ENGAGING
OUR COMMUNITY

ANNUAL REPORT 2023

THE BERMUDA PRESS
(HOLDINGS) LIMITED

Incorporated in Bermuda
A public company quoted on the Bermuda Stock Exchange (BPH.BH) with over 475 shareholders.

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Contents

Report to Shareholders

With close to 200 years of history, your Company is intertwined with the development of Bermuda and deeply engaged with the community both as a media reporter of the island's successes and obstacles, as well as a service provider to local businesses.

The past year was another test of Bermuda's collective resilience, as our economy navigated a web of challenges including diminished economic activity and a contracting population, combined with spiraling operating costs and cost-of-living.

The Board approaches this annual report with a tempered perspective, acknowledging both the strides made and the headwinds faced by our island. We are disappointed to report that - despite significant efforts to seek efficiencies and adapt to the challenging circumstances - Bermuda's financial uncertainty continues to affect your Company.

There is also some cautious optimism for the future as proposed tourism developments come to the table along with the introduction of an income tax structure for large international companies domiciled here. We strongly encourage public policy measures with outcomes that reduce the cost of living and the cost of doing business, as well as address Bermuda's public debt and underfunded obligations.

Restructuring

Your Company is not unique in facing the reduced revenues of a contracted Bermuda economy, where many local businesses are not experiencing growth. Important economic indicators like the retail sales index and consumer confidence have steadily declined in recent years, with lasting detrimental impact across the spectrum of local business.

For your Company, the impact includes the need to weigh the benefits of capital investments in now marginal businesses, as well as challenges in recruiting and retaining staff against the growing costs of doing business in Bermuda.

Over the past year, your Board, Management, and Staff have worked with great creativity and determination to restructure and reposition legacy businesses which have been particularly affected by Bermuda's prolonged economic slump.

The Board has evaluated proposals to improve corporate performance, including certain restructurings and new investments we expect to deliver results in the 2024 calendar year.

Our Results

Primarily serving the local business sector of Bermuda, your Company continues to be impacted by the depressed state of the local economy, including the closure or consolidation of many local businesses in recent years.

The Company's net loss for 2023 was $466,000 compared with a net loss of $76,000 in 2022. The majority of the loss resulted from the retraction or withdrawal of large advertisers in our media operations, reflecting the overall constraints of the Bermuda economy.

Overall, revenue declined to $18,909,000 from $19,675,000 in the previous year.

- Advertising and retail revenues decreased by $671,000 (-4.8%)
- Print revenues decreased by $63,000 (-2.4%).
- Revenue from rental and other income decreased by $32,000 (-2.4%).

Under tight control by management, expenses decreased to $19,380,000 in 2023 from $19,744,000 in 2022. Significant legal costs were incurred in a freedom of the press court case related, which negatively impacted our financial performance.

The Board declared $0.37 per share in dividends during the fiscal year. This represents a 4.625% yield based on the most recent closing share price of $8.00. In light of current circumstances, and to preserve funds that will be required to make operational changes in 2024, your Board did not declare a dividend in December 2023.

Defending Media Freedom in Bermuda

Your Board believes that an active and free media is essential to Bermuda's development as a community and as a nation.

Of course, there are forces that may wish to resist the transparency of the media. As a result, at many times in the past, the Company has been forced to fight in the courts to protect freedom of speech and independent media in Bermuda, at times the whole way to the Privy Council.

Over the past two years, the Board has approved significant costs defending a legal action in the Bermuda courts to suppress the Royal Gazette from reporting aspects of local lawyer Evatt Tamine's involvement in billionaire Robert Brockman's tax evasion case in the United States.

Albeit a complicated legal case, the Courts effectively censored the Royal Gazette from reporting on a document that was made publicly available on websites operated by the US Department of Justice and off-island media, because the document was allegedly sealed in a Bermuda court case.

We retained a leading media counsel to represent the Company before the Bermuda Court of Appeals. However, a recent ruling dismissed our appeal of the original judgment. Ironically, the same ruling acknowledged that virtually all of the information originally reported upon by the Royal Gazette may now be published, and even named the offshore sources where the original sealed document can be located.

We feel the Court's judgment has unjustly suppressed the media's ability to report on publicly-available information and sets a retrograde precedent for transparency in Bermuda. The Board is weighing legal options, recognizing that these options come at a cost to shareholders. A Note to the Financial Statements describes this subsequent event to our financial year.

Support for Journalism

The public is accustomed to free access to the torrents of infotainment pushed out by the social media giants of Silicon Valley. But the fact is that most investigative or analytical content comes with a cost that must be supported through advertising or subscription.

The media plays an important role in the public dialogue, particularly in a small community like Bermuda that would otherwise attract little attention from the news giants. Can you imagine what Bermuda would be like if Royal Gazette and its media peers had not been there to report upon our island's waves of change and our peers achievements, or to shine a light on shameful events that would otherwise be swept under the table?

The Royal Gazette has been testing registration and paywall systems in some jurisdictions outside Bermuda, and to access our archives users are now required to login.

New website designs and features will be delivered in early 2024, with a goal to move towards paid access to news.

Governance and Your Board

Your Company is publicly-traded on the Bermuda Stock Exchange (BSX) and is widely held by more than 475 shareholders of which more than 80% are Bermudian.
In recent years, the Board has expressed concerns about the liquidity and valuation of the Company's shares trading on the BSX. To counter this, at times, the Board has authorised the purchase of shares pursuant to BSX rules. More recently, a working group was formed to work with the BSX and other domestic listed companies in 2024 on ways to improve the value derived by our shareholders from the Exchange listing.
The Board is committed to strengthening good corporate governance across your Company's operations. The Board seeks to increase shareholder value within a management framework that protects the rights and enhances the interest of all shareholders.

We confirm that the total interest of all Directors and Officers of the Company in shares of the Company amounted to 109,243 shares at September 30, 2023. We also confirm that no rights to subscribe to shares in the Company have been granted to, or exercised by, any Director or Officer. The Company has no service or consulting contracts with any of its Directors. Finally, we confirm that there were no significant contracts in existence during or at the end of the financial year in which a Director is or was materially interested, either directly or indirectly.

