



ANNUAL REPORT 2024

CONTENTS

Message from Our Chairwoman	2
Our Board of Directors	3
The Chief Executive Officer’s Report	4
Committee Reports from The Board	6
Management Team	9
Polaris Holding Company Ltd. Financial Summary	11
Stevedoring Services Company Limited	16
East End Asphalt Company Limited	20
Recognition & Rewards	23
Consolidated Financial Statements	29



MESSAGE FROM OUR CHAIRWOMAN

Fiscal 2024 was a year of transition for Polaris Holding Company Ltd. (“Polaris”) given the uncertainties faced shifting from the familiar structure and stability of the former CEO. We are happy to report that Polaris CEO Mr. Randolph (“Randy”) Rochester has proven himself more than capable. With his own unique blend of knowledge, experience and style, Mr. Rochester has integrated himself into the Polaris culture, and has set his sights to build on the solid foundation laid by his predecessor.

Bermuda’s sluggish economy continued to impact Polaris, with the fiscal 2024 year end consolidated results buoyed by non-operational gains associated with the sale of the Mill Reach property and a change in lease accounting. However, despite the financial headwinds, through vigilant monitoring and oversight, Polaris maintained a cautious stance throughout the year, ensuring sufficient funds were available to pay down principal debts, issue dividends and end the year in a prudent cash position.

I would like to thank the Directors and Management for their commitment and willingness to provide the higher level of engagement that this past year required. On behalf of the Board of Directors, my gratitude and appreciation goes out to the dedicated teams within the Polaris family, for their willingness to embrace change and their commitment and dedication to the Company, its customers and the community in which we serve.

Cheryl Hayward-Chew
Chairwoman of the Board

OUR BOARD OF DIRECTORS



Cheryl Hayward-Chew
Chairwoman of the Board

Appointed to the Board in July 2006 and as Chairwoman in June 2013

COMMITTEES: NG (Chair), HR (Chair)



Howard Pitcher
Director

Appointed to the Board in February 2014

COMMITTEES: AR (Chair), NG, HR



Wayne Caines
Director

Appointed to the Board in October 2009

COMMITTEES: NG, AR



Paul Hubbard
Independent Director*

Appointed to the Board in March 2015

COMMITTEES: AR, I



Jeffrey Conyers
Director

Appointed to the Board in July 2006

COMMITTEES: AR, I



Tracy Berkeley
Independent Director*

Appointed to the Board in March 2021

COMMITTEES: AR, HR



Tammy Richardson-Augustus
Independent Director*

Appointed to the Board in September 2017

COMMITTEES: NG, HR, I

COMMITTEES

NG Nomination and Corporate Governance
AR Audit and Risk Management

HR Human Resource and Compensation
I Investment

THE CHIEF EXECUTIVE OFFICER'S REPORT

It has been just under a year now since joining Polaris and the transition from the public to the private sector has been relatively seamless thanks in part to the vision of the former CEO, Mr. Warren Jones, and the Board of Directors, who helped facilitate a smooth leadership handover.

Just prior to joining Polaris, I had the privilege of attending the Port Management Association of the Caribbean's ("PMAC") 26th Annual General Meeting in Antigua and Barbuda, where I was introduced to leaders of shipping ports throughout the Caribbean region – a trip which has, in turn, fostered

good working relationships and the sharing of information on an almost weekly basis. The PMAC AGM addressed trends in the industry from potential challenges of climate change, supply chain issues, the lack of adequate infrastructure, to cyber security risks.

On the other side of the world, the General Stevedoring Council supported my operational integration, over a two-week period at the Port of Cork, in Ireland, the Europe Container Terminal Port Rotterdam in Amsterdam (the largest seaport in Europe), and the Port of Helsingborg in Sweden. This immersion strengthened my global connections within the maritime

industry and afforded me the opportunity to work with senior executives at each of the ports – a great benefit back here in Bermuda.

When I integrated into Stevedoring Services Limited ("SSL") to obtain on-the-ground experience, I worked directly on the Hamilton docks as an acting Dock Operations Manager, enveloping real-time exposure to the various stevedoring roles. Special mention must be given to the foremen who put me through my orientation. The experience set the tone for my approach and helped build trust and rapport, as we collectively understood we were all in it together.

SSL has always been a consistent performer despite container volume numbers in steady decline since fiscal 2017, and unlikely ever to return to fiscal 2008's heights. While there have been multiple reports of construction developments planned for Bermuda, infusions that would have a significant financial impact on SSL's volumes, and the prosperity of the Country, to date we have not seen these projects come to fruition. SSL has instead been able to manage its bottom line through cost containment and operating efficiencies.

East End Asphalt Company Limited ("EEA") was the next order of business where I was put through my paces on the ground learning the operation. From the office to the field, I participated in all aspects of the business. As I started my career in this industry, the learning curve was not as steep. It was anticipated over the last few years that EEA would turn the proverbial corner with increased revenues. The Covid-19 pandemic and the more recent malaise in Bermuda's construction industry have slowed progress. In fiscal 2024, investing in our future, EEA embarked on extensive betterments to its plant, and the Company acquired the EEA property through the acquisition of Duck's Puddle Property Ltd. ("DPP"), taking ownership of its future.

Delays in getting the plant's upgrade to necessary standards kept it down longer than expected over the Christmas period resulting in a period of strain. Despite these challenges, EEA is well positioned going into fiscal 2025, with an upgraded reliable plant, and highly skilled workforce, the division is ready to meet the demand.

Since joining the Polaris team, I have learned that this Company is resilient and has learned to weather the ebbs and flows when the economy is flourishing or static. Notwithstanding, we will continue to go about our business of powering Bermuda quietly.

Special recognition should be given to all of the staff at EEA and SSL who are the critical link to keeping the Company ticking. And for this my first report as the CEO, I would like to thank the Board of Directors and the Chairwoman, Ms. Cheryl Hayward-Chew for placing their trust in me as the team leader.

Randolph Rochester
Chief Executive Officer

ACCOMPLISHMENTS IN FIRST 10 MONTHS

- Secured a six-year extension to the Terminal Operators License which would see SSL remaining at its current location until February of 2032.
- Secured a 3% Public Tariff Rate Increase – effective January 1st, 2024
- Oversaw eleven members of the SSL team being certified by the Caribbean Maritime University at Level I (Holdman) Level II (Deckman) and Level IV (Supervisory) levels.
- Completed union negotiations with the BIU/SSL – through to 2027.
- Overseeing the delivery of one new Reach Stackers to support dock operations.
- Created an Employee of the Month programme – which has improved the already high employee morale.
- Onboarded a new Vice President of Finance.
- All machines inspected and internationally certified on the Hamilton Docks.
- Changed the domain name from stevedoring.bm to ssl.bm.

COMMITTEE REPORTS FROM THE BOARD

The Audit And Risk Management Committee Report

The Audit and Risk Management Committee's (ARMC) mandate is "to assist the Board with its responsibility for overseeing the integrity of the financial statements, the financial reporting process, internal accounting and financial controls. The engagement and evaluation of independent auditors and compliance with legal and regulatory bodies and their requirements."

The members of the ARMC are Ms. Tracy Berkeley (independent), Mr. Wayne Caines, Mr. Jeff Conyers, Mr. Paul Hubbard (independent) and is chaired by Mr. Howard Pitcher. Currently the committee meets once quarterly and as needed to review urgent matters.

The ARMC makes recommendations to the Board regarding the independent auditor, monitors the statutory audit, reviews its findings and ensures

implementation of the independent auditor recommendations. The ARMC also reviews and ensures the accuracy of the Company's internal reporting and accounting controls, including the quarterly compliance certificate and the business continuity plan.

The ARMC diligently conducts periodic reviews of the risk registry to ensure its continual updating and maintenance as a comprehensive inventory of potential scenarios the Company may encounter, including reputational risks. As such the committee has brought the new CEO up to speed with the risk registry and its required updating. PIPA implementation will continue to be monitored along with any further updates to local regulations.

The Nomination And Corporate Governance Committee Report

The Nomination and Corporate Governance Committee (“NCGC”) mandate is “to oversee the composition, independence, structure, practices and evaluation of the Board and its committees and play a leadership role in shaping the corporate governance of the Company.” The NCGC is guided by the UK Corporate Governance Code (“Code”).

The members of the NCGC are Mr. Wayne Caines, Ms. Tammy Richardson-Augustus, Mr. Howard Pitcher and it is chaired by Ms. Cheryl Hayward-Chew.

In this past fiscal year, the NCGC supported the governance aspect of the new CEO’s onboarding and transition which included the appointment of Mr.

Randy Rochester to the Investment Committee and the recommendation that Mr. Warren Jones be invited to offer himself for the appointment of director at the 2024 Annual General Meeting.

The biennial Directors self-evaluation survey was due to be conducted in 2023; however, the decision was taken to delay the survey until 2024, after the CEO transition was completed.

The NCGC is tasked with confirming the Company’s independent directors as defined by the Code. The independent directors are Mr. Paul Hubbard, Ms. Tammy Richardson-Augustus and Ms. Tracy Berkeley.

The Investment Committee Report

The Investment Committee (“IC”) mandate is to support the Company’s investment strategy. The IC is comprised of Mr. Jeffrey Conyers, Ms. Tammy Richardson-Augustus, Mr. Paul Hubbard, and is chaired by CEO Mr. Randy Rochester. In fiscal 2024 the IC was also supported by the new Vice President of Finance, Mr. Liaqat Hussain, and the former Acting VP of Finance, Mr. Todd Boyd.

During this financial year, the IC supported several deliverables for both EEA and SSL. Specific for EEA, cash flowing the procurement of 12,000 metric tons of aggregate was critical to ensure the division had sufficient material on hand to complete existing and potential work, and in helping to navigate the acquisition of EEA’s operating real estate, under new division DPP.

Significant capital was also expanded on major upgrade work to EEA’s plant which caused operations to be offline longer than expected over the Christmas holiday period. Notwithstanding, business is steadily improving and looks very promising over the next year.

The IC also supported capital spending at SSL on the purchase of two new Konecranes reach stackers. These purchases will be offset by the sale of the Taylor reach stackers that will be shipped off island once the Konecranes have been commissioned for work.

The IC continues to explore new opportunities, including the consideration of a new business acquisition in fiscal 2024, which it determined was not prudent to advance at this time.

The Human Resource And Compensation Committee Report

The Human Resource and Compensation Committee's ("HRCC") mandate is to "ensure that the human resource and compensation practices support the successful recruitment and retention of executive talent and employees who can achieve the corporate business objectives."

The members of the HRCC are Ms. Tammy Richardson-Augustus, Mr. Howard Pitcher, Ms. Tracy Berkeley, and chaired by Ms. Cheryl Hayward-Chew, working closely with Mr. Randy Rochester in his capacity as CEO of Polaris and its subsidiaries.

The HRCC dedicated a substantial amount of time and energy on the recruitment, selection and integration of the incoming CEO. This included overseeing a robust transition plan which engaged staff, operations and stakeholders and orientated the new CEO to the Company's governance structure.

As part of the Board's goal to effectively manage internal talent, the HRCC approved the Succession Planning Guidelines for the Company which provided the structure for the appointment of the new VP of Finance. In January of 2024, Mr. Liaqat Hussain, the former Financial Controller at EEA was selected to take over the post from the outgoing Acting VP of Finance, Mr. Todd Boyd. Mr. Boyd successfully held this post for the past 10 years.

The HRCC continued to provide support to the CEO in human resource related matters before the Courts and the Employee Labour Relations Tribunal. It is anticipated that two remaining matters (one at SSL and one at EEA) should be concluded by the end of summer fiscal 2025.

The HRCC continued its oversight of the annual employee satisfaction survey and the Polaris Educational Award, as well as the Employee Share Purchase Plan.

In this current year, the HRCC supported the transition of the General Manager of EEA and is working closely with the CEO who has assumed the duties of the General Manager until further notice. The HRCC will be considering the proposed organizational structure for EEA in the coming months.

MANAGEMENT TEAM



Randy Rochester
Chief Executive Officer
Polaris Holding Company Ltd.



Liaqat Hussain
Controller*
East End Asphalt Company Limited

Appointed to VP of Finance,
Polaris Holding Company Ltd.
in April 2024



Linda Amaral
Comptroller
Polaris Holding Company Ltd.



