2020 ANNUAL REPORT

30 YEARS OF SERVICE

aml FOODS LIMITED

AML Foods - 30 Years and Counting...........

Back in 1975 Freddie Albury along with 3 other partners pooled resources and experience and bought the former City Markets location in Marsh Harbour, Abaco. They fixed up the run down 9000 square foot grocery store, and by year end they were making a profit. Two years later they purchased the mini market in Treasure Cay, also in need of some 'tender loving care' and turned this into a success. The expansion continued and in 1981 they purchased the Golden Harvest Super Market in Marsh Harbour. This was followed by the opening of a mini market on the Boat Harbour Marina property and the introduction of a wholesale division. Later, the group purchased Sawyer's Market, the Loyalists Shoppe, Abaco Office Products and Solomon's Wholesale Abaco Division.

Continuing its growth path, on November 1st, 1989 Abaco Markets Limited was incorporated and in 1997 became a public company. More success was to come and in 1999 the Company purchased Domino's Pizza and Thompson Wholesale, which is now Cost Right Wholesale Freeport. In 2000 Abaco Markets purchased Solomon's Nassau, Solomon's Freeport and Cost Right Nassau and was listed on the Bahamas International Securities Exchange (BISX). The company has been a market leader introducing innovative concepts and technologies to Bahamians. Fresh Market Old Fort Bay opened in 2011 and Fresh Market Harbour Bay and Solomon's Lucaya in 2012. Its most recent store Solomon's Yamacraw opened in November of 2017.

AML Foods has faced its share of challenges, obstacles and successes. Although a lot has changed from our early days, what has remained unchanged is the Company's commitment to the simple philosophy on which we were founded – to 'run the best store in town'. Our Company has grown from $18m in annual revenue in 1991 to $172m in 2020, employing more than 800 team members in Nassau and Freeport, in 6 formats. These accomplishments speak to our hard work and commitment to service the Bahamian people. This year we are proud to be celebrating our 30th anniversary and looking forward to many more years of service to the Bahamian community.

OUR PURPOSE

To provide our customers with the best shopping experiences.

OUR VISION

To be the Bahamian Company most admired for its People, Partnerships and Performance.

OUR CORE VALUES

INTEGRITY

We will do the right thing, always.

RESPECT

We treat others the way we want to be treated.

ACCOUNTABILITY

We accept ownership and see things through to completion.

ACHIEVEMENT

We will always seek to be the best we can be.

EXCELLENCE

We will recognize and reward our top performers.

LEARNING

We will continuously train, coach and develop our team.

CONTENTS

ABOUT US

AML Foods Limited is an innovative Bahamian Company with operations in New Providence and Grand Bahama. 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 five 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, and one in Grand Bahama, Solomon's Lucaya. 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 consists of www.dominos242.com. The web-based platform 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 1,300 individual shareholders and is listed on the Bahamas International Stock Exchange. The Company employs 825 associates in New Providence and Grand Bahama.

CHAIRMAN'S MESSAGE

Once again, I am honored to be writing to you as Chairman of AML Foods Limited particularly as I reflect on our 30th year anniversary as a Bahamian company which we celebrated last November.

Undoubtedly it has been a year of profound challenges. However, despite this, our Company continued a path of delivering on our value proposition and business strategy. We are proud of the progress that has been made and the dedication and resilience displayed by our team.

During the year, we continued with the implementation of our ERP (Enterprise Resource Planning) System to drive data led decisions and customer experience, laying the foundation for e-commerce and digital transformation. As well, we maintained focus on managing the basics of our business to leverage our current scale and store footprint, while driving internal accountability and operational excellence.

Hurricane Dorian with its catastrophic damage in Abaco and Grand Bahama disrupted much of our plans and resulted in the closure of our Queen's Highway location. Shortly thereafter, we were faced with the COVID-19 pandemic which helped to drive strong sales and demonstrated that with focus on managing well what is under our control, we can accommodate significantly higher volumes in our stores, with lower incremental costs. Unfortunately, with this additional demand we experienced some supply chain management issues, which the team worked creatively and consistently to address.

Looking ahead, we plan to launch the 1st of our e-commerce platforms fully integrated with our current ERP System by November 2020. The realities of COVID-19 have demonstrated that this is essential for our business, given the need for social distancing and the demand we saw for online ordering, delivery and curbside pick-up.

While we expect to finalize our retail store strategy with the hopeful resolution of the City Market Warehouse dispute, our focus is on how we can effectively and efficiently enter the virtual marketplace. This will give us the ability to expand our customer base and be available to all consumers, with the best online presence, giving them the selections, variety and value that they have come to love and expect from our brands.

Nationwide lockdowns and the loss of visitors to our country are a significant headwind we now face. We will seek to manage this reality by ensuring that we are in a position to make any necessary adjustments to our operations, and through the use of technology allowing us to know our customers better, meet their needs every day, and grow market share and profitability. At the same time, we will work to minimize capital investment in additional real estate, unless there is a clear databased conclusion which supports the investment.

Many thanks to you valued shareholders, for your support and for placing your confidence in us to lead your company successfully into the future. I would also wish to thank our management and team members who continue to raise the standard in our stores, driving the transformation of our business.

With your continued support we look forward to the continued growth and development of our Company.

Finally, I would like to particularly recognize two of our directors Mr. Craig Symonette and Mr. Michael Maura who will both be retiring at our upcoming AGM. Both these gentlemen have served AML with a degree of professionalism that is rare to find in our country. On behalf of the management, staff and all our shareholders, we thank you for your time and sacrifice you both have made in serving our company well.

