



## CEO Message Q4 2023-2024

The Board of Directors of *AML Foods Limited* today announced results for the fourth quarter and fiscal year ended April 30<sup>th</sup>, 2024. Sales for the quarter were \$49.1m, an improvement of \$0.5m or 1.0%, for the same period last year. Year-to-date sales were \$191.0m an increase of 3.2% over the previous year. Net profit for the quarter was \$2.1m, compared to \$1.2m for the same period last year. Decreases in the Company's shrink expense has driven improvements in profitability. Year-to-date net profit was \$4.9m or 2.7% of sales, compared to \$2.8m in the prior year.

We are pleased with our quarterly results as well as the improvement in our year-to-date performance over last year. Despite increased costs and customer count losses during the remodel of Solomon's Old Trail, sales and profitability grew. Our team has made great progress in improving our supply chain, our processes, and our operational efficiencies, and this is being reflected in our overall customer count, which continues to grow.

The remodel work at Solomon's Old Trail is nearing completion and we are looking forward to a July relaunch of the new and much improved, modern, and well-stocked grocery store. Following this, we will then shift our attention to the relocation of Cost Right Nassau within the Old Trail building. This project is due to be completed in November 2024. Our focus continues to be on better serving our customers and communities, and several initiatives are planned for the next 12 months.

Based on the quarter's performance the Board of Directors have approved an ordinary dividend payment of \$0.04 per share and an extraordinary dividend of \$0.03, payable on June 26, 2024, to shareholders on record as of June 21, 2024.

On behalf of the Board of Directors I would like to say thank you to our team of hard-working associates for your commitment to our company and our customers for your loyal support of our businesses over the past year.

Sincerely,

Gavin Watchorn  
CEO & President

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30th April 2024**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*(Expressed In thousands of Bahamian dollars)*

	<b>As At</b> <b>April 30, 2024</b>	<b>As At</b> <b>April 30, 2023</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 9,200	\$ 8,076
Term deposits with original maturities greater than 90 days	289	286
Receivables, net of provision	819	789
Merchandise inventories, net of provisions	15,215	20,035
Other current assets	4,125	3,059
<b>Total current assets</b>	<b>29,648</b>	<b>32,245</b>
<b>Non-current assets</b>		
Other assets	3,138	3,138
<b>Property, plant and equipment, net</b>		
Property, land improvements and buildings	41,435	31,638
Equipment	7,070	6,087
Leasehold improvements	4,795	5,886
Work in progress	8,627	1,846
<b>Total property, plant and equipment, net</b>	<b>61,927</b>	<b>45,457</b>
Right of use asset	28,986	28,094
Goodwill	2,976	2,976
<b>Total assets</b>	<b>\$ 126,675</b>	<b>\$ 111,910</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	16,272	16,293
Current portion of bank loan	2,544	1,871
Current portion of lease liability	1,892	2,150
<b>Total current liabilities</b>	<b>20,708</b>	<b>20,314</b>
<b>Long-term liabilities</b>		
Bank loan	16,624	6,214
Preference shares	6,801	6,801
Lease liability	30,787	29,323
<b>Total liabilities</b>	<b>54,212</b>	<b>42,338</b>
<b>Shareholders' equity</b>		
Ordinary share capital	7,378	7,378
Contributed surplus	2,231	2,231
Revaluation surplus	7,251	6,354
Retained earnings	34,895	33,295
	51,755	49,258
<b>Total liabilities and shareholders' equity</b>	<b>\$ 126,675</b>	<b>\$ 111,910</b>

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30TH APRIL 2024**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**

*(Expressed In thousands of Bahamian dollars except share amounts)*

	Quarter ended April 30, 2024	Quarter ended April 30, 2023
Sales	\$ 49,112	\$ 48,615
Cost of sales	(33,389)	(34,644)
Gross profit	15,723	13,971
Selling, general and administrative expenses	(12,691)	(12,554)
Other operating income	187	393
Net operating profit	3,219	1,810
Interest expense	(568)	(464)
Loss on property revaluation	(237)	-
Loss on disposal of property, plant & equipment	(173)	(28)
Dividends on preference shares	(102)	(102)
Pre-opening expenses	(8)	-
Net profit	\$ 2,131	\$ 1,216