Travis Gilbert
General Manager
East End Asphalt Company Limited



Aloma Musson
Administration Manager
Polaris Holding Company Ltd.



Wendell Eye
Operations Superintendent
East End Asphalt Company Limited



Paul Moniz
Dock Operations Manager
Stevedoring Services Limited



Nievah Harvey
Operations Assistant
East End Asphalt Company Limited



Otis Minors
Dock Superintendant
Stevedoring Services Limited



POLARIS HOLDING COMPANY LTD. FINANCIAL SUMMARY

Fiscal Year End (Dollar Amounts in Thousands)	2018 31. March	2019 31. March	2020 31. March	2021 31. March	2022 31. March	2023 31. March	2024 31. March
20-foot Equivalent Container Moves	37,906	37,425	37,504	34,331	34,217	35,198	33,523
Stevedoring Revenue	\$11,921	\$11,563	\$11,868	\$10,803	\$11,154	\$11,410	\$11,109
East End Revenue			3,263	2,725	4,662	3,974	3,273
Total Comprehensive Profit (Loss) for the Year	1,299	801	168	(511)	1,134	(482)	741
Earnings Per Share	1.10	0.68	0.14	(0.43)	0.95	(0.41)	0.62
Shareholders' Equity	11,020	11,442	11,250	10,738	11,431	10,486	10,878

POLARIS HOLDING COMPANY LTD. [CONSOLIDATED]

These are not the high-flying days of fiscal 2008 when twenty-foot equivalent container units (“TEU”) exceeded 45,000 moves a year, when seemingly everyone prospered, and the island’s construction industry boomed. But neither are these the pandemic-soaked days of fiscal 2021, or the years of social, political, and economic unrest capped by 1981’s general strike, or the darker years before that.

The watchwords for fiscal 2024: calm, steady, incrementalism.

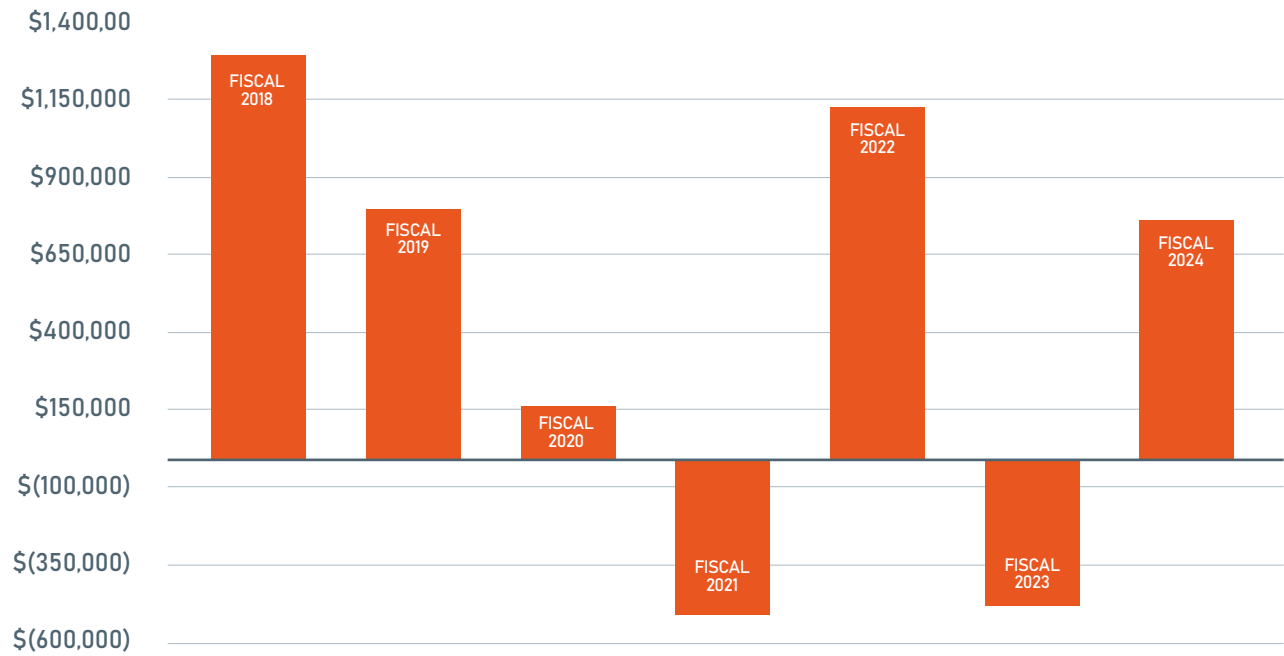
Like a ship seasoned in ocean crossings, certain tools are needed to succeed; a sturdy vessel, a capable captain with steady hands and tested experience, and a team, rowing in the same direction, skilled to navigate choppy waters and to adjust and repair during the journey.

Established in 1966, Polaris continues to build on its experience, with Mr. Randy Rochester taking the helm in September 2023. In fiscal 2024 Polaris journeyed forward, seeking long-term stability and safe harbors.

Under Mr. Rochester’s remit, the Company consolidated operations, shedding its non-core properties at Mill Reach Lane, Pembroke, in favor of acquiring 8 Ducks Puddle Drive, in Hamilton Parish, the commercial real estate utilized by EEA and previously leased by the asphalt division.

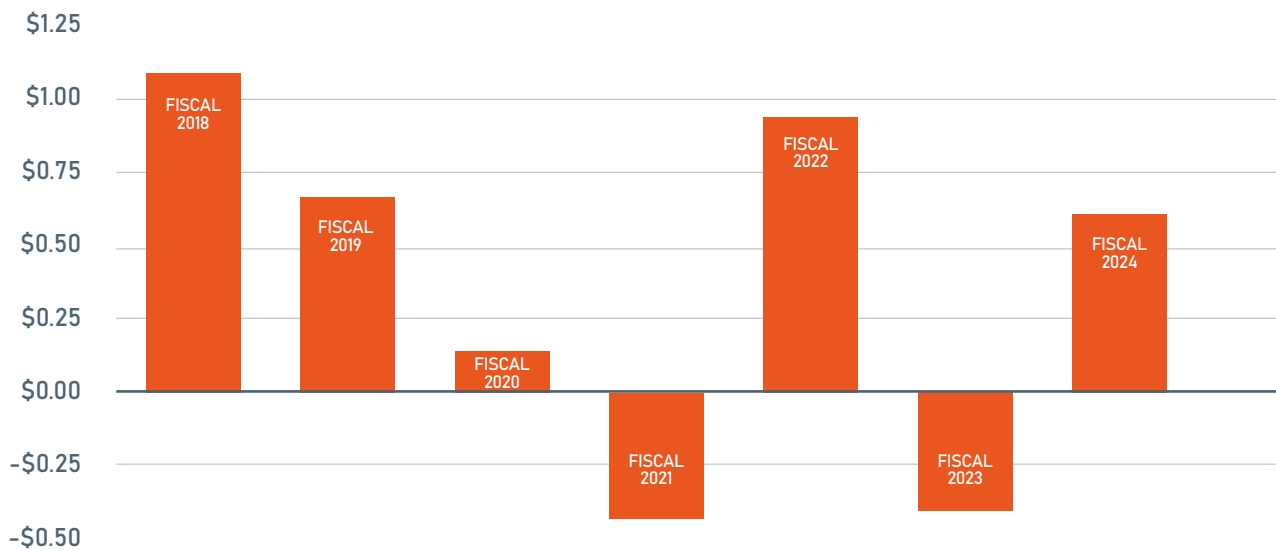
The ownership shuffle secured the Company’s control over EEA’s commercial future and aided in Polaris reporting a consolidated net income for the year ended March 31, 2024 of \$741K [fiscal 2023 – (\$482K)].

Consolidated Net Income (Loss)



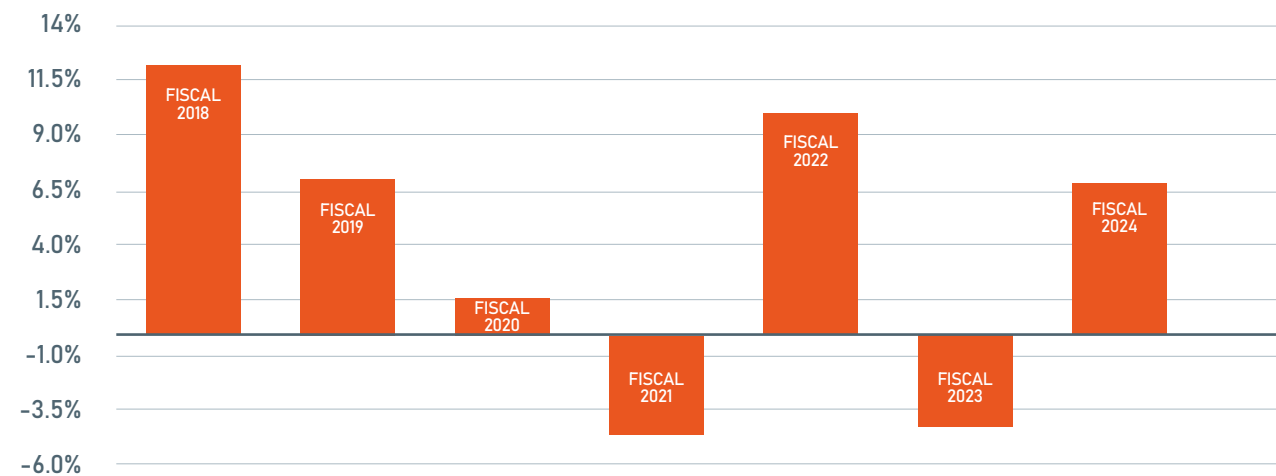
Earnings (Loss) Per Share

The Company reported earnings per share of \$0.62. The prior year's results were negative due to a (\$1.1 million) goodwill write-down.



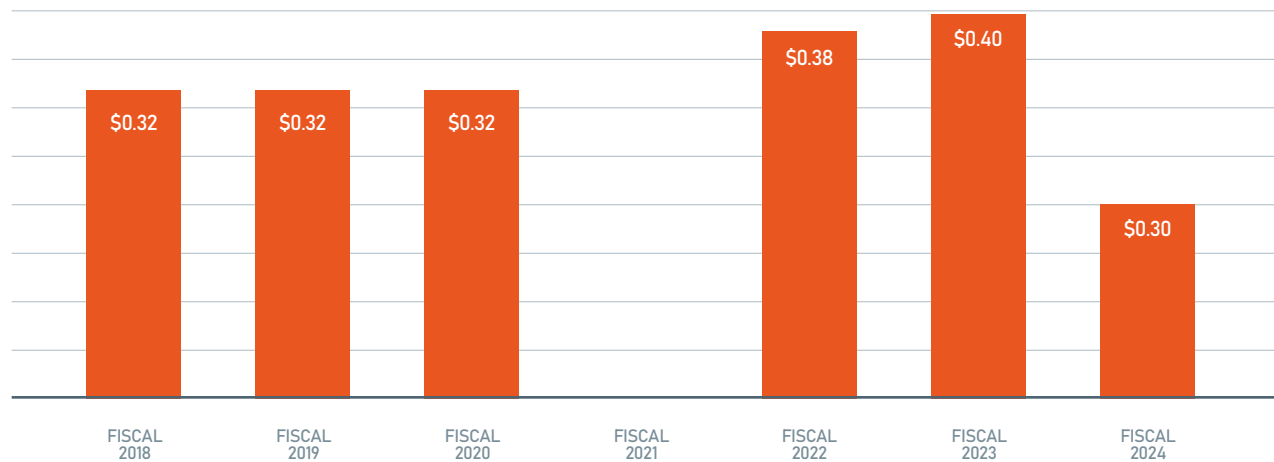
Return (Loss) on Equity

Return on equity was 6.9% [fiscal 2023 – (4.4%)]. The Board's long-term goal is a 12% or better return on equity.



Dividends

Due to softer results and increased capital spending, the dividend was reduced to \$0.05 per share per quarter beginning December 2023, with the year reflecting \$0.30 per share dividend [fiscal 2023 - \$0.40 per share].



STEVEDORING SERVICES LIMITED



Revenue

Top-line revenue of \$11.11 million [fiscal 2023 – \$11.41 million] fell in fiscal 2024, as cargo imports continued to shrink.

TEU Volume

In fiscal 2024 through the island’s Hamilton port SSL handled 33,523 TEU moves [fiscal 2023 – 35,198], (4.8%) below fiscal 2023.