Diversity, Equity and Inclusion

In response to input from our journalists, your Company commenced an important Diversity, Equity and Inclusion (DEI) initiative in 2023. Recognizing both the value of our employees' perspectives and the significance of the Royal Gazette's long-standing role in connecting and serving Bermuda's diverse communities, we are collaborating closely with the Gazette's editorial team to develop a comprehensive strategy. With insight from all levels of employees, our newly formed DEI Committee is working side-by-side with Company leadership in crafting a multi-year plan to foster a supportive, equitable workplace culture while expanding the diversity of voices, sources, and stories featured in the Gazette. As the Royal Gazette continues serving Bermuda for generations to come, our DEI initiative will remain a priority. We proudly join hands with our dedicated employees, who prompted this important work and actively guide us towards creating a more inclusive culture, both internally at the Gazette and externally through the stories we cover. The passion and unity driving this effort renews our appreciation for the Royal Gazette staff.

Recognition

The Board gratefully acknowledges the hard work of our Management and Staff, and values the trust that our readers and business partners place in your Company. Finally, we thank our shareholders for their ongoing support.

We thank our retiring Board member Carl Paiva for his more than 20 years of service to your Company, and welcome Veronica Daley whose service on the Board is up for confirmation at the AGM.

In just four years, your Company will celebrate its bicentennial of service to Bermuda. Your Board understands the need for the Company to adapt to the island's changing opportunities, and believes that the groundwork laid in this fiscal year will lead to positive change in 2024.

Yours sincerely,
Stephen R. Davidson


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Directors

Stephen R. Davidson
CHAIRPERSON AND DIRECTOR

Stephen Davidson is a co-founder of a Bermuda based-technology company that is now part of a leading international provider of digital trust, online identity, and encryption services. He serves on various bodies writing technical and policy standards for Internet security and electronic transactions. He is a graduate of Dartmouth College and Georgetown University.

Muriel Richardson
VICE CHAIRPERSON AND DIRECTOR

Muriel Richardson was General Manager from the award-winning Rosedon Hotel. She is the immediate past Chair of the Bermuda Hospitality Institute, past President and Chair of the Bermuda Hotel Association, and a former Director of the Caribbean Hotel and Tourism Association. She has also served on many government boards and currently works as a consultant to the Hospitality Industry.

Dudley R. Cottingham
DIRECTOR

Dudley R. Cottingham is a Consultant to Continental Management Limited. He is a fellow of the Institute of Chartered Accountants in England & Wales, a Fellow of the Chartered Professional Accountants of Bermuda and a Fellow of the Institute of Directors.

Jonathan Howes
DIRECTOR

Jonathan P. Howes is the CEO of The Bermuda Press (Holdings) Limited. He is a graduate from of the University of Cape Breton (Bachelors of Business Administration) and was admitted to Chartered Professional Accountants of Bermuda as a CPA in 2000. He has worked in both local and international companies in Bermuda since 1999. He currently serves on the board of the Bermuda Chamber of Commerce.

Chiara T. Nannini
DIRECTOR

Chiara T. Nannini is a Director in the Corporate department of Conyers Dill & Pearman Limited. Chiara holds a Bachelor of Arts from the University of Virginia (Political Science and Italian), Bachelor of Laws (Hons) from the London School of Economics and Political Science and a Postgraduate Diploma in Professional Legal Skills from City University, Bar Professional Training Course. She is admitted to the Bar of Bermuda, British Virgin Islands (Eastern Caribbean Court) and England & Wales.

Carl H. Paiva, J.P.
DIRECTOR

Carl H. Paiva, J.P., was Chief Executive Officer and majority owner of C Travel Ltd. He earned his degree in English Literature and Art History from King's College, Pennsylvania. Presently he is splitting his time between New York City and Bermuda and is involved in the Broadway scene as a producer and investor.

Christopher E. Swan
DIRECTOR

Christopher E. Swan is Senior Partner of Barristers & Attorneys-at-Law Christopher E. Swan & Co. He is an active cricketer and football coach.

George Thomas
DIRECTOR

With over three decades of diverse experience in the financial services sector, George Thomas has served in a multitude of roles including investment banking, asset management, sustainable investing, fintech innovation and internal auditing. His multifaceted career, spanning cities such as New York, Boston, Tokyo, and London, has enabled him to garner a unique understanding of institutional capital market structures and leveraging technology on both buy and sell sides of Wall Street.

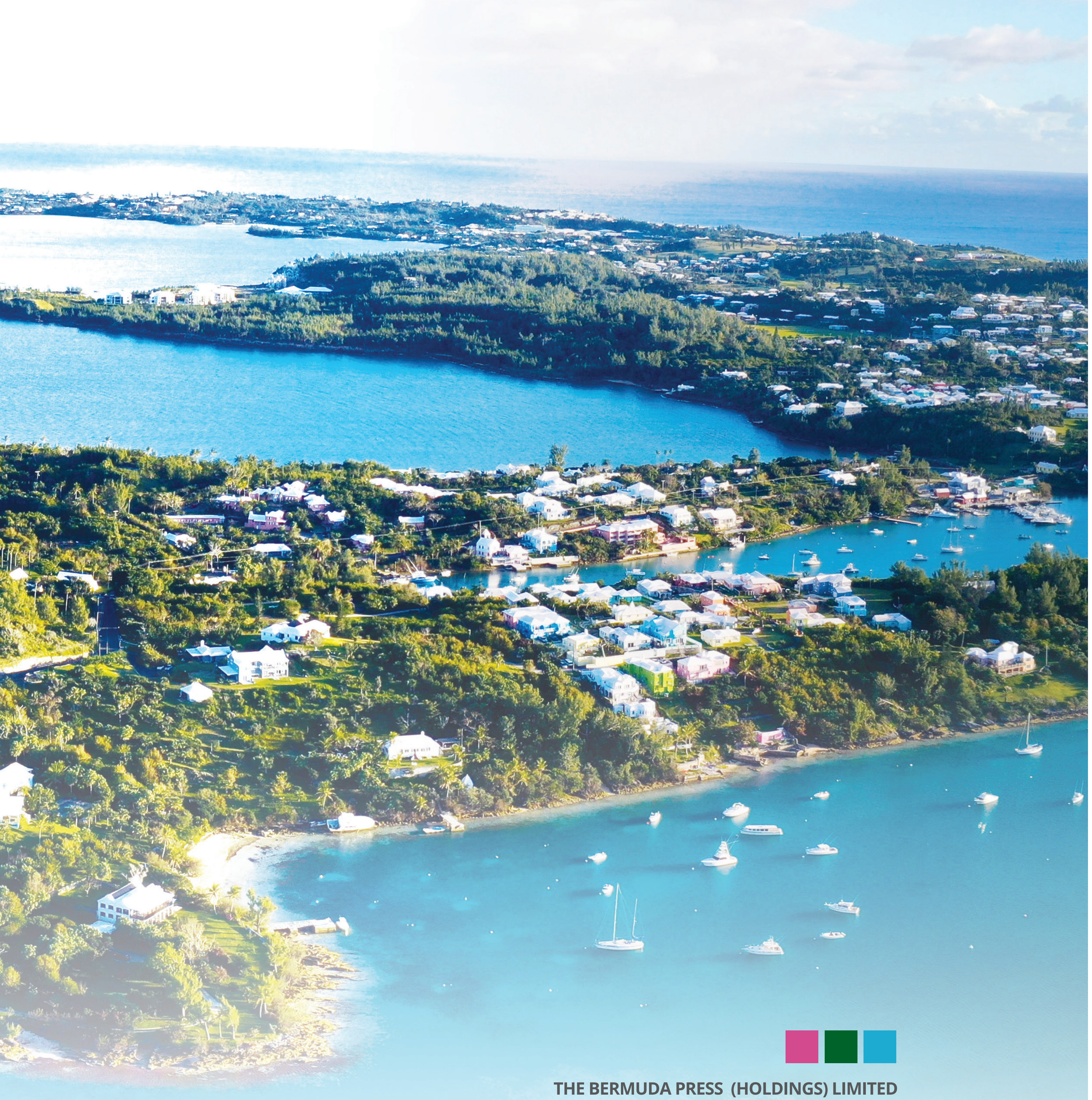
Mr. Thomas has over 20 years of direct corporate governance experience, serving on the Boards of Directors for an array of entities, both regulated and non-regulated, across North America, Asia, and Europe. His board memberships include public and private companies, as well as alternative investment funds. Since 2016, he has been a guest lecturer at Harvard Law School on cybersecurity disclosures requirements for public companies.