Franklyn Butler II
Chairman

CHIEF EXECUTIVE OFFICER'S MESSAGE

On November 1st, 2019, AML Foods celebrated our 30th anniversary as a Company and our 45th anniversary since our first location opened in Abaco. During these years, we have had many highs and lows and I am proud of the Company that we have become. We have withstood recessions and countless hurricanes, creating a resilience and strength among our team, our customers and our partners. This resilience and strength have helped us through a very difficult time for our country, particularly for the communities of Grand Bahama and Abaco.

We are thankful that almost all our businesses have remained opened post Hurricane Dorian and during the COVID-19 pandemic, allowing us to retain our team members employment and serve our customers. Losing our Solomon's Freeport store to the hurricane was a blow, but it is one that we will recover from and our commitment to the Grand Bahama community and rebuilding our store is stronger today than ever before.

During these difficult times, our commitment to our team members and their development remains a priority. We have increased our annual investment in training, as we equip our teams with the necessary skills and tools for them to be successful in providing our customers a unique shopping experience. This training and development, with the resulting improvements in our day to day operations, has allowed us to manage the increased sales volumes that we have recorded in recent months. We have also supported our team in their time of need, providing $250,000 in support in the aftermath of Hurricane Dorian and a further $300,000 to date in incentives and additional benefits, as a sign of our appreciation for their tremendous efforts during the COVID-19 pandemic.

The past 12 months have been far from normal, and it is uncertain what "normal" will look like in the future. While this uncertainty and variation from normal has caused us to change how we operate, our core focus remains steady – delivering a great shopping experience, every day, to every customer. We expect that adaption will continue to be required in the coming months, as we tirelessly work to ensure the health and safety of our team and our customers, while pivoting our supply chain to close emerging gaps and satisfy customer needs.

Even as we record increased sales in recent months, it is prudent for us to mitigate risk as we look ahead to the realities of our economy, both in the short term, and over the medium to long term, as our economy rebuilds. We have steadily built our cash balances, reduced our capital expenditure plans and have restructured elements of our debt and credit facilities, to ensure liquidity and no long- term impact from the current conditions.

We are cognizant of the toll that the pandemic has taken on Bahamian families and businesses and that the rebuilding of our economy may be measured in years rather than months. We are confident that the steps your company has taken will position us well for when our economy rebounds.

I would like to thank my executive team and the entire AML Foods team for their efforts and commitment over the past 12 months – each of you help shape our results and direction. I would also like to thank our directors for their insight and advice, and our shareholders for your continued trust in my team and I to lead your company. I remain humbled and appreciative to be your leader and look forward to continued success and growth.

Gavin Watchorn,
Group President and CEO

2020 MANAGEMENT DISCUSSION AND ANALYSIS

Management will use this report to provide an analysis of the movements in AML Foods Limited's ("the Company") balance sheet, cash flow statement and statement of equity for the fiscal year beginning May 01, 2019 to April 30, 2020, and to discuss significant results from operations for the year ended April 30, 2020.

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.

BALANCE SHEET REVIEW

CASH AND BANK BALANCES

The Company's cash and bank balances increased during the year by $2.4m from $4.9m at April 30, 2019 to $7.3m at April 30, 2020. During the year, the Company invested $3.1m in capital expenditures, which included $0.6m for the renovation of our new Corporate Office which we relocated to in January 2020, $0.5m on the ongoing rollout of our ERP and related software which was completed in May 2020, $0.3m on the renovation and downsizing of our Cost Right Nassau location which we consolidated from two levels to one level during the fiscal year, and $0.8m on various IT hardware and software purchases to aid in our technology journey. During the year, the Company made a principal payment of $1.8m to its Class C and Class D preference shareholders. Additionally, ordinary shareholders received dividends of $2.8m and preference shareholders received $0.7m for total dividends payment of $3.5m. Ordinary dividends paid increased by $0.9m or 46% from prior year and represented a payout of 198% of net profit. During the year, the Company paid down $1.4m of its outstanding bank loan.

RECEIVABLES

Net receivables increased by $0.3m to $0.9m at April 30, 2020 compared to April 30, 2019. The increase is due primarily to receivables in the Freeport market for food vouchers distributed through various Government agencies at the onset of the COVID-19 pandemic as well as non-trade related receivables from rental income from our Corporate Division. These balances are aged 0 to 60 days and are deemed 100% collectible at the balance sheet date.

MERCHANDISE INVENTORIES

Net inventory levels have decreased by $1.5m to $17.3m at April 30, 2020 from $18.8m at April 30, 2019. We have made great strides throughout the year in reducing our inventory levels. During the year, aged inventory within our clothing and general merchandise departments have decreased, and overall, the Company reduced inventory levels in these categories by $0.8m. Additionally, the closure of our Solomon's Freeport location resulted in a decrease in inventory levels in our Freeport market by $1.4m. Conversely, given the uncertainties brought on from the COVID pandemic regarding availability of goods and the shift in customer spending habits to less frequent shops but larger basket sizes, we have increased our inventory levels within our dry grocery departments to mitigate the risk of products becoming out of stock. Our dry grocery inventory levels have increased by $2.4m. Included in these balances are also forward buying of bulk commodity product in anticipation of the hurricane season.

OTHER CURRENT ASSETS

Other current assets increased to $3.2m at April 30, 2020 from $2.9m at April 30, 2019. Following Hurricane Dorian, many items purchased locally are designated as VAT-free and the Company is required to waive VAT for all approved goods at the point of sale. As a result, the Company had a VAT receivable balance for its Freeport locations of $1.5m as at April 30, 2020. The remaining balances in other current assets relate to security deposits, prepaid quarterly rents, and utilities deposits.