It is through the bread-and-butter daily TEU cargo coming into the island – the imported household purchases, the retail goods, the consumables, the food

– that SSL’s success is dictated, and more broadly a reflection on the fiscal health of the country.

Cargo into Bermuda in fiscal 2024 remained more than (10%) below pre-pandemic levels and was (25%) less than Bermuda’s peak 15 years earlier.

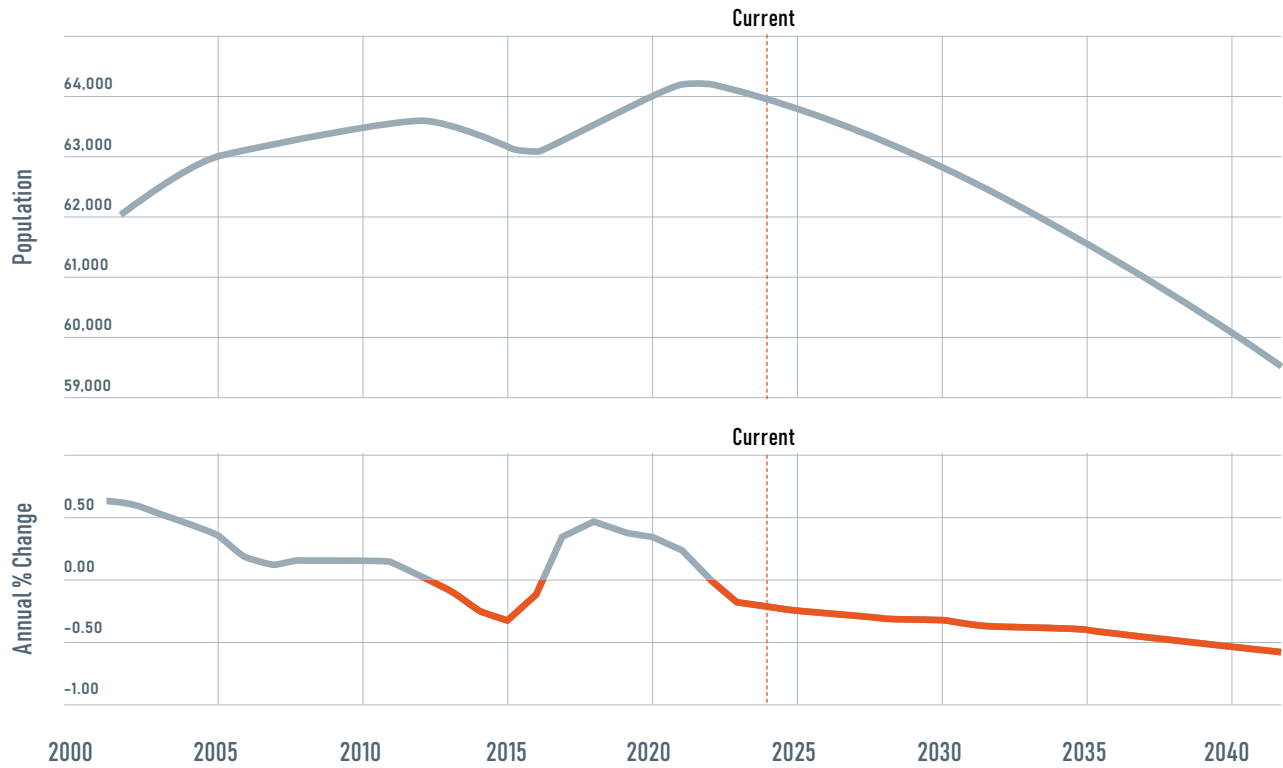
Twenty Foot Equivalent Unit (TEU) Moves



Nothing correlates more closely to the island’s cargo volume activity, and economic prosperity than Bermuda’s working population, with current and future figures falling.

Simply put, with Bermuda’s population getting smaller, and older, the level of cargo importation is shrinking, and with that SSL’s revenue.

Bermuda’s Past Current and Forecasted Population *



*United Nations - World Population Prospects

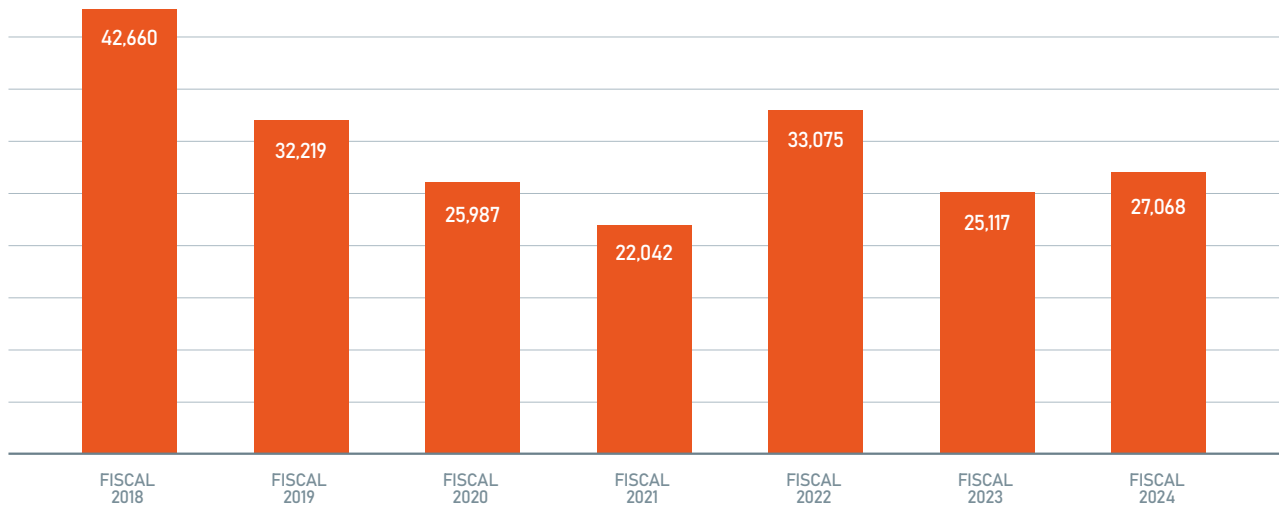
Rates

Notwithstanding a general tariff rate increase of 3.0% having been approved by the Corporation of Hamilton, and despite inflation running above 4.0%, SSL's request to increase terminal handling charges was denied by the Port Authority. This marks the second consecutive year that a terminal handling charge increase has been denied, costing the division (\$35K) in fiscal 2024.

Break Bulk

Break bulk volume at 27,068 freight tons for the year [fiscal 2023 – 25,117] was anticipated to rise in fiscal 2023 but continued soft relative to earlier years largely due to the lack of construction activity and investment on island.

Break Bulk Moves (in Freight Tons)



SSL Expenses

Spending for the year, at \$10.89 million [fiscal 2023 – \$10.70 million], grew 1.7% or \$185K from the prior year.

Despite inflationary pressures and an uptick in spending, the division identified areas of opportunity to rein in costs, and negotiate down burdens, keeping overall expenditures at a level to maintain profitability.

Net Income and Cash Flow

SSL's net income of \$224K [fiscal 2023 – \$710K], translated into a positive cash flow of \$346K [fiscal 2023 – \$447K] after factoring in \$732K in capital spending [fiscal 2023 – \$1.10 million], primarily for parts.

In addition to the above the Company put a deposit of \$515K down in fiscal 2024 for the purchase of a new reach stacker, which it received in July 2024.

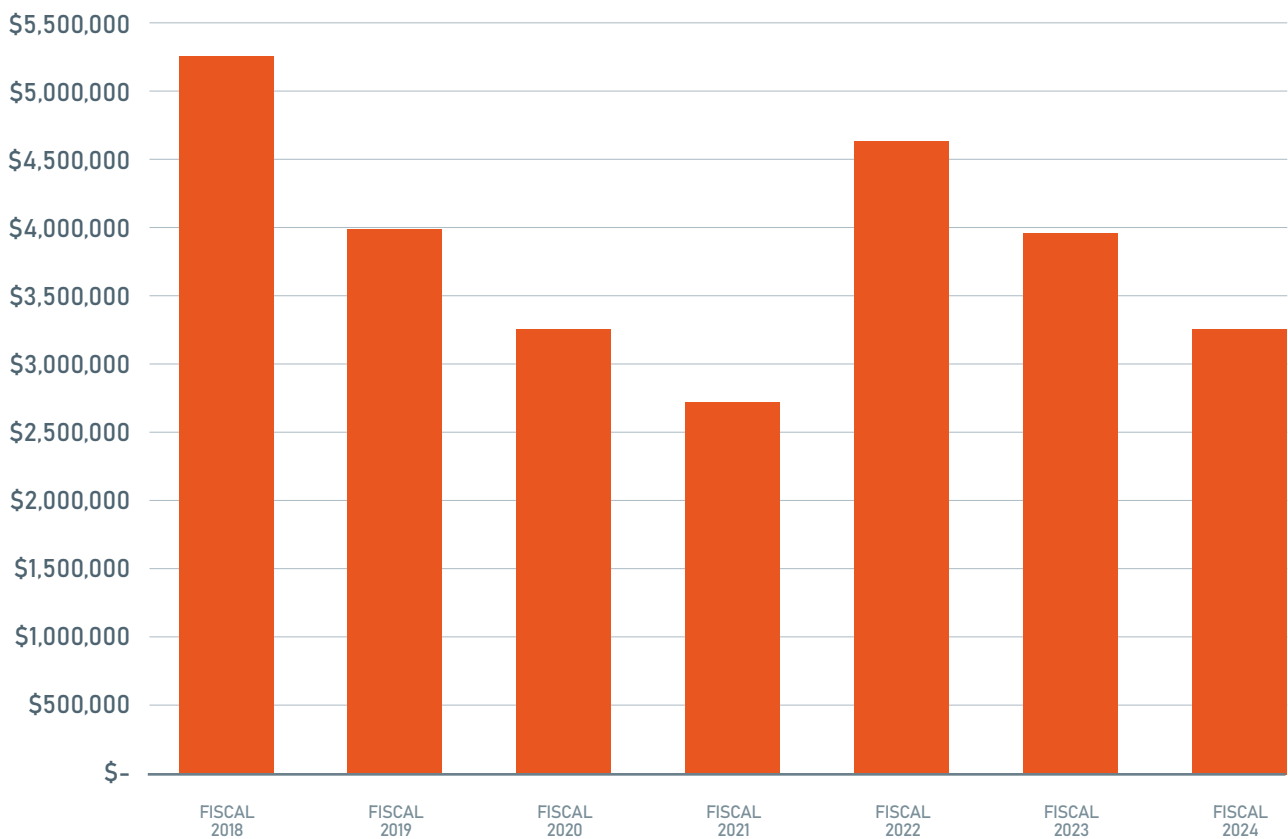
EAST END ASPHALT COMPANY LIMITED



Operating Results Summary

Revenue for the year was \$3.27 million [fiscal 2023 - \$3.97 million], (\$701K) below fiscal 2023, mirroring the state of the construction industry.

Revenue



The fall in revenue was anticipated, and EEA balanced that retracting with an equivalent ratcheting down of non-core outlays. The exception was in infrastructure. An increase in repair and maintenance expenses reflected substantial investments in the plant with a strategic focus on upgrading and maintaining the essentials of EEA's business.

Capital Expense

In keeping with the prior year, EEA's maintenance strategy remained focused on maintaining its asphalt plant and heavy equipment at a high level of dependable service. This proactive approach aims to prevent asset deterioration, minimize downtime, avoid long-term damage to the plant and equipment and preserve the division's brand reputation.

Given EEA's strong service record, it is strategically positioning itself to take on more core functions related to asphalt production.

The acquisition of two new trucks enhances EEA's logistical capabilities, ensuring timely delivery and efficient transportation of asphalt and related materials.

MILL REACH HOLDING LIMITED AND DUCK'S PUDDLE PROPERTIES LIMITED

At the end of April 2023, Mill Reach Holding Limited ("MRH") sold 7 and 11 Mill Reach Lane for gross proceeds of \$1.85 million, with the funds utilized to acquire Duck's Puddle Properties Limited ("DPP"), a new wholly owned subsidiary that owns 8 Duck's Puddle Drive, the real estate EEA operates from. MRH has been dissolved effective May 28, 2024.

