$ 6,182**

Cashflows

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

	2021 IFRS 16	2020 IFRS 16
Cash outflows for leases (IFRS 16) - financing activities		
Principal	$ 3,887	$ 3,666
Interest	1,268	1,372
	5,155	**5,038**
Cash outflow for leases (IAS 18) - operating activities	**1,581**	**1,314**
Total cash outflows	**$ 6,736**	**$ 6,352**

The maturity analysis for the undiscounted lease payments to be made after April 30, 2021 in relation to non-cancellable operating leases are as follows:

	2021	2020
Due within 1 year	$ 4,557	$ 4,440
Due within 2 to 5 years	9,260	8,754
Due > 5 years	1,173	1,125
Total	**$ 14,990**	**$ 14,319**

(Concluded)

16. ORDINARY SHARE CAPITAL AND TREASURY SHARES

As of April 30, 2021, 15,049,346 (2020: 15,049,346) 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, 2021, 17,800 (2020: 13,000) shares had been repurchased at an aggregate cost of $60 (2020: $46). The total amount of treasury shares at April 30, 2021 was 41,298 (2020: 23,298) with an aggregate cost of $146 (2020: $86). The shares are listed on the Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity as treasury shares.

17. OTHER OPERATING INCOME

Other operating income comprises rental income, interest income, and other miscellaneous income such as refund from concessions, club membership, sale of gift cards and certificates, commissions from ATMs, vending machines, phone cards, and purchasing rebates.

	2021	2020
Miscellaneous income	$ 896	$ 554
Rental income	161	175
Interest income	4	4
Total	**$ 1,061**	**$ 733**

18. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

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

	2021	2020
Payroll and related costs	$ 19,683	$ 20,026
Depreciation	8,240	7,879
Facilities and rent	7,677	8,585
Sales and marketing expenses	5,899	5,734
Other costs	2,507	2,739
Office and computer costs	1,700	1,735
Directors' fees	183	175
Pension contributions	169	123
Total	**$ 46,058**	**$ 46,996**

Included in payroll and related costs is $1,583 (2020: $1,313) 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:

	2021	2020
Net profit applicable to continuing operations	$ 11,146	$ 1,642
Net loss applicable to discontinued operations	$ -	$ (202)
Weighted average number of ordinary shares outstanding ('000s)	15,013	15,036

20. COMMMITMENTS AND CONTINGENCIES

Capital commitments amounting to $1,575 were outstanding as of April 30, 2021 (2020: $107).

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 $2,985 outstanding as of April 30, 2021 (2020: $2,885).

21. RELATED PARTY TRANSACTIONS

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

- A 20 year lease with rent totaling $873 (2020: $762). Minimum lease payments over the non-cancellable period of this lease at April 30, 2021 was $2,837 (2020: $3,593). The Director holding significant influence ceased to be a Director of the Company in December 2020.

- A five year lease term renewable for five subsequent periods of five years each with rent totaling $755 (2020: $790). The minimum lease payments over the non-cancellable period of this lease at April 30, 2021 was $529 (2020: $1,106).

- A month to month lease under terms of an expired agreement with rent totaling $64 (2020: $64).

- The Company has also leased space to a company in which a Director is the principal and received $43 (2020: $37) in rental payments. As at April 30, 2021, $11 (2020: $7) was included in receivables related to this lease.

22. DISCONTINUED OPERATION

On December 11, 2017, the Company ceased operation of Carl's Jr., one of its two franchises. During the year ended April 30, 2020, the Company completed the sale of equipment for one of the locations to a third party and wrote down the remaining property, plant, and equipment. At the time that operations were discontinued, all depreciation of property, plant, and equipment ceased. The comparative Consolidated Statement of Comprehensive Income has been restated to show the discontinued operation separately from continuing operations.

	April 30, 2021	April 30, 2020
Sales	$ -	$ -
Cost of sales	-	-
Gross profit	-	-
Selling, general and administrative expenses	-	(15)
Net operating loss	-	(15)
Impairment of property, plant and equipment	-	(187)
Net loss from discontinued operations	$ -	$ (202)
Loss per share from discontinued operations	$ -	$ (0.01)

Statement of Financial Position	**April 30, 2021**	**April 30, 2020**
Assets		
Cash	$ -	$ 44
Other current assets	-	-
Property, plant and equipment, net of impairment	-	-
Total assets	**$ -**	**$ 44**
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	$ -	$ -
Total liabilities	-	-
Total shareholders' equity	-	44
Total liabilities and shareholders' equity	**$ -**	**$ 44**

Statement of Cash Flows	**April 30, 2021**	**April 30, 2020**
Net cash provided by operating activities	$ -	$ 11
Net cash used in financing activities	-	(18)
Net decrease in cash	**$ -**	**$ (7)**