Mr. Thomas is a graduate of Duke University (B.A. Economics) and UNC Chapel Hill (M.B.A. Finance and Quantitative Methods).

Financial Facts

(Amounts in thousands of Bermuda dollars, except per share data)

	2023	2022	2021	2020	2019
Operating revenue	18,909	19,675	19,095	18,704	23,016
Operating expenses	19,380	19,744	18,840	19,804	22,086
Operating profit (loss)	(471)	(69)	255	(1,100)	930
Finance income	23	21	17	-	6
Finance costs	(26)	(54)	(95)	(111)	(128)
Gain (loss) on disposal and impairment of assets	8	2	(1)	(22)	(70)
Goodwill impairment loss	-	-	-	(1,730)	-
Changes in fair value of equity investments at fair value through other comprehensive income	-	24	-	-	-
Total comprehensive (loss) income for the year	(466)	(76)	228	(2,980)	793
Current assets	6,838	9,482	9,164	8,244	8,536
Available-for-sale financial assets	-	-	144	216	233
Note receivable	-	168	-	-	-
Investment in leases	271	216	236	288	503
Property, plant and equipment	2,607	2,834	3,256	4,013	4,203
Intangible assets	80	80	80	-	-
Investment properties	12,854	13,389	14,019	14,613	15,090
Other non-current assets	17	33	49	-	-
Goodwill	2,988	2,988	2,988	2,988	4,718
Total assets	25,655	29,190	29,936	30,362	33,283
Current liabilities	3,165	3,759	3,590	3,884	3,397
Borrowings – non-current	-	164	607	1,005	1,309
Equity attributed to shareholders of the parent company	22,490	25,267	25,739	25,473	28,577
Total liabilities and equity	25,655	29,190	29,936	33,362	33,283
Additions to capital assets	526	461	330	1,011	2,122
Cash dividends paid	486	300	-	200	400
Number of issued ordinary shares	1,207,332	1,429,320	1,428,443	1,421,168	1,426,977
Profit (loss) attributed to equity of the company per share	(0.35)	(0.07)	0.12	(2.08)	0.52
Cash dividend paid per share	0.34	0.21	-	0.14	0.28
Shareholders' equity per share	18.63	17.68	18.02	17.92	20.03
Profit (loss) attributable to equity holders of the company as a percentage of revenue	(2.5%)	(0.5%)	0.9%	(15.8%)	3.2%
Profit (loss) attributable to equity holders of the company as a percentage of shareholders' equity	(2.1%)	(0.4%)	0.7%	(11.6%)	2.6%



THE BERMUDA PRESS (HOLDINGS) LIMITED

Financial Statements

SEPTEMBER 30.2023

The Bermuda Press (Holdings) Limited

Consolidated Financial Statements
(With Independent Auditor's Report Thereon)
September 30, 2023

The accompanying report of KPMG Audit Limited ("KPMG") is for the sole and exclusive use of The Bermuda Press (Holdings) Limited (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 at December 15, 2023, 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 and Board of Directors of The Bermuda Press (Holdings) Limited

Opinion

We have audited the consolidated financial statements of The Bermuda Press (Holdings) Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at September 30, 2023, 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 September 30, 2023, 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 ("ISAs"). 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
Goodwill impairment assessment ***See Notes 2(c)(ii), 2(m) and 10 of the consolidated financial statements for details of the goodwill impairment assessment*** As at September 30, 2023 goodwill arising from the acquisition of the publishing and retail cash generating unit ("CGU") was $2,988,000. During the year ended September 30, 2023, management performed an impairment assessment and concluded that the recoverable amount of the CGU was sufficiently higher than its attributed carrying amount and no impairment loss was recognised.	We evaluated internal future cashflow forecasts for the CGU and the process by which they were developed. We compared previous forecasts to actual results to assess the performance of the CGU and the accuracy of internal forecasting and assessed explanations received by reference to our cumulative audit knowledge and also obtained support for deviations from previous forecasts. We tested the Group's calculations for accuracy and the judgements and assumptions that supported the

KPMG

The goodwill impairment assessment is an area requiring significant judgement. This results in an increased risk of error due to estimation uncertainty. Management prepared a discounted future cash flow forecast in order to assess whether an impairment charge should be recorded in respect of the CGU. The most significant judgements and assumptions used related to: • projected cashflows from revenue and expense growth/contraction; • discount rate; • projected levels of capital expenditure; and • time period over which cashflows are projected to occur	directors' conclusions that goodwill was not impaired as follows: • We evaluated the valuation techniques, assumptions and data used by the directors to make their accounting estimates (and range thereof) used for calculation of the CGU's value in use by reference to internal and external supporting documentation. • We evaluated the appropriateness and likelihood of the sensitivities and their impact on the overall impairment test outcome and assessed whether additional sensitivity analysis would have been appropriate in light of our cumulative audit knowledge. • We evaluated whether judgements and decisions made by the directors when measuring recoverable amount are indicators of possible 'management bias'. Specifically, we evaluated the assumptions made in arriving at internally developed operating budget and cashflow forecasts for the CGU based on historical results and actual performance against budget, and externally available information including current and recent Bermuda inflation rates. • We compared the discount rate used of 11.0% to the Group's internal weighted average cost of capital and our independent assessment of the rate of return required by an external investor based on market data. • We compared the projected levels of capital expenditure to maintain the CGU's property, plant and equipment in its current condition and use over the forecast period against internal capital expenditure budgets and historical actual capital expenditure There were no material exceptions or contradictory information as a result of the procedures performed.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the 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.