RECOGNITION & REWARDS

Training & Development

In collaboration with the Port Management Association of the Caribbean and the Caribbean Maritime University (“CMU”), Stevedoring Services Limited saw 11 of its dockworkers certified at Level I, Level II and Level IV.

The training program was conducted on-site in Bermuda, with visiting professors from the CMU’s Jamaica campus, who oversaw the training and assessments. SSL first engaged CMU as an industry training partner in 2015, with the first on-island cohort training taking place in 2017. This course was developed to enhance the dockworkers’ knowledge, skills, attitudes; and safety awareness in keeping with the safe port framework.



SSL Sponsorship Press Release

Bermuda, June 13, 2024

Polaris Holding Company Celebrates Bermuda Teams Heading to IOD World Championships in Hankø, Norway

Polaris Holding Company proudly announces the sponsorship and support of one of the Bermuda teams that will be competing in the International One Design (IOD) World Championships in Hankø, Norway. Departing on June 13, the team will showcase its talents in this prestigious event, running from June 15 to June 22.

Kelsey Durham, a dedicated stevedore with Polaris subsidiary Stevedoring Services Limited and captain of Bermuda Team 2, expressed his gratitude and excitement. "We wouldn't have been able to go without the support of the sponsors, so we are grateful for all the contributions," Durham said. "Sailing has been self-funded for years, and yet it has been one of the country's most successful sports internationally. Over the decades, the success of local sailing icons such as Peter Bromby, Stevie Dickinson, and Malcolm Smith have shown that Bermuda is a world class sailing hub. Financial support of what is a very expensive sport can help expand access and produce even more success for our island."

Durham, who has been sailing for most of his life, first explored the IOD class in 2019/2020. Reflecting on his recent experience at the Bermuda International Race Week, he shared, "We had a regatta a few weeks ago, with two Bermuda teams and the rest being international competitors. I won the B series, got 3rd in the A series, and finished second overall. The results gave me a confidence boost, especially since it was my first-ever race week in this class."

"Sailing has made me independent," Durham, who started sailing at five years old, explained that young sailors are introduced to the sport solo, navigating their first experiences in an Opti alone. If the boat capsizes, the young sailor must learn to handle it himself. Durham said, "This independence and teamwork needed to be a competitive sailor, directly translates to my role as a stevedore on the Bermuda Docks. I'm thankful to Polaris for the time off and the contribution to our team, helping make it possible to represent our country."

Polaris Holding Company donated \$2,400 to cover all the meals for the entire competition period, demonstrating their commitment to supporting local talent. Polaris Holding Company CEO, Randy Rochester, expressed his pride in the team and their achievements. "We are thrilled to support one of the Bermuda teams as they head to the IOD World Championships," Rochester said. "At Polaris, we quietly power Bermuda through Stevedoring Services' work on the docks and connecting communities in the East with our asphalt manufacture and paving work at East End Asphalt Company. That's why choosing to support our team member Kelsey and his fellow sailors, was a simple decision. Sponsoring these talented sailors aligns perfectly with our values of teamwork and commitment to our island."

The Bermuda 2 team, skippered by Kelsey Durham, includes Nico Stefani, Heath Foggo, Roger Beach, and Michael Richold. Bermuda 1 will be skippered by Patrick Cooper. Both teams will proudly represent Bermuda, donning Bermuda shorts at the competition's opening ceremony, where a boat draw ensures a fair competition.

Polaris Holding Company extends its best wishes to both teams and looks forward to their outstanding performance in Norway.

Employee of the Month

In December 2023, SSL introduced an Employee of the Month programme. This award was created to recognize employees for achieving excellence in their field. Based on the Company's core values of punctuality, integrity, dedication, safety consciousness and building relationships with colleagues to enhance productivity in the workplace, the following persons have been recognized since January.



JANUARY

Mr. Kenneth Mills



FEBRUARY

Mr. Maki Pitt



MARCH

Mr. Cavin Burchall



APRIL

Mr. Jahquan DeShields Smith



MAY

Mr. William Pickering



JUNE

Mr. Alan Butterfield

Educational Awards



Polaris Holding Company Ltd. Educational Award is designed to assist children of employees to further their education either in Bermuda or abroad. The total amount of the Award

is \$2,500 which is presented annually to eligible students. It is intended to assist with a financial need and may be used to cover tuition, room and board and/or travel expenses. This year, Ms. Zyon Minors, the daughter of Dock Superintendent Otis Minors, was selected. Polaris is proud to support Zyon for a third year as she furthers her Bachelor of Nursing studies.



Ayr Cannonier, the son of Ankoma Cannonier, a Deckman at Stevedoring Services Limited, is attending the United World College (UWC) in Tanzania, East Africa. He is a first-time recipient of the Education Award. He is in his second year pursuing the International Baccalaureate in Economics and Business. UWC offers a challenging educational experience to a deliberately diverse group of students and places a high value on experiential learning, community service, and outdoor activities, which complement high academic standards delivered through the International Baccalaureate Diploma Programme. The Tanzania college campus, opened in 2019, is the eighteenth country to provide tertiary education undergirded by the UWC ethos.

Employee Share Purchase

Full time employees of Polaris Holding Company Ltd who have been with the Company or any of its Subsidiaries for a period of at least one year, are eligible to take part in the Employee Share Purchase Plan. These eligible employees are granted the right to subscribe for up to 125 common shares of the Company pursuant to the terms of the Plan. In 2024, six (6) employees

took advantage of this opportunity to either join the programme or purchase additional shares at 80% of the share value. These same employees are entitled to attend the Company’s AGM annually, which gives them a fuller understanding of how the Company operates at the highest level.

Long Service Awards

Polaris’ held its seventh Annual Long Service Awards ceremony in June of 2024. This event recognized staff who were either retiring or achieved milestones of 5, 10, 15, 20, 25, 30, 35, 40 years for the period of January 2024 – December 2024. These were as follows:



<p>5 YEARS</p> <ul style="list-style-type: none"> • Mr. Jerome Lightbourne 	<p>10 YEARS</p> <ul style="list-style-type: none"> • Mr. Jahlil Dill • Mr. Dawud Tucker • Mrs. Linda Amaral 	<p>25 YEARS</p> <ul style="list-style-type: none"> • Mr. Trevor Smith 	<p>45 YEARS</p> <ul style="list-style-type: none"> • Mr. Alan Butterfield
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RETIREES **Mr. Wayne Cox** (22 Years) | **Ms. Aloma Musson** (9 Years)

PICTURED ABOVE FROM LEFT TO RIGHT. Allan Butterfield; Wayne Cox; Aloma Musson; Cheryl Hayward-Chew (Chairwoman); Randolph Rochhester (CEO); Linda Amaral; Jahlil Dill; Jerome Lightbourne; Dawud Tucker; Kanhai Talbot

Relationship with HM Customs

Over the years, a friendly rivalry has developed between HM Customs and the SSL team. Since the summer of 2023, there has been a cricket match, a golf tournament and a bowling competition – with SSL leading 2-1. This was capped off with a barbeque in May of 2024 that was enjoyed by all.

COMMUNITY ENGAGEMENT

Comet Boat Race

Polaris wishes to salute the organisers, competitors and the winning team of the Edward Cross Long Distance Comet Race – Christian Ebbin and Benn Smith! This historic race, organised by Bermuda’s historically Black sailing clubs, has been a cherished part of Bermuda’s maritime heritage since the 1940s. Held on Heroes Day, it symbolizes resilience and teamwork, values Polaris holds dearly. Since 2022, we have been a proud sponsor of the annual race. Supporting this iconic event aligns with our mission of “Quietly Powering Bermuda.”

Bermuda Zoological Society (“BZS”)

This year Polaris sponsored for the first time the BZS. The Tiger Shark Membership offered a number of benefits such as 14 BZS family memberships, the opportunity for a staff “giving to the community” day, and 50 guests passes, which were donated to a local government agency to support their youth programme.

Eastern Counties Cricket Tournament

Polaris continues to be a major sponsor of this annual event through radio broadcasting and the Man of the Match. And in October 2023, Mr. MacQuille Walker, a standout player from the with the Eastern County Champions, Bailey’s Bay Cricket Club, was awarded the prestigious Polaris MVP of the Series Award. Mr. Walker, a rising star on the cricket landscape, was handed a cash prize in recognition of his series achievements by Company CEO, Randy Rochester.

World IOD Sailing Championships

SSL’s very own Kelsey Durham, a dedicated Dockman, took part in his very first World IOD Sailing Championships in Hanko Norway in June 2024. An aggressive move in one race resulted in a penalty and a loss of valuable points that could have placed Team Two Bermuda on the championship podium. The team finished seventh overall after a comeback performance in the final two races that saw them secure back-to-back third place finishes and climbing all the way back to claim the seventh spot overall.



POLARIS HOLDING COMPANY LTD. CONSOLIDATED FINANCIAL STATEMENTS

(With Independent Auditor's Report Thereon)

FOR THE YEAR ENDED MARCH 31, 2024

The accompanying report of KPMG Audit Limited ("KPMG") is for the sole and exclusive use of Polaris Holding Company Ltd. (the "Company"). No person, other than the Company, is authorized to rely upon the report of KPMG unless KPMG expressly so authorizes. Furthermore, the report of KPMG is as of July 26, 2024 and KPMG has carried out no procedures of any nature subsequent to that date which in any way extends that date.



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Polaris Holding Company Ltd.

Opinion

We have audited the consolidated financial statements of Polaris Holding Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditor's 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 International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the annual report to shareholders but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

Auditor's 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 auditor's 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 ISA 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 ISA, 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 auditor's 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 auditor's 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 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 auditor's 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 auditor's report is Felicia Wilsen.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
July 26, 2024

Consolidated Statement of Financial Position

March 31, 2024 and 2023

(Expressed in Bermuda Dollars)

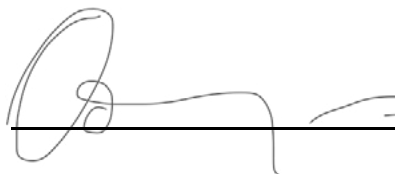
	<u>2024</u>	<u>2023</u>
Assets		
Non-current assets		
Property, plant and equipment (Notes 8 and 9)	\$ <u>12,453,768</u>	\$ <u>13,536,409</u>
Total non-current assets	<u>12,453,768</u>	<u>13,536,409</u>
Current assets		
Cash and cash equivalents (Notes 10 and 21)	1,395,871	2,252,480
Accounts receivable (Notes 18 and 21)	984,399	1,162,724
Inventory (Note 11)	1,126,274	749,637
Prepaid expenses	748,564	848,064
Asset held for sale – investment property (Note 7)	<u>–</u>	<u>1,216,618</u>
Total current assets	<u>4,255,108</u>	<u>6,229,523</u>
Total assets	<u>\$ 16,708,876</u>	<u>\$ 19,765,932</u>
Liabilities		
Non-current liabilities		
Long term debt (Note 14)	\$ 3,012,083	\$ 2,713,601
Accrued expenses	90,252	107,352
Lease liabilities (Note 9)	<u>–</u>	<u>4,098,940</u>
Total non-current liabilities	<u>3,102,335</u>	<u>6,919,893</u>
Current liabilities		
Accounts payable and accrued expenses (Note 21)	1,968,201	1,777,585
Long-term debt – current portion (Note 14)	356,152	270,136
Lease liabilities (Note 9)	192,008	20,497
Unearned revenue (Note 6)	<u>212,024</u>	<u>291,643</u>
Total current liabilities	<u>2,728,385</u>	<u>2,359,861</u>
Total liabilities	<u>5,830,720</u>	<u>9,279,754</u>
Equity		
Share capital (Note 16)	1,190,849	1,189,787
Share premium (Note 16)	51,752	44,825
General reserve (Note 17)	1,250,000	1,250,000
Retained earnings	<u>8,385,555</u>	<u>8,001,566</u>
Total equity attributable to the Company's shareholders	<u>10,878,156</u>	<u>10,486,178</u>
Total liabilities and equity	<u>\$ 16,708,876</u>	<u>\$ 19,765,932</u>

The accompanying notes are an integral part of these consolidated financial statements

Signed on behalf of the Board



Director



Director

Consolidated Statement of Comprehensive Income

For the years ended March 31, 2024 and 2023

(Expressed in Bermuda Dollars)