23. HURRICANE LOSSES

During the year, the Company experienced losses related to Hurricane Dorian which made landfall in Grand Bahama on September 1, 2019. As a result of the hurricane, the Solomon's Freeport, location, located on Queen's Highway, Grand Bahama was damaged and has remained closed since the passing of the Hurricane. The Company's Cost Right Freeport and Solomon's Lucaya locations also experienced losses but to a lesser degree. Included in hurricane losses are losses as follows, net of partial insurance proceeds received for inventory losses:

	2021	2020
Inventory losses	$ 62	$ 1,691
Payroll and benefit related losses	2	656
Loss of property, plant, and equipment, net book value	-	299
Other losses	216	345
Total hurricane loss	**280**	**2,991**
Insurance proceeds	(4,949)	(1,250)
Total hurricane (income) loss, net	**$ (4,669)**	**$ 1,741**

24. 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 two Islands within The Bahamas during the fiscal year: Grand Bahama and New Providence.

The Company considers the economic environment in the two 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 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	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales	$ 168,058	$ 164,355	$ 6,840	$ 8,090	$ -	$ -	$ 174,898	$ 172,445
Gross profit	49,741	48,057	4,098	4,958	-	-	53,839	53,015
Gross profit %	29.6	29.2	59.9	61.3	-	-	30.8	30.7
Operating profit / (loss)	14,428	13,347	228	(152)	2,396	1,441	17,052	14,636
Depreciation and amortisation of franchise fees	(5,954)	(5,814)	(498)	(619)	(1,788)	(1,446)	(8,240)	(7,879)
Dividends on preference shares	-	-	-	-	-	-	(594)	(666)
Interest expense	-	-	-	-	-	-	(1,643)	(1,807)
Hurricane expenses	-	-	-	-	-	-	4,669	(1,741)
Pre-opening expenses	-	-	-	-	-	-	(98)	-
Impairment of goodwill	-	-	-	-	-	-	-	(901)
Net profit from continuing operations	**$ 8,474**	**$ 7,533**	**$ (270)**	**$ (771)**	**$ 608**	**$ (5)**	**$ 11,146**	**$ 1,642**
Other information:								
Segment assets	$ 33,655	$ 37,762	$ 1,480	$ 1,716	$ 73,279	$ 63,364	$ 108,414	$ 102,842
Segment liabilities	(8,888)	(42,567)	(988)	(847)	(49,919)	(21,576)	(59,795)	(64,990)
Net operating assets	$ 24,767	$ (4,805)	$ 492	$ 869	$ 23,360	$ 41,788	$ 48,619	$ 37,852

(Concluded)

25. 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, comprehensive income for the year ended April 30, 2021 would decrease/increase by $87 (2020: $95) 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, 2020.

   The capital structure of the Company includes debt and equity comprised of issued capital, reserves, 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, 2021 were not materially different from their carrying values.

   The fair values of accounts receivable, bank balances, inventories, 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.

26. COVID-19

During the prior year, the COVID-19 outbreak adversely contributed to significant volatility in financial markets. The rapid development and fluidity of this situation precludes any prediction as to the ultimate impact that COVID-19 will have on the economy and consequently, the Company. During the current year, the Company has had periods of reduced operating hours and in some case short periods of closures due to Government mandated lockdowns. These have not had a material impact on The Company. The Company continues to closely monitor the situation and the uncertainty of risk that it presents on its future financial performance.

27. SUBSEQUENT EVENTS

The Company declared ordinary dividends of $0.04 per share and an extraordinary dividend of $0.03 per share to shareholders as of record date June 25, 2021 and paid on July 2, 2021.

On May 31, 2021, the Company completed the sale to purchase the assets of Exuma Markets and rights to use the Exuma Markets trade name for $1,750.

On July 1, 2021, the Company entered into a long-term lease agreement to lease property over which a director has significant influence. The annual rental amount is the greater of $280,000 annually or 3% of gross sales. The initial term of this lease is five years and is renewable for five subsequent terms of five years each.

* * * * * *

$300K Donated to Support our Communities

We stand by our pledge to build and support our communities, use our voice to nurture positive change, and empower our team members to serve and support our local neighbourhoods, all while providing safe, satisfying, and enjoyable shopping experiences.

The past year has been anything but normal. The fight against the Coronavirus Pandemic began in hospitals, homes and without a doubt in grocery stores as well. From the very beginning we committed our support in cash and in-kind to strengthen the public health response, bolster food security and support the needs of our local communities. During an extremely tough time our employees worked tirelessly, stocking our shelves, checking customers out behind plexiglass, staying socially distant, and cleaning and disinfecting everything all the time. We were proud and remain honoured to be able to service the communities that support us. We are not doctors or nurses, but during this period we were most definitely essential, and rose to the occasion.

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STORES DIRECTORY

RETAIL DIVISION SOLOMON'S

NEW PROVIDENCE

Solomon's Supercentre
Old Trail Road

Solomon's Yamacraw
Yamacraw Hill Road

GRAND BAHAMA

Solomon's Lucaya
Sea Horse Shopping Plaza

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 Centre 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