PROPERTY, PLANT, AND EQUIPMENT

At April 30, 2020, net property, plant, and equipment decreased by $2.9m to $41.9m from $44.8m at April 30, 2019. The movement in the balance comprised of additions of $3.2m, depreciation of $4.5m and a revaluation write down of $1.2m related to our Solomon's Freeport property following Hurricane Dorian. Additionally, a full write off the net book value of the Solomon's Freeport equipment of $0.3m was recorded during the year.

IFRS 16 (Leases) was adopted by the Company during the year. The standard required that the Company initially recognize a right-of-use asset and lease liability measured at the present value of the future lease payments. At adoption, the Company recognized a right-of-use asset of $27m representing the present value of the minimum lease payments of 17 leases that the Company holds under both its food and franchise divisions. During the year, the Company recorded depreciation expense of $3.5m on right-of-use assets. The assets are depreciated based on a non-cancellable lease periods unless reasonably certain that renewal options will be exercised. Interest expense recognized during the year on the lease liability was $1.4m.

Additionally, the Company performs revaluations of property, land improvements, and buildings every three years. The Company's last revaluation was performed in 2018; however, given the damages incurred at the Solomon's Freeport location, a revaluation of that location was performed during the year which resulted in a $1.2m write down of the assets. The write down is recorded in the statement of equity and reduces the surplus previously recorded in equity.

GOODWILL

The Company conducted its annual impairment test by determining net present value (NPV) of the operating units on which it carries goodwill by calculating NPV of projected cash flows, NPV of terminal values discounted by discounted growth rate, and a discount factor based on the Company's weighted average cost of capital (WACC). The Company's annual impairment test resulted in a write down of $0.9m of goodwill from its Solomon's Freeport location. Goodwill remains for Cost Right Freeport, and Domino's Pizza.

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable, and accrued expenses totaled $15.9m at April 30, 2020 compared to $12.5m at April 30, 2019. Trade accounts payable increased by $1.8m and accrued expenses increased by $1.6m. To better manage working capital, accounts payable days have increased to better align with vendor payment terms. Accrued business license taxes were $0.7m compared to $0.4m at April 30, 2019. Other key components of accrued expenses are amounts for utilities, advertising, and store operating supplies.

PREFERENCE SHARES

For the period ended April 30, 2020, the Company had a total of 10,211 issued and outstanding preference shares compared to 11,986 shares at April 30, 2019. On October 31, 2019 the Company paid a principal payment of $1.8m to holders of Class C and Class D 6% redeemable non-voting cumulative shares. Dividends of $0.7m were paid to preference shareholders during the period.

BANK LOAN

The Company has two bank loans with RBC Royal Bank (Bahamas) Limited which bear a blended interest rate of 4.75% each. At April 30, 2020, the total principal amount outstanding on the Company's loans was $8.5m.

INCOME STATEMENT REVIEW

For the 12 months ended April 30, 2020, the Company's net profit was $1.4m compared to a net profit of $3.6m for the 12 months ended April 30, 2019. During the year, the Company wrote off the remaining net book value of assets from the discontinued operations of Carl's Jr in the amount of $0.2m. Also, during the year, the Company incurred a net hurricane loss of $1.7m from Hurricane Dorian which comprised of $3.0m from the loss of inventory, damages to building and equipment, and other related expenses offset by interim insurance proceeds of $1.2m. There was also a write down of goodwill during the current year of $0.9m which further reduced the Company's net profit for the year. For the year ended April 30, 2020, earnings per share (EPS) decreased to $0.10 from $0.24 at April 30, 2019.

SALES

Sales totaling $172.4m were realized during the 12 months ended April 30, 2020 compared to sales of $169.0m for the 12 months ended April 30, 2019. Despite the closure of our Solomon's Freeport location, overall, sales increased by $3.3m or 2% over the prior year. Most of the sales increase was realized in the fourth quarter at the onset of COVID-19. During the months of March and April 2020, revenues within our food distribution segment increased by 12% and 7%, respectively. Overall, our Food Distribution segment recorded sales of $164.3m representing 95% of total sales.

GROSS PROFIT

Gross profit for the 12 months ended April 30, 2020 increased to 30.7% compared to 30.6% for the comparable period. While not yet at an ideal level, our continued focus on shrink in Food Distribution has resulted in reduction in shrink for the year from 3.8% to 3.1%. Management continues to work on improving margins and reducing shrink.

EXPENSES

Selling, General, and Administrative expenses (SGA) for the 12 months ended April 30, 2020 totaled $46.9m and was reduced by $0.3m from $47.2m in the prior year. With the adoption of IFRS 16, rental expense inclusive of CAM decreased by $5.0m, depreciation increased by $3.5m, and interest expense increased by $1.3m compared to its treatment under the previous IAS 17 lease accounting standard. Excluding the impact of the lease accounting adjustment, as a percentage of sales, SGA expenses remained relatively flat at 27.7% for the 12 months ended April 30, 2020 compared to 27.9% for the 12 months ended April 30, 2019.

2019-2020 OUTLOOK
OPPORTUNITIES AND INVESTMENTS

Management continues to look for ways to increase top line revenues and profit margins. Our sales volumes achieved during this year despite the closure of one location has proven our ability to service larger amounts of sales within our existing locations. As in the past, our continued focus on operational excellence will allow us to better maximize productivity with our current store fleet.

With all locations upgraded to our new point-of sale (POS) and Enterprise Resource Program (ERP), we have better access to data to help understand customer spending habits. We believe that continued investment in technology and data will provide the steppingstone to the continued success of our Company. We are investing not only in systems, but also our employees as we undertake on this new journey of using data to make more informed business decisions.