KPMG

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

KPMG

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 Stephen Woodward.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
December 15, 2023

Consolidated Statement of Financial Position

As at September 30, 2023

(Amounts in thousands of Bermuda dollars)

	Notes	September 30, 2023	September 30, 2022
ASSETS			
Current assets			
Cash and cash equivalents		1,523	4,390
Trade receivables	3	1,811	1,966
Note receivable	5	168	–
Other current assets	3,6	819	706
Inventories	4	2,517	2,420
		6,838	9,482
Non-current assets			
Note receivable	5	–	168
Investment in leases	6	271	216
Property, plant and equipment	7	2,607	2,834
Intangible assets	8	80	80
Investment properties	9	12,854	13,389
Other non-current assets		17	33
Goodwill	10	2,988	2,988
Total assets		25,655	29,190
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	11	2,225	2,409
Contract liabilities – unearned income	23	634	807
Borrowings	12	163	443
Dividends payable	20	143	100
		3,165	3,759
Non-current liabilities			
Borrowings	12	–	164
Total liabilities		3,165	3,923
Equity attributable to owners of the Company			
Share capital	18	3,432	3,432
Share premium	18	438	1,688
Treasury shares reserve	18	(534)	(2)
Other comprehensive income	18	226	226
Retained earnings		18,928	19,923
Total equity		22,490	25,267
Total liabilities and equity		25,655	29,190

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

Consolidated Statement of Comprehensive Income

For the year ended September 30, 2023

(Amounts in thousands of Bermuda dollars, except per share data in dollars)

	Notes	2023	2022
Operating revenue			
Publishing and retail	22	13,396	14,067
Commercial printing	22	2,537	2,600
Rental	22	2,745	2,786
Other	6,22	231	222
		18,909	19,675
Operating expenses			
Payroll and employee benefits	16	11,043	11,442
Materials, merchandise and supplies		2,865	2,771
Administrative expenses	17	4,310	4,081
Net remeasurement of loss allowance on trade receivables	3	(124)	(62)
Depreciation	7,9	1,286	1,512
		19,380	19,744
Operating loss		(471)	(69)
Finance income		23	21
Finance costs	12	(26)	(54)
Gain on disposal of property, plant and equipment	7,9	8	2
Loss for the year		(466)	(100)
Loss attributable to:			
Equity holders of the Company		(466)	(100)
Other comprehensive income for the year			
Items that will not be reclassified to profit and loss:			
Changes in fair value of equity investments at fair value through other comprehensive income	5	–	24
		–	24
Total comprehensive loss for the year		(466)	(76)
Comprehensive loss attributable to:			
Equity holders of the Company		(466)	(76)
Loss per share:			
Basic and diluted	19	(0.35)	(0.07)

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

Consolidated Statement of Changes in Equity

For the year ended September 30, 2023

(Amounts in thousands of Bermuda dollars)

Attributable to equity holders of the company

	Notes	Share Capital	Share premium	Treasury shares reserve	Retained earnings	Other comprehensive income	Total equity
Balance as at September 30, 2021		3,432	1,686	(4)	20,423	202	25,739
Loss for the year		–	–	–	(100)	–	(100)
Other comprehensive income		–	–	–	–	24	24
Total comprehensive (loss) income		–	–	–	(100)	24	(76)
Purchase of treasury shares	18	–	(6)	(7)	–	–	(13)
Issuance of treasury shares	18	–	8	9	–	–	17
Dividends	19	–	–	–	(400)	–	(400)
Balance as at September 30, 2022		3,432	1,688	(2)	19,923	226	25,267
Total comprehensive loss		–	–	–	(466)	–	(466)
Purchase of treasury shares	18	–	(1,250)	(532)	–		(1,782)
Dividends	19	–	–	–	(529)	–	(529)
Balance as at September 30, 2023		3,432	438	(534)	18,928	226	22,490

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

Consolidated Statement of Cash Flows

For the year ended September 30, 2023

(Amounts in thousands of Bermuda dollars)

	Notes	2023	2022
Cash flows from operating activities			
Loss for the year		(466)	(100)
Adjustments for:			
Depreciation	7,9	1,286	1,512
Gain on disposal of property, plant and equipment		(8)	(2)
Net finance costs		3	33
Changes in non-cash working capital:			
Trade and other receivables		42	(50)
Net movement in investments in leases	6	(55)	20
Inventories		(97)	155
Non-current assets		16	16
Accounts payable and accrued liabilities		(357)	41
Cash generated from operating activities		364	1,625
Cash flows used for investing activities			
Purchase of property, plant and equipment and investment properties	7,9	(526)	(461)
Interest received		23	21
Proceeds received on sale of property, plant and equipment		10	3
Net cash used for investing activities		(493)	(437)
Cash flows used for financing activities			
Issuance of treasury shares	18	-	17
Purchase of treasury shares	18	(1,782)	(13)
Repayment of long-term debt	12	(444)	(415)
Interest paid		(26)	(54)
Dividends paid to Company's shareholders	19	(486)	(300)
Net cash used for financing activities		(2,738)	(765)
(Decrease) increase in cash and cash equivalents		(2,867)	423
Cash and cash equivalents at beginning of year		4,390	3,967
Cash and cash equivalents at end of year		1,523	4,390
Cash and cash equivalents comprise:			
Cash and cash equivalents at bank		1,523	4,390

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

Consolidated Notes to the Financial Statements

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2023

(Amounts in thousands of Bermuda dollars)

1. The Company and its regulatory framework

The Bermuda Press (Holdings) Limited (the "Company") was incorporated under the laws of Bermuda with limited liability and its principal business activities include publishing newspapers, magazines and directories, online classified advertising, commercial printing, sale of office supplies and equipment and real estate holdings.

The Company is listed on the Bermuda Stock Exchange and is domiciled in Bermuda. The registered office is located at 2 Par-la-Ville Road, Hamilton, Bermuda.