	<u>2024</u>	<u>2023</u>
Revenue		
Stevedoring revenue (Notes 6 and 18)	\$ 11,109,093	\$ 11,409,895
Stevedoring expenses (Notes 12 and 13)	<u>(6,886,752)</u>	<u>(6,819,349)</u>
Stevedoring gross profit	4,222,341	4,590,546
East End Asphalt revenue (Note 6)	3,273,193	3,974,281
East End Asphalt expenses (Note 11)	<u>(2,631,140)</u>	<u>(2,764,223)</u>
East End Asphalt gross profit	<u>642,053</u>	<u>1,210,058</u>
Total income	4,864,394	5,800,604
Expenses		
Administrative salaries, wages and benefits (Notes 12 and 13)	1,855,755	1,870,836
Depreciation (Note 8)	1,027,986	1,255,089
General and administrative expenses	938,205	745,271
Professional fees (Notes 18 and 23)	768,193	593,945
Information technology and telecommunication (Note 18)	294,084	271,540
Impairment of goodwill (Note 15)	-	1,100,000
Loss on disposal of property, plant and equipment	<u>-</u>	<u>59,176</u>
Total expenses	4,884,223	5,895,857
Results from operations	(19,829)	(95,253)
Finance expense (Notes 9 and 14)	(292,832)	(425,058)
Gain on lease termination (Note 9)	<u>456,311</u>	<u>-</u>
Net profit (loss) from continuing operations	\$ 143,650	\$ (520,311)
Net profit from discontinued operations (Note 7)	<u>597,169</u>	<u>38,410</u>
Net profit (loss) for the year (attributable to owners of the Company)	\$ 740,819	\$ (481,901)
Earnings per share:		
Net earnings (loss) per share – basic (Note 19)	\$ 0.62	\$ (0.41)
Net earnings (loss) per share – fully diluted (Note 19)	\$ 0.62	\$ (0.41)
Earnings per share – continuing operations:		
Net earnings (loss) per share – basic (Note 19)	\$ 0.12	\$ (0.44)
Net earnings (loss) per share – fully diluted (Note 19)	\$ 0.12	\$ (0.44)

All items included in the consolidated statement of comprehensive income relate to continuing and discontinuing operations. There are no other components of comprehensive income.

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity

For the years ended March 31, 2024 and 2023

(Expressed in Bermuda Dollars)

	<u>Share capital</u>	<u>Share premium</u>	<u>General reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at April 1, 2022	\$ 1,188,302	\$ 34,052	\$ 1,250,000	\$ 8,958,833	\$ 11,431,187
Total comprehensive income:					
Loss for the year	-	-	-	(481,901)	(481,901)
Transactions with owners of the Company recognized directly in equity:					
Shares issued (Note 16)	1,485	10,773	-	-	12,258
Dividends declared and paid (Note 16)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(475,366)</u>	<u>(475,366)</u>
Balance at March 31, 2023	<u>1,189,787</u>	<u>44,825</u>	<u>1,250,000</u>	<u>8,001,566</u>	<u>10,486,178</u>
Total comprehensive income:					
Profit for the year	-	-	-	740,819	740,819
Transactions with owners of the Company recognized directly in equity:					
Shares issued (Note 16)	1,062	6,927	-	-	7,989
Dividends declared and paid (Note 16)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(356,830)</u>	<u>(356,830)</u>
Balance at March 31, 2024	<u><u>\$ 1,190,849</u></u>	<u><u>\$ 51,752</u></u>	<u><u>\$ 1,250,000</u></u>	<u><u>\$ 8,385,555</u></u>	<u><u>\$ 10,878,156</u></u>

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statement of Cash Flows

For the years ended March 31, 2024 and 2023

(Expressed in Bermuda Dollars)

	<u>2024</u>	<u>2023</u>
Operating activities		
Profit (loss) for the year	\$ 740,819	\$ (481,901)
Adjustments for:		
Depreciation	1,569,512	1,583,498
Depreciation of heavy equipment parts	677,247	677,058
Depreciation of investment property	-	94,658
Impairment of goodwill	-	1,100,000
Net finance expense	292,832	425,058
Gain from lease termination	(456,311)	-
Loss on disposal of property, plant and equipment	-	59,175
Gain on disposal of assets held for sale	(600,268)	-
Changes in non-cash working capital balances:		
Accounts receivable	178,325	225,370
Inventory	(376,637)	(246,748)
Prepaid expenses	99,500	(720,679)
Accounts payable and accrued expenses	173,516	314,260
Unearned revenue	<u>(79,619)</u>	<u>8,053</u>
Net cash provided by operating activities	<u>2,218,916</u>	<u>3,037,802</u>
Investing activities		
Purchase of property, plant and equipment (Note 8)	(4,470,405)	(2,280,007)
Disposal of investment property (Note 7)	1,816,886	-
Purchase of investment property (Note 7)	-	(7,299)
Proceeds on disposal of property, plant and equipment	<u>-</u>	<u>170,000</u>
Net cash used in investing activities	<u>(2,653,519)</u>	<u>(2,117,306)</u>
Financing activities		
Repayment of long-term debt	(615,502)	(274,162)
Dividends declared and paid	(356,830)	(475,366)
Proceeds from debt issued (Note 14)	1,000,000	-
Proceeds from shares issued	7,989	12,258
Payment of lease liabilities	(164,831)	(190,805)
Interest paid	<u>(292,832)</u>	<u>(425,058)</u>
Net cash used in financing activities	<u>(422,006)</u>	<u>(1,353,133)</u>
Decrease in cash and cash equivalents	(856,609)	(432,637)
Cash and cash equivalents at beginning of year	<u>2,252,480</u>	<u>2,685,117</u>
Cash and cash equivalents at end of year	<u>\$ 1,395,871</u>	<u>\$ 2,252,480</u>

The accompanying notes are an integral part of these consolidated financial statements

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

1. General

Polaris Holding Company Ltd. (the “Company” or “PHC”) was incorporated on January 24, 2011 under the laws of Bermuda. The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton, Bermuda. There is no ultimate controlling party.

The Company is the holding company for the group of companies which comprise of SSL, Equipment Sales and Rentals Limited (“ESR”), East End Asphalt Company Limited (“EEA”), Mill Reach Holding Company Limited. (“MRH”) and Duck’s Puddle Properties Ltd. (“DPPL”). All subsidiaries are wholly owned and incorporated under the laws of Bermuda.

SSL carries on business as a stevedoring company. The Company holds the terminal operators license from the Corporation of Hamilton to operate on the Hamilton docks until February 28, 2026

ESR carries on the business of purchasing and leasing heavy operating machinery and equipment. MRH owned investment property at Mill Reach Lane, Pembroke, Bermuda which was sold in April 2023, as described in Note 7.

EEA carries on business as an asphalt manufacturing and paving company.

In April 2023, the Company established a new wholly owned subsidiary Duck’s Puddle Limited (DPL), in May 2023 this was amalgamated with DPPL, being DPPL the surviving company, DPPL owns 8 Duck’s Puddle Drive property which is leased to EEA. Prior to amalgamation, DPPL recognized land and building with no other assets and liabilities. The Company applied concentration test and this transaction was accounted for as an acquisition of properties. As a result, land valued at \$2,293,146 and a building valued at \$500,000 was recognized.

2. Basis of preparation

(a) *Statement of compliance*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board.

These consolidated financial statements were authorized for issue by the Board of Directors on July 26, 2024.

(b) *Basis of measurement*

These consolidated financial statements have been prepared on the historical cost basis.

(c) *Functional and presentation currency*

These consolidated financial statements are presented in Bermuda dollars, which is the Company’s functional currency.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

2. Basis of preparation (continued)

(d) Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions about future considerations. The use of available information and the application of judgment are inherent in the formation of estimates; actual results in the future may differ from estimates upon which financial information is prepared. Revisions to accounting estimates, if any, are recognized in the period in which the estimate is revised and in any future periods affected. Further information about key assumptions concerning the future, and other key sources of estimation uncertainty, are set out in the following notes:

- Note 3(h) – impairment of non-financial assets

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

(a) Basis of consolidation

The consolidated financial statements include the balances and results of operations of the Company and its wholly owned subsidiaries (together referred to as the “Group”). All inter-company transactions and balances are eliminated on consolidation.

(b) Revenue recognition

Stevedoring revenues include stevedoring and dock handling revenues, and are recognized in the accounting period in which the services are rendered which is generally at the point when freight is unloaded from vessels.

Performance obligations and revenue recognition policies

The Group recognizes revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

3. Material accounting policies (continued)

Revenue stream	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Containers	Containers revenue is based upon the completion of the discharging and backloading process. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied.
Break Bulk / Loose Cargo	Break bulk and loose cargo revenue is based upon the completion of the discharging and backloading process. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied.
Labour Surcharges	Labour surcharge revenue, while working overtime, is based upon the completion of the labour work process. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied.
Line Handling	Line handling revenue is based upon the completion of the vessel tie up process. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied.
Terminal Handling Charges	Terminal handling charge revenue is based upon the handling and discharging of cargo leaving the docks. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

3. Material accounting policies (continued)

(b) Revenue recognition (continued)

Performance obligations and revenue recognition policies (continued)

Revenue stream	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Port Storage Fees	Port storage fee revenue is based upon the storage of cargo at the docks. The performance obligation is the completion of this process. Payment is due on collection.	Revenue is recognized over time as the performance obligation is satisfied.
Paving	Paving revenue is based on the asphaltting of roads and driveways. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized over time on a monthly basis, based on the stage of completion.
Aggregate and Asphalt Sales	Aggregate and asphalt sales revenue is based on the acquisition of the material by customers. The performance obligation is the transfer of goods to the customer. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied based on the cost-to-cost method.

Rental income

Rental income is recognized as revenue on a straight-line basis over the term of the lease.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset and include capitalized borrowing costs. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. Improvements to leased premises are capitalized and depreciated over the remainder of the related lease period. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). Items of property, plant and equipment are depreciated from the date that they are ready for use. Land is not depreciated.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

3. Material accounting policies (continued)

(c) Property, plant and equipment (continued)

The estimated useful lives of significant items of property, plant and equipment are as follows:

Buildings and building improvements	10-25 years
Right of use assets (lease term)	5–50 years
Asphalt Plant	25 years
Furniture and fixtures	3-5 years
Computer equipment	3-10 years
Vehicles	5 years
Cranes and heavy equipment	5-15 years
Light equipment	5 years
Heavy equipment parts	4 years

(d) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Land held as investment property is not subject to depreciation. The buildings are stated at cost less accumulated depreciation and depreciated on a straight-line basis over their estimated useful lives of 10 years. Cost includes expenditure that is directly attributable to the acquisition or construction of the investment property.

(e) Assets held for sale and discontinued operations

Discontinued operations are reported when a component of the Company, representing a separate major line of business or area of operations with clearly distinguishable cash flows, has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. In accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* ("IFRS 5"), discontinued operations are reported as a separate element of net income or loss on the consolidated statement of operations and comprehensive income for both the current and comparative periods. When a disposal group is classified as held for sale, assets and liabilities are aggregated and presented as separate line items, respectively, on the consolidated statement of financial position. Comparative periods are not restated on the consolidated statement of financial position. Assets held for sale are not depreciated and are measured at the lower of carrying value and fair value less costs to sell.

(f) Financial instruments

The Group's financial assets comprise of cash and cash equivalents and accounts receivable. The Group's financial liabilities comprise of accounts payable, lease liabilities and long-term debt.

(i) Recognition and initial measurement

Accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. Accounts receivable are initially measured at the transaction price which reflects fair value. All other financial assets and financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

3. Material accounting policies (continued)

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, the Group determines the classification of its financial assets. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company classifies its financial assets at amortized cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the Company is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Financial assets – Subsequent measurement and gains and losses

The Company's financial assets classified as amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

The Company classifies its financial liabilities as other financial liabilities. The Company's financial liabilities are subsequently measured at amortized cost using the effective interest method.

(iii) De-recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flow from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

3. Material accounting policies (continued)

(f) Financial instruments (continued)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in the consolidated statement of comprehensive income.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Impairment

Financial assets

The Group recognizes loss allowances or expected credit losses (“ECLs”) on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to 12-month ECLs for cash and cash equivalents that are determined to have a low credit risk at the reporting date and for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables and other receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when it is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

3. Material accounting policies (continued)

(g) Impairment (continued)

For financial assets measured at amortized cost the Group applies a simplified approach in calculating the ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on the lifetime ECLs at each reporting date. The Group has established a provision matrix based on its historical loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

Credit impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the issuer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 240 days past due based on historical experience of recoveries of similar assets.