ECONOMIC CONDITIONS, CHALLENGES AND RISKS

The outlook of The Bahamas' economy has weakened. In a recent Moody's review which was completed in June 2020, the Government of The Bahamas' outlook was downgraded to negative. According to Moody's, the key drivers behind the rating action were: (1) The large shock caused by the coronavirus crisis will weigh significantly on economic and fiscal strength over the medium term, and (2) Funding conditions will become more constrained for the government because of larger financing needs.

With our largest industry, Tourism, being significantly impacted by COVID-19, medium-economic performance will likely remain subdued. In its 2020/21 budget, the government estimated a fiscal deficit that would exceed 11% of GDP -- the highest in its history.

The Company is proactive in looking for ways to mitigate our risk within the likely downturn of the economy. These include ensuring that we are giving customers the best possible value in our product offerings, continuing to build supplier relationships, and looking for ways to protect our foreign 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 at all of our locations and have provided several bonus payouts to our staff as an appreciation of their hard work and efforts during these unprecedented times.

AML FOODS LIMITED

Consolidated Financial Statements
For The Year Ended April 30, 2020
And Independent Auditors' Report

Deloitte.

AML FOODS LIMITED

TABLE OF CONTENTS

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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, 2020, 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, 2020, 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, 2020, 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 an impairment of $901,000 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 the management's strategic plans. • Where management's assumptions differed from our expectations, we assessed the impact of the change on the impairment model.

Key Audit Matter	Summary of the Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Adoption of IFRS 16 Leases	During the current fiscal year, the Group adopted IFRS 16. The adoption of this standard requires management to make significant judgments in establishing the underlying key assumptions. The adoption of this standard requires management to consider specific assumptions applied to determine the discount rates for each lease, underlying lease data, and a model to calculate the transitional and ongoing impact on the consolidated financial statements and related disclosures.	In evaluating the adoption of IFRS 16, we performed various procedures, including the following: • Assessed the design and implementation of key controls related to determining the impact of IFRS 16 on the Group; • Assessed the appropriateness of the discount rates applied in determining lease liabilities; • Verified the accuracy of the underlying lease data by agreeing leases to original contract or other supporting information, and checked the integrity and mechanical accuracy of the IFRS 16 calculations for each lease through recalculation of the expected IFRS 16 adjustment; • Considered the completeness of lease agreements by comparing current year lease agreements with the prior year lease agreements. We also tested addition and termination of lease agreements during current year through substantive test of details. • Assessed the disclosures within the consolidated financial statements in light of the requirements of IFRS 16.

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 2020 annual report, but does not include the consolidated financial statements and our auditors' report thereon ("the Other Information"). The annual report is expected to be made available to us after the date of this auditors' report.

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 statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Talia Sweeting-Albury.

Deloitte & Touche

Nassau Bahamas
September 28, 2020

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2020
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2020	April 30, 2019
Assets		
Current assets		
Cash and bank balances (Note 5)	$ 7,253	$ 5,157
Term deposits with original maturities greater than 90 days	279	277
Receivables, net of provisions (Note 6)	927	648
Merchandise inventories, net of provisions (Note 7)	17,331	18,864
Other current assets (Note 8)	3,227	2,871
Current assets held for sale (Note 22)	44	264
Total current assets	29,061	28,081
Non-current assets		
Other assets (Note 9)	3,138	3,138
Property, plant and equipment, net (Note 10)		
Property, land improvements, and buildings	29,987	30,514
Equipment	7,187	7,550
Leasehold improvements	4,260	4,421
Work in progress	484	2,329
	41,918	44,814
Right-of-use asset (Note 15)	27,115	-
Goodwill (Note 11)	1,654	2,555
Total non-current assets	73,825	50,507
Total assets	$ 102,886	$ 78,588

(Continued)

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2020
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2020	April 30, 2019
Liabilities and shareholders' equity		
Current liabilities		
Bank overdrafts (Note 5)	$ -	$ 262
Accounts payable and accrued expenses (Note 13)	15,997	12,567
Current portion of bank loan (Note 12)	1,438	1,320
Current portion of preference shares (Note 14)	1,775	1,775
Current portion of lease liability (Note 15)	3,519	-
Current liabilities held for sale (Note 22)	-	18
Total current liabilities	22,729	15,942
Long-term liabilities		
Bank loan (Note 12)	7,081	8,572
Preference shares (Note 14)	8,436	10,211
Lease liability (Note 15)	26,744	-
Total long-term liabilities	42,261	18,783
Total liabilities	64,990	34,725
Shareholders' equity		
Ordinary share capital (Note 16)	7,524	7,524
Treasury shares (Note 16)	(86)	(40)
Contributed surplus	2,231	2,231
Revaluation surplus (Note 10)	3,857	5,040
Retained earnings	24,370	29,108
	37,896	43,863
Total liabilities and shareholders' equity	$ 102,886	$ 78,588

(Concluded)

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors as of September 2, 2020, and are signed on its behalf by:

Director

Director

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED APRIL 30, 2020
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2020	April 30, 2019
Sales (Note 24)	$ 172,445	$ 169,088
Cost of sales	(119,430)	(117,427)
Gross profit (Note 24)	53,015	51,661
Selling, general and administrative expenses (Note 18)	(46,996)	(47,275)
Other operating income	733	934
Net operating profit	6,752	5,320
Dividends on preference shares (Notes 14 and 24)	(666)	(772)
Interest expense (Notes 15 and 24)	(1,807)	(507)
Hurricane losses (Note 23)	(1,741)	-
Gain on disposal of fixed assets (Note 10)	5	-
Impairment of goodwill (Note 11)	(901)	(290)
Net profit from continuing operations	1,642	3,751
Discontinued operations		
Loss from discontinued operations (Note 22)	(202)	(155)
Net profit and comprehensive income	$ 1,440	$ 3,596
Earnings per share from continuing operations (Note 19)	$ 0.11	$ 0.25
Earnings per share from discontinued operations (Note 19)	$ (0.01)	$ (0.01)
Earnings per share (Note 19)	$ 0.10	$ 0.24