The Company's subsidiaries with ownership percentages are listed below:

	September 30,2023 %	September 30, 2022 %
The Royal Gazette Limited	100	100
Office Solutions Limited	100	100
BP Media Limited	100	100
The Bermuda Press Limited	100	100
Engravers Limited	100	100
Chameleon Print Express Limited	100	100
E-Moo (Bermuda) Limited	100	100
Crown House Properties Limited	100	100
Crown House Holdings Ltd.	100	100
Bermuda Directories Limited	100	100
Atlantic Print Services Limited	100	100
Island Press Limited	100	100
Industrial Electronic Controls Limited	100	100

These financial statements were approved by the Directors on December 15, 2023.

2. Basis of preparation and significant accounting policies

(a) Basis of preparation:

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS.

The consolidated financial statements are presented in Bermuda dollars ($), which is the functional currency of the Company. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through other comprehensive income.

(b) (i) New and amended standards adopted by the Company

There were a number of amendments to standards that were effective for periods beginning on or after January 1, 2022. These amendments, which have had no impact on the consolidated financial statements, have been listed below:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020

– Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
– Reference to the Conceptual Framework (Amendments to IAS 1)

(ii) New standards and interpretations not yet adopted

A number of new or amended standards are effective for annual periods beginning on or after January 1, 2023 and early adoption is permitted; however, the Company has not early adopted any of these 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 Company's consolidated financial statements.

– IFRS 17 Insurance Contracts
– Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
– Definition of Accounting Estimates (Amendments to IAS 8)
– Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
– 23 May 2023 – International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

(c) Critical estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements and the revenue and expenses during the reporting period. Actual amounts could differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year of the revision and future years, where applicable. Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Allowance for impairment losses on receivables

For trade receivables, the Company applies a simplified approach in calculating expected credit losses and recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Estimated impairment of goodwill and intangible assets

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Intangible assets consisting of trademarks and publishing rights allocated to the group of CGUs have an indefinite useful life are not subject to amortization. Goodwill and intangible assets are monitored at the CGU level.

The CGU to which goodwill and intangible assets are allocated is Publishing and retail (consisting of the Company's subsidiaries The Royal Gazette Limited, E-Moo (Bermuda) Limited and Bermuda Directories Limited), to which goodwill of $2,988 is allocated and intangible assets of $80 is allocated.

Determining whether goodwill or the intangible assets are impaired requires an estimation of the recoverable value on a value in use basis of the CGU to which the goodwill and intangible assets have been allocated. The CGU value in use is determined using discounted cash flow techniques, based on financial projections over a period of five years with a terminal value at the end of the five-year period and with underlying key assumptions and inputs being the expected future cash flows and the discount rate applied. The discount rate selected was estimated considering the risks associated with the expected future cash flows and considering the rate of return that investors would require. The expected future cash flows were estimated based on financial budgets and forecasts approved by management (nil terminal growth rate was applied) and consideration of historical financial information.

If the recoverable amount is less than the carrying value of goodwill and intangible assets, an impairment charge is recognized in the period to reduce the carrying value to its recoverable amount.

(d) Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control commences until the date that control ceases.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries: The Royal Gazette Limited, Office Solutions Limited, BP Media Limited, The Bermuda Press Limited, Engravers Limited, Chameleon Print Express Limited, E-Moo (Bermuda) Limited, Crown House Properties Limited, Crown House Holdings Ltd., Bermuda Directories Limited, Atlantic Print Services Limited, Island Press Limited and Industrial Electronic Controls Limited.

Transactions eliminated on consolidation

Intra-group transactions, balances and income and expenses are eliminated in preparing the consolidated financial statements. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Company's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the value in use. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(e) Financial instruments

Financial assets

Classification

Financial assets are classified in the following categories: financial assets at amortized cost, financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income. The classification depends on the business model for which the financial assets were acquired and is determined upon initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.

Financial assets at amortized cost are non-derivative financial assets whose objective is to collect contractual cash flows and whose contractual terms give rise to cash flows that are solely repayment of principal and interest. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's financial assets at amortized cost comprise 'cash and cash equivalents', 'trade receivables', and 'investment in leases' in the consolidated balance sheet.

Financial assets at fair value through profit and loss comprise of a note receivable.

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognize in this category.

Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date, defined as the date on which the Company commits to purchase or sell the asset. Trade receivables are initially measured at the transaction price which reflects fair value. All other financial assets are initially recognized at fair value plus transaction costs. Financial assets at fair value through other comprehensive income are subsequently carried at fair value. Financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Changes in the fair value of monetary securities classified as financial assets at fair value through other comprehensive income are recognized in other comprehensive income and are never reclassified to profit or loss.

Interest on financial assets at fair value through other comprehensive income calculated using the effective interest method is recognized in the statement of comprehensive income as part of finance income. Dividends on financial assets at fair value through other comprehensive income are recognized in the consolidated statement of comprehensive income as part of finance income when the Company's right to receive payments is established.

Financial liabilities

The Company's financial liabilities comprise accounts payable, contract liabilities, dividends payable and borrowings. The Company classifies its financial liabilities at amortized cost. The Company's financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes 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 derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in the consolidated statement of comprehensive income.

(f) Impairment of financial assets

Financial assets carried at amortized cost

The Company recognizes loss allowances or expected credit losses ("ECLs") on financial assets measured at amortized cost. The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company 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 Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due. The Company considers a financial asset to be in default when a payment arrangement has not been reached or adhered to by the customer.

The Company considers an investment to have low credit risk when its credit risk rating is equivalent to BBB- or higher per Standard & Poor's. Cash and cash equivalents are placed with counterparties who have minimal risk of credit default and are rated by Standard & Poor's with credit ratings of between BBB+ and A-.

For trade receivables and investment in leases, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime credit losses to be recognized from initial recognition of the receivable. To measure expected credit losses, receivables have been grouped based on shared credit risk characteristics and days past due. The expected loss rates are determined by reference to historical credit loss experience, as adjusted to reflect current and forward-looking information or macro-economic factors affecting the ability of the customers to settle the receivables.

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

When the Company considers that there are no realistic prospects of recovery of the assets, the relevant amounts are written off. If the amount of the impairment loss subsequently decreases, or amounts written off are subsequently recovered, the previously recognized impairment loss is credited to the consolidated statement of comprehensive income.

Assets classified as fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise equity instruments. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value (Note 2(e)).