(h) Impairment of non-financial assets

Property, plant and equipment and investment property are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill is tested annually for impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized in profit or loss if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognized.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the time value of money and any risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

3. Material accounting policies (continued)

(h) Impairment of non-financial assets (continued)

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows the Group considers all cash on hand, deposits with financial institutions that can be withdrawn without prior notice or penalty and short-term deposits with an original maturity of three months or less as equivalent to cash. Cash and cash equivalents are used to manage the Group's short term liquidity commitments

(j) Employee benefits

The costs of employee benefits payable in respect of the Group's defined contribution pension plan are charged to the consolidated statement of comprehensive income in the year in which the related services are rendered by the employees. The Group pays fixed contributions to a separate entity and has no obligation to

pay further amounts. The Group has committed to providing health insurance costs for certain former officers and employees. The present value of the estimate future obligations payable is recognized in full.

The grant-date fair value of share-based payment arrangements granted to employees under the Group's share option agreement is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards which approximates to the date when the eligible employees exercise their option to subscribe for shares under the stock option plan.

(k) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Bermuda dollars at the rates of exchange prevailing at the consolidated statement of financial position date, while associated revenues and expenses are translated into Bermuda dollars at the actual rates prevailing at the date of the transaction. Resulting gains or losses are recorded in the consolidated statement of comprehensive income.

(l) Taxation

The Group is a registered Bermuda incorporated entity, which is not currently subject to tax on profit, income or capital gains in the Islands of Bermuda. On December 27, 2023 the Bermuda government enacted legislation into law, the Bermuda Corporate Income Tax Act 2023. The Group is not currently in scope for this new legislation. Accordingly, no provision for current or deferred income tax has been made in these consolidated financial statements.

(m) Inventory

Inventory is measured at the lower of cost and net realizable value. Provision is made where necessary for obsolete and slow-moving items. The cost of inventory is based on the first-in, first-out principle.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

3. Material accounting policies (continued)

(n) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in these consolidated financial statements from the date on which control commences until the date on which control ceases. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 3(h)). Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

(o) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is not amortized.

(p) Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in *IFRS 16 Leases*.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lessor transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

3. Material accounting policies (continued)

(p) Leases (continued)

As a lessee (continued)

on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate of 5.3% as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renew period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

3. Material accounting policies (continued)

(p) Leases (continued)

As a lessor (continued)

lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies *IFRS 15 Revenue from Contract with Customers* to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements of *IFRS 9 Financial Instrument* to the net investment in the lease (see Note 3(g)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

4. Changes to material accounting policies

There were a number of amendments to standards that were effective for periods beginning on or after April 1, 2023, but they do not have a material effect on the Group's consolidated financial statements. These have been listed below:

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to IAS 8)*
- *IFRS 17 Insurance Contracts (and Amendments to IFRS 17)*

5. New standards and interpretations not yet adopted

A number of new or amended standards are effective for annual periods beginning after March 31, 2024, and early adoption is permitted; however, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)*
- *Lease Liability in a sale and Leaseback (Amendments to IFRS 16)*
- *Non-current Liabilities with Covenants (Amendments to IAS 1)*
- *Amendments to the Classification and Measurement of Financial Instruments and IFRS 7 Financial Instruments: Disclosures*
- *Presentation and Disclosure in Financial Statements (IFRS 18)*

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

6. Revenue

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers – continuing operations	\$ 14,382,286	\$ 15,384,176
Other revenue		
Rental income – discontinued operations (Notes 7 and 9)	<u>8,020</u>	<u>160,841</u>
	<u>\$ 14,390,306</u>	<u>\$ 15,545,017</u>

Unearned revenue is derived from the advance consideration received from customers for projects for which revenue is recognized over time. All unearned revenue of \$291,643 as at 31 March 2023 was realized during the year ended March 31, 2024. Unearned revenue of \$212,024 deferred as at March 31, 2024 was all received during the year then ended as advance payments.

Disaggregation of revenue from contracts with customers

In the following tables, revenue from contracts with customers is disaggregated by major product and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	<u>2024</u>		
	<u>SSL</u>	<u>EEA</u>	<u>Total</u>
Major products and service lines			
Containerized and Break Bulk/ Loose Cargo	\$ 8,879,655	\$ –	\$ 8,879,655
Terminal Handling Charges	1,259,412	–	1,259,412
Labour Surcharges	698,296	–	698,296
Line Handling	207,249	–	207,249
Port Storage Fees	64,481	–	64,481
Paving	–	1,888,050	1,888,050
Aggregate asphalt and other sales	<u>–</u>	<u>1,385,143</u>	<u>1,385,143</u>
	<u>\$ 11,109,093</u>	<u>\$ 3,273,193</u>	<u>\$ 14,382,286</u>
Timing of revenue recognition			
Products and services transferred over time	\$ 64,481	\$ 1,949,755	\$ 2,014,236
Products and services transferred at a point in time	<u>11,044,612</u>	<u>1,323,438</u>	<u>12,368,050</u>
Revenue from contracts with customers	<u>\$ 11,109,093</u>	<u>\$ 3,273,193</u>	<u>\$ 14,382,286</u>

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

6. Revenue (continued)

	2023		
	<u>SSL</u>	<u>EEA</u>	<u>Total</u>
Major products and service lines			
Containerized and Break Bulk/			
Loose Cargo	\$ 9,008,848	\$ -	\$ 9,008,848
Terminal Handling Charges	1,257,593	-	1,257,593
Labour Surcharges	794,854	-	794,854
Line Handling	226,046	-	226,046
Port Storage Fees	122,554	-	122,554
Paving	-	2,989,180	2,989,180
Aggregate asphalt and other sales	<u>-</u>	<u>985,101</u>	<u>985,101</u>
	<u>\$ 11,409,895</u>	<u>\$ 3,974,281</u>	<u>\$ 15,384,176</u>
Timing of revenue recognition			
Products and services transferred over time	\$ 122,554	\$ 2,989,180	\$ 3,111,734
Products and services transferred at a point in time	<u>11,287,341</u>	<u>985,101</u>	<u>12,272,442</u>
Revenue from contracts with customers	<u>\$ 11,409,895</u>	<u>\$ 3,974,281</u>	<u>\$ 15,384,176</u>

7. Assets held for sale – investment property and discontinued operations

Investment property was comprised of land and buildings being held in MRH. In April 2023, the Group had sold its investment property for \$1,850,000. The property had a net book value of \$1,216,618 as at March 31, 2023. The gain on sale, before closing costs, was \$640,681, with the net gain after legal spending, stamp duties, and other charges, \$600,268. As of March 31, 2024, MRH has no remaining assets or liabilities, the division is wound down and discontinued.

Results of discontinued operations

	<u>2024</u>	<u>2023</u>
Revenue		
Rental income (Note 6)	\$ 8,020	\$ 160,841
Expenses		
Professional fees	7,500	2,525
General and administrative	3,619	25,248
Depreciation	<u>-</u>	<u>94,658</u>
Operating (loss) income	(3,099)	38,410
Gain on sale of property	<u>600,268</u>	<u>-</u>
Net profit from discontinued operations	<u>\$ 597,169</u>	<u>\$ 38,410</u>

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

7. Assets held for sale and discontinued operation (continued)

Cash flows used in discontinued operations

	<u>2024</u>	<u>2023</u>
Operating activities		
Profit for the year	\$ 597,169	\$ 38,410
Adjustments for:		
Depreciation	-	94,658
Gain on disposal of assets held for sale	(600,268)	-
Changes in non-cash working capital balances:		
Prepaid expenses	6,410	(118)
Accounts payable and accrued expenses	<u>-</u>	<u>(449,450)</u>
Net cash provided by (used in) operating activities	<u>3,311</u>	<u>(316,500)</u>
Investing activities		
Sale (purchase) of investment property	<u>1,816,886</u>	<u>(7,299)</u>
Net cash provided by (used in) investing activities	<u>1,816,886</u>	<u>(7,299)</u>
Increase (decrease) in cash and cash equivalents	\$ <u>1,820,197</u>	\$ <u>(323,799)</u>

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

8. Property, plant and equipment

	Asphalt plant	Heavy equipment parts	Land and building improvements	Cranes, vehicles and equipment	Furniture and fixtures	Computer equipment	Capital property lease (Note 9)	Terminal operator's license (Note 9)	Total
Cost									
April 1, 2022	\$ 1,663,858	\$ 3,901,319	\$ 499,183	\$ 14,380,578	\$ 381,435	\$ 862,352	\$ 3,600,581	\$ 1,286,811	\$ 26,576,117
Additions	300,492	935,997	1,905	922,285	26,862	92,466	-	-	2,280,007
Disposals	-	-	-	(1,899,598)	-	-	-	-	(1,899,598)
At March 31, 2023	\$ 1,964,350	\$ 4,837,316	\$ 501,088	\$ 13,403,265	\$ 408,297	\$ 954,818	\$ 3,600,581	\$ 1,286,811	\$ 26,956,526
At April 1, 2023	\$ 1,964,350	\$ 4,837,316	\$ 501,088	\$ 13,403,265	\$ 408,297	\$ 954,818	\$ 3,600,581	\$ 1,286,811	\$ 26,956,526
Additions	309,767	631,439	2,793,146	636,058	28,711	71,284	-	-	4,470,405
Derecognition	-	(2,062,448)	(17,068)	-	-	-	(3,600,581)	-	(5,680,097)
At March 31, 2024	\$ 2,274,117	\$ 3,406,307	\$ 3,277,166	\$ 14,039,323	\$ 437,008	\$ 1,026,102	\$ -	\$ 1,286,811	\$ 25,746,834

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

8. Property, plant and equipment (continued)

	Asphalt plant	Heavy equipment parts	Land and Building improvements	Cranes, vehicles and equipment	Furniture and fixtures	Computer equipment	Capital property lease (Note 9)	Terminal operator's license (Note 9)	Total
Accumulated depreciation									
At April 1, 2022	\$ 186,067	\$ 2,670,960	\$ 405,925	\$ 7,911,758	\$ 363,816	\$ 514,591	\$ 216,216	\$ 560,659	\$ 12,829,992
Depreciation for the year	77,998	677,049	23,186	1,097,596	13,398	113,848	72,072	185,400	2,260,547
Disposals	—	—	—	(1,670,422)	—	—	—	—	(1,670,422)
At March 31, 2023	\$ 264,065	\$ 3,348,009	\$ 429,111	\$ 7,338,932	\$ 377,214	\$ 628,439	\$ 288,288	\$ 746,059	\$ 13,420,117
At April 1, 2023	\$ 264,065	\$ 3,348,009	\$ 429,111	\$ 7,338,932	\$ 377,214	\$ 628,439	\$ 288,288	\$ 746,059	\$ 13,420,117
Depreciation for the year	90,203	677,247	40,580	1,085,236	35,346	126,741	6,006	185,400	2,246,759
Derecognition	—	(2,062,448)	(17,068)	—	—	—	(294,294)	—	(2,373,810)
At March 31, 2024	\$ 354,268	\$ 1,962,808	\$ 452,623	\$ 8,424,168	\$ 412,560	\$ 755,180	\$ —	\$ 931,459	\$ 13,293,066
Net book value									
At April 1, 2022	\$ 1,477,791	\$ 1,230,359	\$ 93,258	\$ 6,468,820	\$ 17,619	\$ 347,761	\$ 3,384,365	\$ 726,152	\$ 13,746,125
At March 31, 2023	\$ 1,700,285	\$ 1,489,307	\$ 71,977	\$ 6,064,333	\$ 31,083	\$ 326,379	\$ 3,312,293	\$ 540,752	\$ 13,536,409
At March 31, 2024	\$ 1,919,849	\$ 1,443,499	\$ 2,824,543	\$ 5,615,155	\$ 24,448	\$ 270,922	\$ —	\$ 355,352	\$ 12,453,768

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

9. Leases

Leases as lessee

The Group leased a property used by EEA, and SSL holds a Terminal Operator's License, each as outlined in Note 20.