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED APRIL 30, 2020
(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, 2018	**15,049**	**$ 7,524**	**$ -**	**$ 2,231**	**$ 5,040**	**$ 27,469**	**$ 42,264**
Shares repurchased (Note 16)		-	(40)	-	-	-	(40)
Net profit from continuing operations		-	-	-	-	3,751	3,751
Net loss from discontinued operations		-	-	-	-	(155)	(155)
Declared dividends ($0.13 per share)		-	-	-	-	(1,957)	(1,957)
Balance as of April 30, 2019	**15,049**	**7,524**	**(40)**	**2,231**	**5,040**	**29,108**	**43,863**
Balance at May 1, 2019 as previously reported	15,049	7,524	(40)	2,231	5,040	29,108	43,863
Amendment on adoption of IFRS 16 (Note 2)						(3,319)	(3,319)
Adjusted balance at May 1, 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)
Revaluation deficit (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**

See notes to consolidated financial statements.

AML FOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2020
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

	April 30, 2020	April 30, 2019
Cash flows from operations		
Net profit	$ 1,440	$ 3,596
Adjustments for:		
Depreciation (Notes 10 and 15)	8,007	4,525
Impairment on discontinued operations (Note 22)	202	100
Dividends on preference shares (Note 14)	666	772
Decrease in inventory provision (Note 7)	(526)	(121)
Decrease in provision for doubtful debts (Note 6)	(17)	(3)
Loss on disposal of property, plant and equipment (Note 10)	296	36
Loss on impairment of goodwill (Note 11)	901	290
Interest on lease liability (Note 15)	1,370	-
Operating cash flow before changes in working capital	12,339	9,195
Decrease / (increase) in working capital source/(use):		
Decrease in merchandise inventories (Note 7)	2,059	238
Increase in receivables (Note 6)	(262)	(468)
(Increase)/ decrease in other current assets (Notes 8 and 22)	(343)	617
Increase in accounts payable and accrued expenses (Notes 13 and 22)	3,412	3
Net cash provided from operating activities	17,205	9,585
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)	(3,100)	(4,217)
Proceeds from sale of property, plant and equipment	5	350
Net cash used in investing activities	(3,097)	(3,869)

(Continued)

See notes to consolidated financial statements.

AML FOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2020
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

		April 30, 2020		April 30, 2019
Cash flows from financing activities				
Dividends paid on ordinary shares (Note 16)	$	(2,859)	$	(1,957)
Dividends paid on preference shares (Note 14)		(666)		(772)
Repurchase of shares (Note 16)		(46)		(40)
Repayment of preference shares (Note 14)		(1,775)		(1,775)
Repayment of bank loan (Note 12)		(1,373)		(1,310)
Payment of lease liabilities (Note 15)		(5,038)		-
Net cash used in financing activities		(11,757)		(5,854)
Net (decrease) / increase in cash and cash equivalents		2,351		(138)
Cash, beginning of period		4,946		5,084
Cash, end of period (Note 5)	$	7,297	$	4,946
Supplemental information:				
Interest received	$	2	$	4
Interest paid	$	442	$	507

(Concluded)

See notes to consolidated financial statements.

AML FOODS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2020
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

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, 2020. 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, 2019. With the exception of IFRS 16, 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. New and amended Standards and Interpretations adopted by the Company

IFRS 16: Leases

In the current year, the Company has applied IFRS 16 that is effective for annual periods beginning on or after January 1, 2019. IFRS 16 allows two methods of initial application: (1) full retrospective application with the restatement of comparatives and (2) modified retrospective approach without the restatement of comparatives and with certain simplifications available upon adoption. The Company has adopted the new guidance applying a modified retrospective approach with the cumulative effective of initially applying the standard as an adjustment to the opening balance of retained earnings. Comparative periods were not restated.

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee recognizing the right of use asset at the commencement date of the lease, and if lease payments are made over time, also recognizing financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as required by IAS 17 and instead introduces a single lease accounting model. Lessees will be required to recognize: (a) assets and liabilities for all leases with lease terms more than 12 months, unless the underlying asset is of low value; and (b) depreciation of right-of use assets separately from interest on lease liabilities in the statement of profit and loss.

Impact of IFRS 16 on to the Company

Applying IFRS 16, for all leases (except as noted below), the Company:

a. Recognizes right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;

b. Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of comprehensive income;

c. Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

As at May 1, 2019, the Company has recognized a lease liability measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate, and a right-of-use asset at an amount equal to the lease liability. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on May 1, 2019 was 4.75%.

The Company elected the following practical expedients in its transition to IFRS 16;

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;

- applying hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The explanation of the difference between operating lease commitments disclosed as at April 30, 2019 when applying IAS17 to the lease liabilities recognized as at May 1, 2019 is presented in the table below:

Operating lease commitments as at April 30, 2019 under IAS 17	$	14,510
Discounted using the lessee's incremental borrowing rate at the date of initial application		(969)
Extension options reasonably certain to be exercised		15,784
Lease payments not previously included		857
Lease liability recognised as at May 1, 2019	$	30,182
Short-term portion		3,507
Long-term portion		26,675

The right-of-use asset at the date of initial application for leases previously classified as an operating lease under the principles of IAS 17 was measured at the amount equal to the lease liability, adjusted as applicable by the amount of any prepaid or accrued lease payments relating to that lease recognized in the consolidated statement of financial position as at May 1, 2019.