Notes receivable

Notes receivable are measured at fair value through profit and loss. Impairment losses (and reversal of impairment losses) and interest revenue are reported through the statement of profit and loss.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call with banks and short-term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

(h) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using either the average cost or first-in, first-out method and excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made for obsolete or slow-moving inventories.

(i) Investment in leases

At the inception of a contract, the Company 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 Company uses the definition of a lease in IFRS 16.

Revenue from the sale of equipment under finance leases is recognized at the inception of the lease. Finance income is recognized over the life of each respective lease using the amortized cost method and is included in other revenue. Leases not qualifying as finance leases are accounted for as operating leases and related revenue is recognized rateably over the term of the lease. When the Company acts as a lessor, it determines at equipment lease inception whether each equipment lease is a finance lease or an operating lease and is included in publishing and retail revenue.

When equipment leases are bundled with product maintenance contracts, revenue is first allocated considering the stand-alone selling price of the lease and non-lease deliverables based upon the estimated relative fair values of each element. Lease deliverables generally include equipment, financing and executory costs, while non-lease deliverables generally consist of product maintenance contracts and supplies.

The Company applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease (Note 2(f)).

(j) Property, plant and equipment

Items of property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Items of property, plant and equipment are depreciated from the date that they are ready for use. Depreciation is calculated on the straight-line method using rates based on the expected useful lives of the respective assets, as follows:

Buildings	3 – 50 years
Machinery	4 – 15 years
Vehicles	3 – 5 years
Fixtures and equipment	1 – 10 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(k) Investment properties

Investment properties are properties that are primarily held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business.

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is calculated on the straight-line method using rates based on the expected useful lives of the respective assets. Buildings are depreciated by their identifiable components over 5 to 50 years.

The fair values of investment properties are disclosed in the notes to these consolidated financial statements. The fair values are assessed using internationally accepted valuation methods, such as taking comparable properties as a guide to current market prices or by applying the discounted cash flow method. The fair value measurement for investment properties has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

(l) Intangible assets

Intangible assets consist of trademarks and publishing rights. Trademarks and publishing rights with indefinite useful lives are not subject to amortization.

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine if there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment (Note 2(d)).

For impairment testing, assets 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 CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the cash flows expected from their use and eventual disposition, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Any impairment loss would be determined as the excess of the carrying value of the assets over their recoverable amount and would be recognized in profit or loss.

(n) Accrued employee and other post-retirement benefits

The Company makes contributions to administered pension plans on a defined contribution basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they accrue to employees.

Employee entitlements to paid leave are recognized when they accrue to employees. An accrual is made for the estimated liability for vacation leave, as a result of services rendered by employees up to the reporting date.

The Company has no obligations in respect of other post-retirement benefits for employees or pensioners. Any discretionary payments made by the Company in respect of such benefits are expensed in the period they are made.

(o) Deferred costs

Costs incurred directly relating to the publication of annual directories are deferred and recognized as expenses at the date of publication.

(p) Revenue recognition

The Company earns revenue through its principal business activities outlined in Note 1 and recognizes revenue through the following steps:

1. Identification of the contract with the customer;
2. Identification of the performance obligations in the contract;
3. Determination of the transaction price;
4. Allocation of the transaction price to the performance obligations in the contract; and
5. Recognize revenue when, or as, performance obligations are satisfied.

Advertising
Advertising revenue relates to amounts charged for space purchased in the Company's newspapers, magazines, websites and directories, and is recognized over time as the associated advertisement is published. The transaction price is based on published rates or by contractual agreement.

Circulation
Circulation revenue relates to the distribution of printed newspapers and online subscriptions with the transaction price based on fixed published rates. Revenue in respect of circulation is recognized at a point in time as printed newspapers are delivered to the customer, net of an estimated allowance for returns. Revenue in respect of subscriptions is recognized over time, on a monthly basis, as the Company provides the subscription service.

Retail sales
Revenue for retail sales is recognized at a point in time as the item is purchased by the customer. The transaction price is based on fixed point-of-sale pricing. Trade discounts are recognized at the point of sale.

Commercial printing
Job printing revenue relates to charges for printing services provided to third parties and is recognized at a point in time as the completed product is delivered to the customer. The transaction price is based on fixed pricing agreed with the customer prior to initiation of work.

Rental income
Rental income from investment properties is recognized on a straight-line basis over time based on the terms of the lease. The transaction price is determined based on contractually agreed pricing. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease.

Equipment leasing and maintenance
Lease revenue for office equipment is recognized from delivery of the equipment, as the leases are accounted for as finance leases in accordance with IFRS 16, Leases. The transaction price is based on contractual agreement and the application of market interest rates.

(q) Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. A contract asset is recorded when the Company performs by transferring goods or services to a customer before the customer pays consideration or before the Company has invoiced the customer. The Company recognizes unconditional rights to consideration separately as a receivable.

Trade receivables
A trade receivable represents amounts that have been billed to the customer and only the passage of time is required before payment of the consideration is due. Refer to the accounting policies of financial instruments in Notes 2(c)(i) and 2(f) for the Company's policy on trade receivables.

(Amounts in thousands of Bermuda dollars)

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. A contract liability is recorded by the Company if a customer pays consideration before the Company transfers goods or services to the customer. Contract liabilities are recognized as revenue when the Company performs under the contract.

Contract obtainment and fulfillment costs
The Company pays commissions to employees for obtaining certain sales contracts. The Company has elected to apply the optional practical expedient for costs to obtain the contract which allows for the Company to immediately expense sales commissions because the amortization period of the asset that the Company otherwise would have used is one year or less.

(r) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividends are declared by the Board of Directors (the "Board").

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

(t) Taxation

Under current Bermuda law the Company is not subject to income tax on its profits or capital gains. Accordingly, no provision for current or deferred income tax has been made in the consolidated financial statements.

(u) Treasury shares reserve

When Company shares that are repurchased, the total consideration paid is recognized as a deduction from equity. These repurchased shares are classified as treasury shares and is presented as treasury shares reserve on the financial statements. Once treasury shares are sold or reissued, the amount received is recognized as an increase in equity and any surplus or deficit in the transaction is presented in the share premium on the financial statements.

3. Trade receivables and other current assets

Trade receivables are presented net of allowances for ECLs. The movement in the allowance is as follows:

	September 30, 2023	September 30, 2022
Balance, beginning of the year	273	343
Write-offs	(19)	(36)
Recoveries	33	28
Net re-measurement of loss allowance	(124)	(62)
Balance, end of the year	163	273

The decrease in the allowance for doubtful accounts during the year of $110 (decrease of $70 in 2022) was driven mainly from improved collection of outstanding balances on rental properties.