On May 4, 2023, the Group acquired the property where EEA is situated, the division's third-party lease on that property ended, resulting in capital property lease asset and liability to be \$nil on March 31, 2024 (2023 - capital property lease of \$3,312,293, lease liability of \$3,764,220).

The Group leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

Set out below are the carrying amounts of right-to-use assets recognized and the movements during the period:

	Terminal operator's license	Capital property lease	Total
Balance at April 1, 2022	\$ 726,152	\$ 3,384,365	\$ 4,110,517
Depreciation charge for the year	<u>(185,400)</u>	<u>(72,072)</u>	<u>(257,472)</u>
Balance at March 31, 2023	540,752	3,312,293	3,853,045
Depreciation charge for the year	(185,400)	(6,006)	(191,406)
Termination of capital property lease (Note 8)	<u>–</u>	<u>(3,306,287)</u>	<u>(3,306,287)</u>
Balance at March 31, 2024	<u>\$ 355,352</u>	<u>\$ –</u>	<u>\$ 355,352</u>

Set out below are the carrying amounts of lease liabilities:

	Terminal operator's license	Capital property lease	Total
Balance at April 1, 2022	\$ 526,558	\$ 3,783,685	\$ 4,310,243
Accretion of interest	28,659	200,535	229,194
Payment of lease liabilities	<u>(200,000)</u>	<u>(220,000)</u>	<u>(420,000)</u>
Balance at March 31, 2023	355,217	3,764,220	4,119,437
Accretion of interest	36,791	16,711	53,502
Payment of lease liabilities	(200,000)	(18,333)	(218,333)
Termination of capital property lease	<u>–</u>	<u>(3,762,598)</u>	<u>(3,762,598)</u>
Balance at March 31, 2024	<u>\$ 192,008</u>	<u>\$ –</u>	<u>\$ 192,008</u>

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

9. Leases (continued)

Set out below are the amounts recognized in the consolidated statement of comprehensive income:

	<u>2024</u>	<u>2023</u>
Depreciation expense on right-of-use assets	\$ 191,406	\$ 257,412
Interest on lease liabilities	53,502	229,194
Expenses relating to short-term leases – IT equipment	<u>6,480</u>	<u>6,480</u>
	<u>\$ 251,388</u>	<u>\$ 493,086</u>
	<u>2024</u>	<u>2023</u>
Total cash outflow for leases	<u>\$ 218,333</u>	<u>\$ 420,000</u>

Extension options

Some leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Leases as lessor

In April 2023, the Group sold its investment property which was previously leased out. The previous lease was classified as an operating lease, because the lease does not transfer substantially all of the risks and rewards incidental to the ownership of the asset. Rental income recognized by the Group during the year ended March 31, 2024 was \$8,020 (2023 - \$160,841) (Note 6).

10. Cash and cash equivalents

Cash and cash equivalents only includes current accounts. The effective interest rate earned on cash and cash equivalents for the year ended March 31, 2024 was nil% (2023 - nil%).

11. Inventory

Inventory relating to raw materials of \$1,126,274 (2023 - \$749,637) is stated net of an allowance for obsolescence of \$nil (2023 - \$nil). Included in EEA expenses in the consolidated statement of comprehensive income are recognized inventory expenses of \$1,069,879 (2023 - \$912,339). Inventory amounting to \$37,467 was written down during the year ended March 31, 2024 (2023 - \$nil).

12. Employee pension benefits

The total expense incurred for the Group's defined contribution plan was \$208,587 (2023 - \$214,397).

The total pension benefits expense is included in stevedoring expenses, EEA expenses, administrative salaries, wages and employment benefits in the consolidated statement of comprehensive income. Employee benefits also include the expense of providing health insurance benefits to employees during the term of their employment and to a former officer and director and former employee as described in Note 20.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

13. Personnel expenses

	<u>2024</u>	<u>2023</u>
Salaries, wages and employment benefits	\$ 5,446,521	\$ 5,448,439
Key management compensation – short-term employment benefits	582,161	633,491
Compulsory payroll tax, social insurance, life, and health contributions	1,283,523	1,286,102
Payments to defined contribution pension scheme (Note 12)	<u>208,587</u>	<u>214,397</u>
	<u>\$ 7,520,792</u>	<u>\$ 7,582,429</u>

Personnel expenses are included in stevedoring expenses and administrative salaries and wages in the consolidated statement of comprehensive income.

14. Long-term debt

On March 14, 2019 the Group borrowed \$3,800,000 from a Bermuda Bank, comprised of three separate loans:

A \$1,500,000 loan at 0.55% above a Bermuda Bank's Bermuda dollar corporate base rate. The loan is repayable over 15 years.

A \$1,900,000 loan at 1.20% above a Bermuda Bank's Bermuda dollar corporate base rate. The loan is repayable over 10 years.

A \$400,000 loan at 3.2% above a Bermuda Bank's Bermuda dollar corporate base rate. The loan was repayable over 10 years. In July 2023, this loan was fully paid off.

A new loan of \$ 1,000,000 at 0.50% above a Bermuda Bank's Bermuda dollar corporate base rate was secured in May 2023 to facilitate the purchase of the DPP land. The loan is repayable over 10 years.

Interest paid during the year was \$251,903 (2023 - \$195,864).

The long-term debt is secured by a fixed and floating debenture over the assets of the Group, cross guaranteed by ESR, DPP, EEA and SSL.

Principal repayments are as follows:

2025	\$ 356,152
2026	383,327
2027	412,579
2028	443,713
2029	477,942
2030 and thereafter	<u>1,294,522</u>
	<u>\$ 3,368,235</u>

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

14. Long-term debt (continued)

Reconciliation of repayment of the loan to cash flows from financing activities:

	<u>2024</u>	<u>2023</u>
Balance as at April 1	\$ 2,983,737	\$ 3,257,899
New loan	1,000,000	-
Repayment of long-term debt	<u>(615,502)</u>	<u>(274,162)</u>
Balance as at March 31	<u>\$ 3,368,235</u>	<u>\$ 2,983,737</u>

15. Goodwill

On March 14, 2019, the Group acquired 100% of the shares and voting interests in East End Asphalt Company Limited ("EEA"). Goodwill of \$1,339,892 represented the excess purchase price of \$4,189,497 over the net assets in EEA at the time of acquisition of \$2,849,605. Goodwill arose through a number of synergies gained from the existing operations.

	<u>2024</u>	<u>2023</u>
Balance at April 1	\$ -	\$ 1,100,000
Impairment loss	<u>-</u>	<u>(1,100,000)</u>
	<u>\$ -</u>	<u>\$ -</u>

Impairment

In previous years goodwill was impaired to its estimated recoverable amount of \$1,100,000. At year-end fiscal 2023, management conducted an impairment review on the goodwill allocated to EEA. The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The recoverable amount of the CGU of \$5,980,461 was determined to be lower than its carrying amount of \$7,229,191, and as such management recognized an impairment loss of \$1,100,000 in fiscal 2023.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

16. Share capital

The Company's authorized share capital is \$2,000,000 represented by 2,000,000 common shares of par value \$1 each. At March 31, 2024 1,190,849 (2023 - 1,189,787) shares were issued and fully paid.

	Number of ordinary shares	
	<u>2024</u>	<u>2023</u>
In issue at April 1	1,189,787	1,188,302
Exercise of share options	<u>1,062</u>	<u>1,485</u>
In issue at March 31 – fully paid	<u>1,190,849</u>	<u>1,189,787</u>

As at March 31, 2024 the direct and indirect shareholding ownership of directors and officers was 329,779 (2023 - 328,717) shares. No rights to subscribe for shares in the Company have been granted to or exercised by any director or officer, except for the share option agreement referred to below.

The holders of common shares are entitled to receive dividends as declared from time to time. The following dividends were declared and paid by the Company:

	<u>2024</u>	<u>2023</u>
\$0.10 (2022 - \$0.08) per qualifying ordinary share – June	\$ 118,922	\$ 118,804
\$0.10 (2022 - \$0.10) per qualifying ordinary share – September	118,922	118,804
\$0.05 (2022 - \$0.10) per qualifying ordinary share – December	59,493	118,879
\$0.05 (2023 - \$0.10) per qualifying ordinary share – March	<u>59,493</u>	<u>118,879</u>
	<u>\$ 356,830</u>	<u>\$ 475,366</u>

Share option agreement (equity settled)

During the year ended March 31, 2022 the Group established an employee stock option plan ("Plan"), for all full-time employees with one year or more of tenure. The Plan will operate for a period of 10 years from the effective date being September 17, 2021. The total number of shares reserved and available for issuance under the Plan is 125,000 shares which will be issued from the Company's authorised and unissued share capital. Eligible employees each have an option to acquire up to 125 common shares twice annually on April 1 and October 1 (subject to a minimum subscription of 25 shares) at a price 20% below the weighted average of the Company's Bermuda Stock Exchange trade price, based on the last three trades. Unexercised options expire within 5 business days of the April 1 and October 1 grant dates and are added back to the share option plan. As at March 31, 2024 and 2023 all options granted but not exercised have expired. The total number of shares exercised is 1,062 (2023 - 1,485), out of these shares, 500 shares (2023 - 500) were subscribed by key management employees of the Group for an amount of \$3,140 (2023 - \$3,405).

Stock options	<u>2024</u>	<u>2023</u>
Granted	11,000	12,500
Exercised	(1,062)	(1,485)
Expired	<u>(9,938)</u>	<u>(11,015)</u>

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

17. General reserve

General reserve represents amounts appropriated by the directors.

18. Transactions and balances with parties having significant relationship with the Group

Bermuda International Shipping Ltd (“BISL”) and Somers Isles Shipping Ltd (“SISL”) are companies which are related by virtue of common significant influence by directors of the Group.

The Group earned stevedoring revenue of \$5,294,701 (2023 - \$5,567,358) from both BISL and SISL. Included in accounts receivable as at March 31, 2024 is \$235,914 (2023 - \$496,939) due from both companies.

Forensics First Ltd. is related by virtue of common significant influence by a director of the Group. The Group incurred consultancy expenses of \$71,932 (2023 - \$73,707) from Forensics First Ltd. which are included in professional fees in the statement of comprehensive income.

Meyer Technologies Ltd. was related by virtue of common significant influence by a director of the Group in fiscal 2023. For the year end March 31, 2024, company does not have any common directors.

19. Earnings per share

Earnings per share is computed by dividing income for the year by the monthly weighted average number of shares outstanding during the year.

The calculation of basic earnings per share at March 31, 2024 is based on the net profit attributable to ordinary shareholders of \$740,819 (2023 - loss of \$481,901), and a weighted average number of ordinary shares outstanding of 1,190,318 (2023 - 1,189,045).

Weighted-average number of ordinary shares

	<u>2024</u>	<u>2023</u>
Issued ordinary shares at April 1	1,189,787	1,188,302
Effect of shares issued in the year (Note 16)	<u>531</u>	<u>743</u>
Weighted-average number of ordinary shares at March 31	<u>1,190,318</u>	<u>1,189,045</u>

Share options scheme with a dilutive effect were implemented on October 1, 2021 (Note 16). The calculation of diluted earnings per share at March 31, 2024 is based on the gain attributable to ordinary shareholders \$740,819 (2023 – loss of \$481,901), and a diluted weighted average number of ordinary shares outstanding of 1,190,318 (2023 - 1,189,045).

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

20. Commitments

The Group has committed to provide and pay the health insurance costs for a former employee for the rest of her life. The present value of these future obligations (which is unfunded) is estimated at \$104,832 (2023 - \$127,849) and has been included in accrued expenses in the consolidated statement of financial position (Note 12).

The Group had no contracted capital commitments as at March 31, 2024 or 2023.

21. Financial instruments

Fair value

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and long-term debt approximates their carrying value due to their short-term maturity or because they attract market rates of interest which are variable.

Certain items such as inventory, property, plant and equipment, prepaid expenses, and accrued expenses are excluded from fair value disclosure. Thus, the total fair value amounts cannot be aggregated to determine the underlying economic value of the Group.

Credit risk

A concentration of credit risk exists when there are significant contracts with individual counterparties or when groups of issuers or counterparties have similar business characteristics that would cause their ability to meet contractual commitments to be adversely affected, in a similar manner, by changes in the economy or other market conditions.

Market risk

The Group has no significant interest rate, foreign exchange or other price risk.