Adjustments recognized in the consolidated financial position on May 1, 2019

The change in accounting policy affected the following items in the consolidated statement of financial position on May 1, 2019 was as follows:

- Right of use asset increased by $26,863
- Lease liabilities increased by $30,182
- Retained earnings decreased by the net of $3,319.

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

IAS 12 Income Taxes (amended)
IAS 19 Plan Amendment, Curtailment or Settlement (amended)
IAS 23 Borrowing Costs (amended)
IAS 28 Long-term Interests in Associates and Joint Ventures (amended)
IFRS 3 Business Combinations (amended)
IFRS 9 Financial Instruments (amended)
IFRS 11 Joint Arrangements (amended)
IFRIC 23 Uncertainty over Income Tax Treatments (amended)

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

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

IFRS 17 Insurance Contracts

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*** - IFRS 9 'Financial Instruments' replaced IAS 39 'Financial Instruments: Recognition and Measurement' with the exception of macro hedge accounting. The standard became applicable for the current financial year. 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. ***Franchise fee*** – At April 30, 2020, the Company operated one food franchise, for which franchise and territory fees are assessed by the franchisor and are payable in advance for each location. These fees are amortized over a five year period and the unamortized portion of the fee is presented with other current assets on the consolidated statement of financial position. At April 30, 2020, the unamortized franchise fees were $0. (April 30, 2019: $0).

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

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

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

n. ***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.

o. ***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.

p. ***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.

q. ***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

r. ***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).

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

t. ***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.

u. ***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:

	2020	2019
Cash and bank balances	$ 7,253	$ 5,157
Bank overdrafts	-	(262)
Cash of discontinued operations	44	51
Total	$ 7,297	$ 4,946

The Company was in compliance with all of its covenants as of April 30, 2020. 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 January 25, 2017. 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. The Company maintains an overdraft facility of $2 million bearing an interest rate of Nassau Prime 4.25% plus 1.25% (PY: 4.25% plus 1.25%).

6. RECEIVABLES, NET OF PROVISIONS

Receivables consist of the following:

	2020	2019
Trade receivables	$ 1,108	$ 846
Less: Provision for doubtful accounts	(181)	(198)
Total	$ 927	$ 648

The aging of receivables is as follows:

	2020	2019
0 to 30 days	$ 738	$ 574
31 to 60 days	112	43
61 to 90 days	49	9
91 days and over	209	220
Total	$ 1,108	$ 846

(Continued)

Movement in the provision for doubtful accounts	2020	2019
Balance at beginning of the year	$ (198)	$ (201)
Impairment losses recognized on receivables	(41)	(45)
Amounts written off during the year as uncollectible	58	48
Balance at end of the period	$ (181)	$ (198)

Management has deemed $227 (2019: $62) of the receivables to be past due, but not impaired.

As at April 30, 2020, the total amount of all receivables (including Abaco Markets ISF Limited) deemed uncollectible was $91 (2019: $136). These amounts are included in the total receivables balance.

(Concluded)

7. MERCHANDISE INVENTORIES, NET OF PROVISIONS

Merchandise inventories consist of the following:

	2020	2019
Food distribution	$ 18,171	$ 20,466
Franchise	696	460
	18,867	20,926
Less: Provisions	(1,536)	(2,062)
Total	$ 17,331	$ 18,864

8. OTHER CURRENT ASSETS

Other current assets consist of the following:

	2020	2019
Prepayments	$ 2,395	$ 1,967
Security deposits	832	904
Total	$ 3,227	$ 2,871

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.

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, 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

	Property, Land Improvements and Buildings	Equipment and Motor Vehicles	Leasehold Improvements	Work in Progress	Total
Cost/revalued amount:					
At April 30, 2018	$ 31,113	$ 25,629	$ 15,115	$ 1,736	$ 73,593
Additions	-	1,932	819	1,466	4,217
Disposals	-	-	-	-	-
Transfers	-	751	86	(873)	(36)
At April 30, 2019	$ 31,113	$ 28,312	$ 16,020	$ 2,329	$ 77,774
Accumulated depreciation:					
At April 30, 2018	$ 46	$ 18,380	$ 10,009	$ -	$ 28,435
Depreciation	553	2,382	1,590	-	4,525
Elimination on disposal	-	-	-	-	-
At April 30, 2019	$ 599	$ 20,762	$ 11,599	$ -	$ 32,960
Net book value:					
At April 30, 2019	$ 30,514	$ 7,550	$ 4,421	$ 2,329	$ 44,814

(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 at replacement cost less depreciation. The Company obtained independent appraisals in August 2018 and recorded adjustments, based on the results, at April 30, 2018 for all land, property and buildings. During the 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 $1.8 million which is included in the revaluation deficit in the Statement of Changes in Equity.

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 $24,499 (2019: $25,855).

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:

	2020	2019
Balance, beginning of period	$ 2,555	$ 2,845
Impairment	(901)	(290)
Balance, end of period	$ 1,654	$ 2,555

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

- Solomon's Club (Freeport) Limited
- Cost Right Freeport
- Domino's

The Company's annual impairment exercise indicated an impairment of $901 on the remaining goodwill as of April 30, 2020 (2019: $290). 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 used a WACC between 11.0% to 12.0% and growth rate assumptions of 2% to 17% 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 was renewed on January 25, 2017. In addition to the Reducing Demand Loan of $7,250 obtained on September 24, 2015, the arrangement included provision for another Reducing Demand Loan in the amount of $7,000 repayable over 10 years at a blended rate of Nassau Prime + 0.5%. As of April 30, 2020, 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.