**OTHER COMPREHENSIVE INCOME**

	Quarter ended April 30, 2024	Quarter ended April 30, 2023
Gain on property revaluation that will not be reclassified subsequently to profit or loss	\$ 897	\$ -
Other comprehensive income	897	-
Total comprehensive income	\$ 3,028	\$ 1,216

Weighted average number of ordinary shares outstanding	15,008,048	15,008,048
Earnings per share	\$ 0.14	\$ 0.08

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH APRIL 2024**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**

*(Expressed In thousands of Bahamian dollars except share amounts)*

	<b>Year Ended April 30, 2024</b>	<b>Year Ended April 30, 2023</b>
Sales	\$ 190,955	\$ 184,951
Cost of sales	(131,653)	(131,260)
Gross profit	59,302	53,691
Selling, general and administrative expenses	(52,623)	(49,918)
Other operating income	1,168	1,506
Net operating profit	7,847	5,279
Interest expense	(2,100)	(1,741)
Dividends on preference shares	(408)	(486)
Loss on property revaluation	(237)	-
Loss on disposal of property, plant & equipment	(184)	(34)
Pre-opening expenses	(16)	(215)
Net profit	\$ 4,902	\$ 2,803

**OTHER COMPREHENSIVE INCOME**

	<b>Year Ended April 30, 2024</b>	<b>Year Ended April 30, 2023</b>
Gain on property revaluation that will not be reclassified subsequently to profit or loss	\$ 897	\$ -
Other comprehensive income	897	-
Total comprehensive income	\$ 5,799	\$ 2,803

Weighted average number of ordinary shares outstanding	15,008,048	15,008,048
Earnings per share	\$ 0.33	\$ 0.19

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH APRIL 2024**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*(Expressed In thousands of Bahamian dollars)*

	<b>No. of Shares ('000s)</b>	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Contributed Surplus</b>	<b>Revaluation Surplus</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as of April 30, 2022	15,049	\$ 7,524	\$ (146)	\$ 2,231	\$ 6,354	\$ 33,348	49,311
Cancellation of treasury shares	(41)	(146)	146	-	-	-	-
Net profit		-	-	-	-	2,803	2,803
Dividends (\$0.19 per share)		-	-	-	-	(2,856)	(2,856)
Balance as of April 30, 2023	15,008	7,378	-	2,231	6,354	33,295	49,258
Net profit		-	-	-	-	4,902	4,902
Other comprehensive income		-	-	-	897	-	897
Dividends (\$0.22 per share)		-	-	-	-	(3,302)	(3,302)
Balance as of April 30, 2024	15,008	\$ 7,378	\$ -	\$ 2,231	\$ 7,251	\$ 34,895	\$ 51,755

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH APRIL 2024**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
*(Expressed In thousands of Bahamian dollars)*

	Year Ended April 30, 2024	Year Ended April 30, 2023
<b>Cash flows from operating activities</b>		
Net profit	\$ 4,902	2,803
Adjustments for:		
Depreciation and amortization	6,730	6,814
Dividends on preference shares	408	486
Increase / (decrease) in provision for doubtful debts	28	(3)
Increase / (decrease) in inventory provision	111	(924)
Loss on property revaluation	237	-
Loss on disposal of property, plant and equipment	184	34
Interest on lease liability	1,469	1,416
Operating cash flow before changes in working capital	14,069	10,626
Working capital source / (use)		
Accounts receivable	(58)	117
Merchandising inventories	4,709	964
Other current assets	(1,066)	263
Accounts payable and accrued expenses	(21)	707
Net cash provided by operating activities	17,633	12,677
<b>Investing activities source / (use)</b>		
Movement on Term Deposit	(3)	(2)
Additions to property, plant and equipment	(20,258)	(6,654)
Proceeds from disposal of property & equipment	8	6
Net cash used in investing activities	(20,253)	(6,650)
<b>Financing activities source / (use)</b>		
Dividends paid on ordinary shares	(3,302)	(2,856)
Dividends paid on preference shares	(408)	(486)
Repayment of bank loan	(2,840)	(2,043)
Repayment of preference shares	-	(2,157)
Proceeds from bank loan	13,923	4,500
Payment of lease liability	(3,629)	(3,971)
Net cash provided by / (used in) financing activities	3,744	(7,013)
Increase / (decrease) in cash and cash equivalents	1,124	(987)
Cash and cash equivalents, beginning of period	8,076	9,063
Cash and cash equivalents, end of period	9,200	8,076
<b>Supplemental information:</b>		
Interest received	3	3
Interest paid	1,031	945