(Amounts in thousands of Bermuda dollars)

The following tables provide information about the ageing of trade receivables and the exposure to credit risk and ECLs for trade receivables from individual customers:

	September 30, 2023	Loss allowance	Expected loss rate
Current	763	(27)	3.5
30 days	300	(1)	0.3
60 days	162	(1)	0.6
90 days and over	749	(134)	17.9
	1,974	(163)	8.3
Loss allowance	(163)		
	1,811		

	September 30, 2022	Loss allowance	Expected loss rate
Current	948	(40)	4.2
30 days	412	(5)	1.2
60 days	178	(3)	1.
90 days and over	701	(225)	32.1
	2,239	(273)	12.2
Loss allowance	(273)		
	1,966		

For trade receivables, the Company applies a simplified approach in calculating expected credit losses and recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other current assets comprise:

	September 30, 2023	September 30, 2022
Current portion of investment in leases (Note 6)	258	315
Prepaid insurance	51	51
Prepaid government taxes	80	43
Other prepaid assets	430	297
	819	706

All receivables are expected to be realized within 12 months of the financial year end.

4. Inventories

	September 30, 2023	September 30, 2022
Materials and supplies	1,395	1,213
Merchandise	1,325	1,411
Work-in-progress	7	4
Provision for obsolescence	(210)	(208)
	2,517	2,420

(Amounts in thousands of Bermuda dollars)

During the year, the Company expensed inventory totalling $2,577 (2022 - $2,595) as part of normal operations. Inventory written off during the year totalled $52 (2022 - $34) and is included in materials, merchandise and supplies in the consolidated statement of comprehensive income.

5. Note receivable

The note receivable is comprised of a 2-year fixed rate loan note, listed on the Bermuda Stock Exchange at 6% interest per annum.

Note receivable:

	September 30, 2023	September 30, 2022
Balance, beginning of the year	168	–
Conversion of equity security to a note receivable	-	168
Balance, end of year	168	168

6. Investment in leases

	September 30, 2023	September 30, 2022
Total investment in finance leases	579	576
Unearned finance income	(50)	(45)
	529	531
Less allowance for doubtful receivables	–	–
Current portion included in other current assets (Note 3)	(258)	(315)
Long-term portion	271	216

For leases, the Company applies a simplified approach in calculating expected credit losses and recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Based on the results of the provision matrix, a loss allowance of $nil (2022 - $nil) has been recognized.

Finance income arising from the investments in leases amounted to $38 (2022 - $51) and is included in other revenue. Upon completion of the lease the leased equipment can be purchased, renewed or returned at the expected fair value at that time. The unguaranteed residual values accruing to the benefit of the Company are $69 (2022 - $73).

The Company has entered into commercial property leases on its three buildings held for operating lease purposes which have been classified as investment properties on the consolidated balance sheet. These non-cancellable operating leases have remaining non-cancellable lease terms of between 0 and 10 years. Leases have renewal terms of between 0 and 10 years.

(Amounts in thousands of Bermuda dollars)

The following is a schedule by year of the future minimum lease payments to be received under finance leases and non-cancellable operating leases at September 30:

	2023 Finance leases	2023 Operating leases
2024	258	1,982
2025	172	1,771
2026	87	1,647
2027	12	1,451
2028	–	1,247
	529	8,098

	2022 Finance leases	2022 Operating leases
2023	313	2,288
2024	130	1,708
2025	52	1,467
2026	11	1,402
2027	–	1,385
2028 and later	–	1,575
	506	9,825

7. Property, plant and equipment

	Land	Buildings	Machinery	Vehicles	Fixtures and equipment	Total
Cost						
September 30, 2022	393	5,938	10,778	342	3,232	20,683
Additions	–	124	51	40	148	363
Disposals/transfers	–	–	(199)	(42)	(113)	(354)
September 30, 2023	393	6,062	10,630	340	3,267	20,692
Depreciation:						
September 30, 2022	–	4,635	10,288	223	2,703	17,849
Charge for the year	–	149	150	41	243	583
Depreciation on disposals	–	–	(192)	(42)	(113)	(347)
September 30, 2023	–	4,784	10,246	222	2,833	18,085
Net book value:						
September 30, 2022	393	1,303	490	119	529	2,834
September 30, 2023	393	1,278	384	118	434	2,607

At September 30, 2023 the Company had $13,641 (2022 - $13,658) in fully depreciated assets that were still in use.

(Amounts in thousands of Bermuda dollars)

8. Intangible assets

	September 30, 2023	September 30, 2022
Balance, beginning of the year	80	80
Balance, end of year	80	80

9. Investment properties

The cost and accumulated depreciation of properties leased to third parties are as follows:

	September 30, 2023	September 30, 2022
Cost	27,172	27,011
Accumulated depreciation	(14,318)	(13,622)
Net book value	12,854	13,389

Changes in the Company's net book value of investment properties are summarized in the following table:

	September 30, 2023	September 30, 2022
Balance, beginning of the year	13,389	14,019
Additions	171	190
Disposals	(10)	(4)
Depreciation on disposals	7	3
Depreciation	(703)	(819)
Balance, end of year	12,854	13,389

The investment properties were valued in January and February 2022 by an independent appraiser having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued, at a fair value of $27.6 million. The independent appraiser used a combination of comparable analysis and an income approach in determining the fair value. Given the reduced level of real estate transactions in Bermuda in recent years, this measurement would be classified as level 3 in the fair value hierarchy (Note 14). The fair value is not considered to be significantly different as at September 30, 2023 based on market conditions. The Company recognized $2,745 (2022 - $2,786) in rental income and $1,444 (2022 - $1,383) in operating expenses pertaining to its investment properties. All properties generated rental income.

10. Goodwill

	September 30, 2023	September 30, 2022
Balance, beginning and end of year	2,988	2,988

a) Impairment

At year-end September 30, 2023, management conducted its annual impairment test of the goodwill and the intangible assets allocated to the publishing and retail CGU, as detailed in Note 2(c)(ii). The discounting of future cash flows relating to the publishing and retail CGU was used to determine its value in use. The future cash flows were based on the 2024 detailed operating budget of the CGU and projecting out the next proceeding four years based on future expectations using past experience and industry trends within publishing and retail. A discount rate of 11.0% (2022 - 10.0%) was used in the impairment test. This rate represents management's estimate of the weighted average cost of capital for a local company in Bermuda of its size.