	2020	2019
Due within 1 year	$ 1,438	$ 1,320
Due within 2 to 5 years	4,752	5,953
Due > 5 years	2,329	2,619
Total	$ 8,519	$ 9,892

13. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

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

	2020	2019
Accounts payable - trade	$ 8,083	$ 6,303
Taxes payable	702	426
Accrued expenses	7,212	5,838
Total	$ 15,997	$ 12,567

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, 2020, quarterly dividends totaling $666 (2019: $772) were paid to preference shareholders.

As of April 30, 2020, the following classes of preference shares were issued and outstanding at $1,000 per share:

(Continued)

Class	Authorized	Issued and Outstanding 2020	2019
C	25,000	2,198	2,637
D	25,000	8,013	9,349
	50,000	10,211	11,986

They are redeemable as follows:

	2020	2019
Due within 1 year	$ 1,775	$ 1,775
Due within 2 to 5 years	7,100	7,100
Due > 5 years	1,336	3,111
Total	$ 10,211	$ 11,986

(Concluded)

15. LEASES

The Company and its subsidiaries lease certain retail and office space under non-cancellable operating leases. As of April 30, 2020, 17 leases (2019: 17) are in effect.

Right-of-use assets

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

	2020	May 1, 2019
Right-of-use asset		
Property, land improvements and buildings	$ 27,115	$ 26,863

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

Balance at April 30, 2019 - IAS 17	$ -
IFRS 16 adjustment	26,863
Balance at May 1, 2019	$ 26,863
Additions - new lease contracts	3,742
Depreciation for the year	(3,490)
Balance at April 30, 2020 - IFRS 16	$ 27,115

(Continued)

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

	2020 IFRS 16	2019 IAS 17
Depreciation charge for right-of-use assets	$ 3,490	$ -
Interest expense on lease liabilities (included in interest expense)	1,370	-
Expense relating to variable lease payments not included in lease liabilities (included in selling, general and administrative expenses)	1,322	-
Operating lease expense - IAS17 (included in selling, general and administrative expenses)	-	5,764
Total expenses related to leases	**$ 6,182**	**$ 5,764**

Lease liabilities

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

	2020 IFRS 16	2019 IAS 17
Cash outflows for leases (IFRS 16) - financing activities		
Principal	$ 3,666	$ -
Interest	1,372	-
	5,038	**-**
Cash outflow for leases (IAS 18) - operating activities	**1,314**	**5,764**
Total cash outflows	**$ 6,352**	**$ 5,764**

The future minimum lease payments in relation to non-cancellable operating leases are as follows:

	Minumum Lease Payments
Due within 1 year	$ 4,440
Due within 2 to 5 years	8,754
Due > 5 years	1,125
Total	$ 14,319

(Concluded)

16. ORDINARY SHARE CAPITAL AND TREASURY SHARES

As of April 30, 2020, 15,049,346 (2019: 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, 2020, 13,000 (2019: 10,498) shares had been repurchased at an aggregate cost of $46 (2019: $40). 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.

	2020	2019
Miscellaneous income	$ 554	$ 594
Rental income	175	336
Interest income	4	4
Total	$ 733	$ 934

18. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

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

	2020	2019
Payroll and related costs	$ 20,026	$ 19,559
Facilities and rent	8,585	13,746
Sales and marketing expenses	5,734	6,096
Depreciation	7,879	4,386
Other costs	2,739	1,984
Office and computer costs	1,735	1,182
Directors' fees	175	202
Pension contributions	123	120
Total	$ 46,996	$ 47,275

Included in payroll and related costs is $1,313 (2019: $1,233) 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.

Earnings per share have been calculated based on the following:

	2020	2019
Net profit applicable to continuing operations	$ 1,642	$ 3,751
Net loss applicable to discontinued operations	$ (202)	$ (155)
Weighted average number of ordinary shares outstanding ('000s)	15,049	15,049

There were no dilutive transactions during the period that would have an impact on earnings per share.

20. COMMMITMENTS AND CONTINGENCIES

Capital commitments amounting to $107 were outstanding as of April 30, 2020 (2019: $455).

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 $2,885 outstanding as of April 30, 2020 (2019: $2,135).

21. RELATED PARTY TRANSACTIONS

In addition to items already disclosed, the Company has four additional related party transactions to disclose.

The Company paid rent amounting to $762 (2019: $646) under a 20-year lease on a property in which a director has significant influence. This lease expired during the year and was renewed for an additional non-cancellable period of five years. The minimum lease payments over the non-cancellable period of this lease at April 30, 2020 was $3,593 (2019: $1,032).

Secondly, in 2012, the Company entered into a long-term lease agreement with a company in which a director has significant influence. The initial term of this lease is five years and is renewable for five subsequent terms of five years each. Under this agreement, total rent incurred for the period was $790. (2019: $661). The minimum lease payments over the non-cancellable period of this lease at April 30, 2020 was $1,106 (2019: $1,683).

Further in October 2015, the Company entered into a short-term lease agreement with the same company with whom it had entered into a long-term lease agreement in 2012. The additional lease is for a two-year term. The Company did not exercise its option to renew this lease at the end of the term. Under this agreement, total rent paid for the period was $64 (2019: $48). Therefore, the Company paid total rents of $1,617 (2019: $1,345) under lease agreements to related parties.

In addition to rents paid to related parties, in 2018 the Company entered into an agreement as lessor to a company in which a Director is the principal. During the year, the Company received $37 (2019: $42) in rental payments. As at April 30, 2020, a total of $7 (2019: $3) was outstanding and included in Receivables.