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED APRIL 30TH, 2024**

**SEGMENT REPORTING**

*(Expressed in thousands of Bahamian Dollars)*

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

<b>3 Months Ended</b>	Food Distribution		Food Franchise		Corporate		Consolidated	
	30-Apr-24	30-Apr-23	30-Apr-24	30-Apr-23	30-Apr-24	30-Apr-23	30-Apr-24	30-Apr-23
Sales	\$ 46,477	\$ 46,208	\$ 2,635	\$ 2,407	\$ -	\$ -	\$ 49,112	\$ 48,615
Cost of sales	(32,579)	(33,849)	(810)	(795)	-	-	(33,389)	(34,644)
Gross Profit	13,898	12,359	1,825	1,612	-	-	15,723	13,971
Selling, general and administrative expenses	(7,976)	(8,404)	(1,500)	(1,256)	(3,215)	(2,894)	(12,691)	(12,554)
Other operating income	193	139	-	-	(6)	254	187	393
Loss on property revaluation	-	-	-	-	(237)	-	(237)	-
Loss on disposal of fixed assets	(173)	(26)	-	(1)	-	(1)	(173)	(28)
Interest expense	(387)	(359)	(11)	(17)	(170)	(88)	(568)	(464)
Dividends on preference shares	-	-	-	-	(102)	(102)	(102)	(102)
Pre-opening expenses	-	-	-	-	(8)	-	(8)	-
<b>Net profit / (loss)</b>	<b>\$ 5,555</b>	<b>\$ 3,709</b>	<b>\$ 314</b>	<b>\$ 338</b>	<b>\$ (3,738)</b>	<b>\$ (2,831)</b>	<b>\$ 2,131</b>	<b>\$ 1,216</b>

<b>Year Ended</b>	Food Distribution		Food Franchise		Corporate		Consolidated	
	30-Apr-24	30-Apr-23	30-Apr-24	30-Apr-23	30-Apr-24	30-Apr-23	30-Apr-24	30-Apr-23
Sales	\$ 180,661	\$ 175,283	\$ 10,294	\$ 9,668	\$ -	\$ -	\$ 190,955	\$ 184,951
Cost of sales	(128,273)	(128,021)	(3,380)	(3,239)	-	-	(131,653)	(131,260)
Gross Profit	52,388	47,262	6,914	6,429	-	-	59,302	53,691
Selling, general and administrative expenses	(33,755)	(32,779)	(5,900)	(5,238)	(12,968)	(11,901)	(52,623)	(49,918)
Other operating income	725	527	41	1	402	978	1,168	1,506
Interest expense	(1,431)	(1,373)	(38)	(43)	(631)	(325)	(2,100)	(1,741)
Loss on property revaluation	-	-	-	-	(237)	-	(237)	-
Loss on disposal of fixed assets	(184)	(26)	-	(7)	-	(1)	(184)	(34)
Dividends on preference shares	-	-	-	-	(408)	(486)	(408)	(486)
Pre-opening expenses	-	-	-	-	(16)	(215)	(16)	(215)
<b>Net profit / (loss)</b>	<b>\$ 17,743</b>	<b>\$ 13,611</b>	<b>\$ 1,017</b>	<b>\$ 1,142</b>	<b>\$ (13,858)</b>	<b>\$ (11,950)</b>	<b>\$ 4,902</b>	<b>\$ 2,803</b>



**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED APRIL 30, 2024**

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**EXPLANATORY NOTES**

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards using the same accounting policies and methods of computation as the Consolidated Financial Statements for the year ended April 30, 2023 included in the 2023 Annual Report.