(a) *Cash and cash equivalents and investments*

At March 31, 2024 - 53% (2023 - 66%) of the Group's cash and cash equivalents are held with a single Bermuda bank which has a credit rating of BBB+ according to the Standard & Poor's rating agency. Management does not believe that there is any significant credit risk with respect to its cash and cash equivalents.

The following table presents an analysis of the credit quality of cash and cash equivalents at amortized cost by reference to the external credit rating and default rates published by Standard & Poor's:

	<u>2024</u>	<u>2023</u>
BBB+	\$ 744,775	\$ 1,490,261
B	651,096	762,219
	<hr/>	<hr/>
	\$ 1,395,871	\$ 2,252,480
	<hr/>	<hr/>

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties, and accordingly no impairment loss has been recorded. 12-month and lifetime probabilities of default are based on historical data supplied by Standard & Poor's for each credit rating and are recalibrated based on current bond yields and credit default swap prices.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

21. Financial instruments (continued)

(b) Accounts receivable

At March 31, 2024, 77% (2023 - 78%) of the Group's accounts receivable balance is due from three customers.

The Group's major customers have been transacting with the Group for a number of years and significant losses have not occurred. Therefore, management does not believe there is significant credit risk arising from accounts receivable balances. The maximum exposure to credit risk for accounts receivable is represented by the carrying value in the consolidated statement of financial position.

Expected credit loss assessment for individual customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at March 31, 2024:

As at March 31, 2024	<u>Weighted average loss rate</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Credit impaired</u>
Current	<1%	\$ 170,304	nil	No
Past 30 days	<1%	682,573	nil	No
Past 60 days	<1%	100,534	nil	No
Past 90 days	<1%	30,988	nil	No
Past 240 days	<1%	—	nil	No
		<u>\$ 984,399</u>	<u>\$ nil</u>	

Loss rates are based on the actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect the difference between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

21. Financial instruments (continued)

(b) Accounts receivable (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at March 31, 2023:

As at March 31, 2023	<u>Weighted average loss rate</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Credit impaired</u>
Current	nil%	\$ 1,028,126	\$ nil	No
Past 30 days	nil%	35,134	nil	No
Past 60 days	nil%	18,027	nil	No
Past 90 days	nil%	81,437	nil	No
Past 240 days	nil%	<u>—</u>	<u>nil</u>	No
		\$ 1,162,724	\$ nil	

Loss rates are based on the actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect the difference between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	<u>2024</u>	<u>2023</u>
Balance at April 1	\$ —	\$ 4,500
Amounts written off	<u>—</u>	<u>(4,500)</u>
Balance at March 31	<u>\$ —</u>	<u>\$ —</u>

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect interest payable on long-term debt and interest earned on cash and cash equivalents. The Group's exposure to the risk of changes in market interest relates primarily to the Group's variable portion of the interest rate applicable to the long-term debt. A 100 basis point increase or decrease in interest rates at the beginning of the reporting period would have increased or decreased net loss by approximately \$35,000.

Liquidity risk

Liquidity risk is the risk the Group will not be able to meet its financial obligations as they fall due. The Group maintains sufficient cash together with cash generated from the collection of accounts receivable to meet all its liabilities as they fall due.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

21. Financial instruments (continued)

Liquidity risk (continued)

The table below categorizes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are contractual undiscounted consolidated cash flows and represents future payments and principal balances including interest accrual.

	<u>Total</u>	<u>6 months or less</u>	<u>6 - 12 months</u>	<u>1 - 2 years</u>	<u>2 - 15 years</u>
As at March 31, 2024					
Accounts payable	\$ 838,032	\$ 838,032	\$ -	\$ -	\$ -
Lease liability	200,000	-	200,000	-	-
Long-term debt	<u>4,486,863</u>	<u>294,234</u>	<u>294,234</u>	<u>1,176,721</u>	<u>2,721,674</u>
	<u>\$ 5,524,895</u>	<u>\$ 1,132,266</u>	<u>\$ 494,234</u>	<u>\$ 1,176,721</u>	<u>\$ 2,721,674</u>
As at March 31, 2023					
Accounts payable	\$ 626,483	\$ 626,483	\$ -	\$ -	\$ -
Lease liability	4,119,437	95,403	95,403	222,806	3,705,825
Long-term debt	<u>4,170,575</u>	<u>306,363</u>	<u>306,363</u>	<u>612,726</u>	<u>2,945,123</u>
	<u>\$ 8,916,495</u>	<u>\$ 1,028,249</u>	<u>\$ 401,766</u>	<u>\$ 835,532</u>	<u>\$ 6,650,948</u>

22. Capital management

The Group's capital comprises shareholders' equity, which consists of share capital, share premium, general reserve and retained earnings. The Group's capital management approach is driven by its operational requirements whilst functioning within Bermuda's economic, commercial, and regulatory environment. The Group's strategy is approved by the Board of Directors. The Board of Directors also monitors the level of dividends to ordinary shareholders. It is the Group's policy to maintain a strong capital base to support operational needs at all times, to provide returns to its shareholders and to maintain investor, creditor and market confidence, and to sustain future development of the business. The Group also maintains discipline over its investment decisions. The allocation of capital is monitored to ensure that returns are appropriate after taking account of capital cost.

PHC's capital management policies and principles define the process by which the Group examines the risk profiles from both economic and regulatory capital viewpoints. This ensures that the minimum levels of capital are maintained to meet the following circumstances:

- i. Remain sufficient to support the Group's risk profile and outstanding commitments.
- ii. Capable of withstanding a severe economic downturn scenario.
- iii. Remain consistent with the Group's strategic and operational goals whilst maintaining the Board of Directors' and shareholders' expectations.

There were no changes to the Group's approach to capital management during the year. The Group is not exposed to externally imposed capital requirements.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

23. Professional fees

Included in professional fees is the audit fee of \$114,225 for the year ended March 31, 2024 (2023 - \$104,500).

24. Operating segments

The reportable operating segments (all located in Bermuda) are as follows:

1. PHC carries on business as an investment holding company in Bermuda.
2. SSL carries on the business as a stevedoring company in Bermuda.
3. ESR carries on the business of purchasing and leasing heavy operating machinery and equipment in Bermuda.
4. MRH previously carries on the business of leasing its investment property to businesses as office and business space in Bermuda, MRH has discontinued operations since prior year and was dissolved in current year.
5. EEA carries on business as an asphalt manufacturing and paving company.
6. DPP owns the rental property where EEA is situated.

For management purposes, the Group is organized into these six (2023 - five) separate business segments based on their products and services. For financial reporting purposes, these six (2023 - five) companies are the main contributing factors for the consolidated financial statements of PHC. Inter-segment transactions are determined on an arm's length basis.

Management including the chief operating decision maker, monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on the profit or loss of the Group which is explained in the table below.

Due to a leasing arrangement between ESR (the "lessor") and SSL (the "lessee") for the use of the heavy port operating equipment, an elimination transaction in the amount of \$1,300,542 (2023 - \$1,320,7454) was recognized under the PHC group structure.

The SSL segment of the group earns \$10,743,611 from three customers who contribute \$5,448,909 (38%), \$2,950,824 (21%), and \$2,343,878 (16%), respectively, to the total revenue of the group of \$14,389,892.

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

24. Operating segments (continued)

2024

(stated in \$000's)

	<u>EEA</u>	<u>PHC</u>	<u>SSL</u>	<u>ESR</u>	<u>MRH*</u>	<u>DPP</u>	<u>Elimination</u>	<u>Consolidation</u>
Stevedoring revenue	\$ -	\$ -	\$ 11,109	\$ -	\$ -	\$ -	\$ -	\$ 11,109
EEA revenue	3,273	-	-	-	-	-	-	3,273
Rental income	-	-	-	-	7	-	-	7
Inter-segment	<u>-</u>	<u>1,076</u>	<u>-</u>	<u>1,299</u>	<u>-</u>	<u>202</u>	<u>(2,577)</u>	<u>-</u>
Total revenue	3,273	1,076	11,109	1,299	7	202	(2,577)	14,389
Stevedoring expenses	-	-	6,887	-	-	-	-	6,887
EEA expenses	2,631	-	-	-	-	-	-	2,631
Depreciation	17	-	169	818	-	18	-	1,022
Interest expense	196	-	-	-	-	61	-	257
Gain on sale of property	-	-	-	-	(601)	-	-	(601)
Other expenses	<u>567</u>	<u>1,085</u>	<u>1,770</u>	<u>6</u>	<u>10</u>	<u>14</u>	<u>-</u>	<u>3,452</u>
Expenses	3,411	1,085	8,826	824	(591)	93	-	13,648
Inter-segment	<u>253</u>	<u>-</u>	<u>2,060</u>	<u>258</u>	<u>1</u>	<u>5</u>	<u>(2,577)</u>	<u>-</u>
Total expenses	3,664	1,085	10,886	1,082	(590)	98	(2,577)	13,648
Net Profit	\$ (391)	\$ (9)	\$ 223	\$ 217	\$ 597	\$ 104	\$ -	\$ 741

*Amount relates to MRH discontinued operations

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

24. Operating segments (continued)

2023

(stated in \$000's)

	<u>EEA</u>	<u>PHC</u>	<u>SSL</u>	<u>ESR</u>	<u>MRH*</u>	<u>DPP</u>	<u>Elimination</u>	<u>Consolidation</u>
Stevedoring revenue	\$ -	\$ -	\$ 11,410	\$ -	\$ -	\$ -	\$ -	\$ 11,410
EEA revenue	3,974	-	-	-	-	-	-	3,974
Rental income	-	-	-	-	161	-	-	161
Inter-segment	<u>-</u>	<u>970</u>	<u>-</u>	<u>1,321</u>	<u>-</u>	<u>-</u>	<u>(2,291)</u>	<u>-</u>
Total revenue	3,974	970	11,410	1,321	161	-	(2,291)	15,545
Stevedoring expenses	-	-	6,819	-	-	-	-	6,819
EEA expenses	2,764	-	-	-	-	-	-	2,764
Depreciation	16	-	152	-	-	-	-	168
Depreciation of investment property	-	-	-	858	95	-	-	953
Interest expense	396	-	29	-	-	-	-	425
Goodwill impairment	-	1,100	-	-	-	-	-	1,100
Other expenses	<u>1,053</u>	<u>970</u>	<u>1,685</u>	<u>62</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>3,798</u>
Expenses	4,229	2,070	8,685	920	123	-	-	16,027
Inter-segment	<u>30</u>	<u>-</u>	<u>2,015</u>	<u>240</u>	<u>6</u>	<u>-</u>	<u>(2,291)</u>	<u>-</u>
Total expenses	<u>4,259</u>	<u>2,070</u>	<u>10,700</u>	<u>1,160</u>	<u>129</u>	<u>-</u>	<u>-</u>	<u>16,027</u>
Net Profit	\$ (285)	\$ (1,100)	\$ 710	\$ 161	\$ 32	\$ -	\$ -	\$ (482)

*Amount relates to MRH discontinued operations

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

24. Operating segments (continued)

As at March 31, 2024
(stated in \$000's)

		<u>EEA</u>		<u>PHC</u>		<u>SSL</u>		<u>ESR</u>		<u>MRH*</u>		<u>DPP</u>		Total reportable Segments	<u>Elimination</u>		Total	
Assets	\$	5,010	\$	12,522	\$	9,932	\$	9,937	\$	-	\$	2,978	\$	40,379	\$	(23,670)	\$	16,709
Liabilities		3,372		6,749		6,201		3,900		-		2,862		23,084		(17,253)		5,831
Capital expenditure	\$	453	\$	-	\$	740	\$	681	\$	-	\$	2,793	\$	-	\$	-	\$	4,667

As at March 31, 2023
(stated in \$000's)

		<u>EEA</u>		<u>PHC</u>		<u>SSL</u>		<u>ESR</u>		<u>MRH*</u>		<u>DPP</u>		Total reportable Segments	<u>Elimination</u>		Total	
Assets	\$	9,338	\$	3,696	\$	5,332	\$	5,820	\$	1,931	\$	-	\$	26,117	\$	(6,405)	\$	19,712
Liabilities		7,309		92		1,825		-		-		-		9,226		-		9,226
Capital expenditure	\$	391	\$	-	\$	1,105	\$	930	\$	7	\$	-	\$	-	\$	-	\$	2,433



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