22. DISCONTINUED OPERATION

On December 11, 2017, the Company ceased operation of Carl's Jr., one of its two franchises. The Company operated three locations in New Providence. 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 by $187. This loss is included as part of the loss from discontinued operations in the Consolidated Statement of Comprehensive Income. 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, 2020		**April 30, 2019**
Sales	$	-	$	-
Cost of sales		-		-
Gross profit		-		-
Selling, general and administrative expenses		(15)		(55)
Net operating loss		(15)		(55)
Impairment of property, plant and equipment		(187)		(100)
Net loss from discontinued operations	$	(202)	$	(155)
Loss per share from discontinued operations	$	(0.01)	$	(0.01)

Statement of Financial Position		**April 30, 2020**		**April 30, 2019**
Assets				
Cash	$	44	$	51
Other current assets		-		13
Property, plant and equipment, net of impairment		-		200
Total assets	**$**	**44**	**$**	**264**
Liabilities and shareholders' equity				
Accounts payable and accrued expenses	$	-	$	18
Total liabilities		-		18
Total shareholders' equity		44		246
Total liabilities and shareholders' equity	**$**	**44**	**$**	**264**

(Continued)

Statement of Cash Flows	April 30, 2020	April 30, 2019
Net cash used in operating activities	$ 11	$ -
Net cash provided by (used in) investing activities	-	375
Net cash (used in) provided by financing activities	(18)	(344)
Net (decrease) increase in cash	**$ (7)**	**$ 31**

(Concluded)

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:

Inventory losses	$ 1,691
Payroll and benefit related losses	656
Loss of property, plant, and equipment, net book value	299
Other losses	345
Total hurricane loss	**2,991**
Insurance proceeds	(1,250)
Total hurricane loss, net	**$ 1,741**

The Company has received further insurance proceeds subsequent to April 30, 2020 (see Note 27).

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	
	2020	2019	2020	2019	2020	2019	2020	2019
Sales	$ 164,355	$ 159,622	$ 8,090	$ 9,466	$ -	$ -	$ 172,445	$ 169,088
Gross profit	48,057	45,705	4,958	5,956	-	-	53,015	51,661
Gross profit %	29.2	28.6	61.3	62.9	-	-	30.7	30.6
Operating profit/(loss)	13,347	12,078	(152)	268	1,441	(2,640)	14,636	9,706
Depreciation and amortisation of franchise fees	(5,814)	(2,952)	(619)	(345)	(1,446)	(1,089)	(7,879)	(4,386)
Dividends on preference shares	-	-	-	-	-	-	(666)	(772)
Interest expense	-	-	-	-	-	-	(1,807)	(507)
Hurricane expenses	-	-	-	-	-	-	(1,741)	-
Impairment of goodwill	-	-	-	-	-	-	(901)	(290)
Net profit from continuing operations	**$ 7,533**	**$ 9,126**	**$ (771)**	**$ (77)**	**$ (5)**	**$ (3,729)**	**$ 1,642**	**$ 3,751**
Other information:								
Segment assets	$ 37,762	$ 32,214	$ 1,716	$ 1,873	$ 63,364	$ 44,237	$ 102,842	$ 78,324
Segment liabilities	(42,567)	(13,073)	(847)	(432)	(21,577)	(21,202)	$ (64,991)	$ (34,707)
Net operating assets	$ (4,805)	$ 19,141	$ 869	$ 1,441	$ 41,787	$ 23,035	$ 37,851	$ 43,617

(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, 2020 would decrease/increase by $95 (2019: $109) 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, 2019.

   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, 2020 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 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. 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 to shareholders as of record date June 27, 2020 and paid on July 3, 2020.

In June 2020 and July 2020, the Company received total insurance proceeds of $2.6 million as partial settlement on its outstanding claims from Hurricane Dorian. Further, in August 2020, the Company received a settlement offer for an additional $1.9 million related to Hurricane Dorian claims. At the date of issuance of the statements, the $1.9 million remains outstanding.

* * * * * *

Making a Difference..

AML Foods and its brands are putting the needs of people and our communities at the heart of how we work today, to help build a better tomorrow. Our aim is to foster communities by creating welcoming spaces where families can shop and be happy. We use our voice to bring communities together and empower our team members to serve and support their local neighbourhoods.

Collectively our brands have provided close to $250k in cash and in-kind to support programs that align with our charitable priorities. We focus on areas where we can do the most good and combine the unique strengths of our various businesses, providing more than just funding. This allows us to have a greater impact as well as deliver support to a wider reach. Whether it's in our stores, or at an offsite local event, we pride ourselves on being a good neighbour and are proud to support the needs of our communities, helping to strengthen them.

Franklyn Butler II
Chairman

AML Foods Limited

BOARD OF DIRECTORS

R. Craig Symonette
Director

Robert Sands
Director

Michael Maura Jr.
Director

Alison Treco
Director

Meike de Vaere
Director

Tara Cooper Burnside
Director

Gavin Watchorn
Group President & CEO, Director

Executive Management:

Gavin Watchorn, Group President and CEO
Rhonda Rolle, Chief Human Resources Officer
Davette Lightbourne, Chief Financial Officer
Anthea Jones, Chief Operating Officer
Renea Bastian, VP Marketing & Communications
Carlos Sands, VP Inventory & Loss Prevention
Richard Jones, VP Facilities
Kimberley Bodie, VP Human Resources
Shannon West, VP of Purchasing
Dave Forbes, VP of Information Technology
Paula Plakaris, Group Financial Controller
Nelson Moss, District Manager Food Distribution
Wilfred St. Louis, District Manager Food Distribution
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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

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