The consolidated financial statements include the accounts of AML Foods Limited, formerly Abaco Markets Limited, ("the Company") and its significant wholly owned subsidiaries: Solomon's Supercentre (Nassau) Limited, Cost Right Nassau Limited, Solomon's Club (Freeport) Limited, Thompson Wholesale Limited, Caribbean Franchise Holdings Limited, Solomon's Fresh Market Limited, and Solomon's Exuma Limited.

2. DIVIDENDS

The Company paid an ordinary dividend of \$0.04 per share and an extraordinary dividend of \$0.03 per share on March 27, 2024 to shareholders of record on March 22, 2024.

3. BANK LOANS

The Company has a total of four bank loans with RBC Royal Bank (Bahamas) Limited which each bear a blended interest rate of 3.60% per annum. During the quarter, \$1.0m was drawn down on the outstanding available credit. At April 30, 2024, the total principal amount outstanding on the Company's loans was \$19.1m. A total of \$3.3m remains to be drawn down under the existing credit facilities.

4. CONTINGENT LIABILITY

On November 21, 2023, the Company was issued a formal and final levy from the Department of Inland Revenue (DIR) concerning alleged unpaid taxes totaling \$925,732 which related to VAT outstanding for items sold VAT Free in Grand Bahama during the period of January 1, 2019 through December 31, 2021 under the SERZ order.

On December 20, 2023, the Company, with the assistance of legal counsel, initiated a formal dispute against the DIR related to this assessment. To comply with the appeal process, the Company was required to provide full payment of the assessment, which the Company also made on December 20, 2023. This payment was made without waiving any rights in the ongoing dispute, and the Company intends to vigorously contest the assessment. The full payment of \$925,732 is included in Other Current Assets on the Company's Statement of Financial Position as at April 30, 2024.

5. PROPERTY REVALUATION

For the quarter ended April 30, 2024, the Company performed its standard tri-annual property revaluation by obtaining independent appraisals of its land and buildings. Due to the decrease in fair market value of one of the Company's properties beyond its original cost, \$0.2m was included in the Statement of Comprehensive Income as a loss on property revaluation. The values of all other properties increased in total by \$0.8m which is reported as a property revaluation surplus in the Statement of Equity and as other comprehensive income in the Statement of Comprehensive Income.

## 6. SUBSEQUENT EVENTS

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

## **AML FOODS LIMITED**

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### **AUDITORS**

Deloitte & Touche  
2<sup>nd</sup> Terrace West, Centreville  
P.O. Box N-7120  
Nassau, The Bahamas

### **BANKERS**

RBC Royal Bank (Bahamas) Limited  
Royal Bank House  
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Nassau, The Bahamas

### **LEGAL COUNSEL**

Higgs & Johnson  
Ocean Centre, Montagu Foreshore  
East Bay Street  
P.O. Box N-3247  
Nassau, The Bahamas

### **REGISTRAR & TRANSFER AGENTS**

Bahamas Central Securities Depository  
2<sup>nd</sup> Floor, Fort Nassau Centre  
Hilton British Colonial, Suite 202  
Bay Street  
P.O. Box EE-15672  
Nassau, The Bahamas

### **DIRECTORS**

Franklyn Butler, II (Chairman)  
Robert L. Sands  
Meike de Vaere  
Tara Cooper Burnside  
Jeff Gordman  
Sunil Chatrani  
Juan Lopez  
Gavin Watchorn

### **AML FOODS LIMITED**

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