(Amounts in thousands of Bermuda dollars)

Upon completion on the test it was determined the recoverable amount of the CGU was sufficiently higher than its attributed carrying amount on the consolidated balance sheet and no impairment loss was recognized in the year ended September 30, 2023.

The following are key assumptions used in the impairment assessment for both CGUs:

- Cash flows were based on the CGU budget for the year ended September 30, 2024.
- A 5-year financial projection plus a terminal value with a nil growth rate.
- The expected future cash flows were estimated based on financial projections approved by management utilizing historical data, past experience and industry trends.
- Annual capital expenditures of $70 per year were included in the cash flow projection to support operations.
- Discount rate applied in cash flow projections: 11.0% (2022 - 10.0%).

b) Sensitivity Analysis

Management completed sensitivity analysis on the impairment test considering the following scenarios:

- An increase in the discount rate by 17.3% to 28.3% would not result in an impairment charge to goodwill.
- Projected revenue contraction of 8.8% per year over the 5-year period would not result in an impairment charge.
- Projected expense growth of 10.35% per year over the 5-year period would not result in an impairment charge.

11. Accounts payable and accrued liabilities

	September 30, 2023	September 30, 2022
Trade payables	684	481
Accrued liabilities	572	696
Accrued payroll liabilities	969	1,232
	2,225	2,409

12. Borrowings

	September 30, 2023	September 30, 2022
Current		
Third-party loan	443	415
Non-current		
Third-party loan	164	607
Total borrowings	607	1,022

Third-party loan – The Bank of NT Butterfield & Sons Limited

The term loan of up to $2.0 million was entered into in September 2018 and bears interest at fixed rate of 6.5% per annum and is repayable in equal monthly installments over 5 years from the date of drawdown. The facility is secured through a first registered collateral mortgage over the Crown House property, together with a conditional assignment of the rents of Crown House Properties Limited.

(Amounts in thousands of Bermuda dollars)

Interest expense for the year totaled $26 (2022: $54) and is included in finance costs in the consolidated statement of comprehensive income.

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

	September 30, 2023	September 30, 2022
Balance, beginning of the year	607	1,022
Repayment of long-term debt	(444)	(415)
Balance, end of year	163	607

13. Financial risk management

The Company is exposed to credit risk, liquidity risk and market risk related to its financial assets and liabilities. These risk exposures are managed on an ongoing basis by management.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises primarily from credit given to customers and deposits with financial institutions. Balances arising from those activities are cash and cash equivalents, trade receivable and investment in leases. The maximum credit exposure to credit risk at the reporting date was:

	September 30. 2023	September 30, 2022
Trade receivables	1,811	1,966
Investment in leases	529	531
Cash and cash equivalents	1,523	4,390
	3,363	6,887

Exposure to credit risk on trade receivables and investment in leases is influenced by the credit worthiness of customers. The concentration of risk that the Company is exposed to is that all customers and deposits reside in one geographic area, Bermuda. The Company manages credit risk through the execution of its credit and collection policy whereby customers are analyzed for creditworthiness prior to being offered credit and then continually monitored based on their aging profile and previous financial difficulties. Management has established procedures to restrict access to credit if their accounts are not in good standing and may result in the suspension of credit and move to a prepayment basis.

Cash and cash equivalents are placed with counterparties who have minimal risk of credit default and are rated by Standard & Poor's with credit ratings of between BBB+ and A-.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due or at a reasonable cost. The Company manages liquidity risk primarily by keeping sufficient cash in its operating account.

The following are the contractual maturities of financial liabilities, including interest payments as at the reporting date:

(Amounts in thousands of Bermuda dollars)

September 30, 2023	Carrying amount	Contractual cash flows	Less than 1 year	1 - 2 Years	2 - 5 Years	More than 5 years
Accounts payable and payroll liabilities	1,653	1,653	1,653	–	–	–
Contract liabilities – unearned income	634	634	634	–	–	–
Borrowings	163	164	164	–	–	–
Dividends payable	143	143	143	–	–	–
	2,610	2,611	2,611	–	–	–

September 30, 2022	Carrying amount	Contractual cash flows	Less than 1 year	1 - 2 Years	2 - 5 Years	More than 5 years
Accounts payable and payroll liabilities	1,712	1,712	1,712	–	–	–
Contract liabilities – unearned income	807	807	807	–	–	–
Borrowings	607	634	470	164	–	–
Dividends payable	100	100	100	–	–	–
	3,226	3,253	3,089	164	–	–

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on assets.

(i) Foreign currency risk

The Company incurs foreign currency risk primarily on purchases and borrowings that are denominated in a currency other than the Bermuda dollar, primarily US dollars. However, foreign currency risk is minimal, due to the fact that the Bermuda dollar is pegged to the US dollar at a 1:1 rate.

(ii) Interest rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company has minimal exposure to the risk of interest rate changes as the Company is currently utilizing a third-party loan at a fixed interest rate (Note 12). The note receivable held has a fixed interest rate of 6% per annum.

(Amounts in thousands of Bermuda dollars)

14. Financial instruments by category

	September 30, 2023		September 30, 2022	
	Financial assets at amortized cost	Financial assets Note receivable at fair value through profit and loss	Financial assets at amortized cost	at fair value available through comprehensive income
Assets				
Cash and cash equivalents	1,523	–	4,390	–
Note receivable at fair value through profit and loss	–	168	–	168
Trade receivables and other current assets (excluding prepayments)	2,069	–	2,281	–
Investment in leases, non-current	271	–	216	–
Total	3,863	168	6,887	168

	September 30, 2023 Liabilities at amortized cost	September 30, 2022 Liabilities at amortized cost
Liabilities		
Borrowings	163	607
Accounts payable and payroll liabilities	1,653	1,713
Dividends payable	143	100
Total	1,959	2,420

Fair value of financial assets and liabilities

The carrying value reflected in the consolidated financial statements for cash and cash equivalents, trade receivables and other current assets, and accounts payable and accrued liabilities are assumed to approximate their fair values due to their short-term nature. Equity investments, classified as notes receivable are carried at fair value. Borrowings are carried at amortized cost with fair value approximating carrying value given fixed interest rate of 6.5%. The cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realization or discounts on settlement.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Financial instruments in Level 1 are traded in an active market and their fair value is based on quoted market prices at the balance sheet date.

(Amounts in thousands of Bermuda dollars)

The following table presents the Company's assets that are measured at fair value at September 30, 2023
.

	Level 1	Level 2	Level 3	Total
Note receivable at fair value through profit and loss	168	–	–	168
Total assets	168	–	–	168

The following table presents the Company's assets that are measured at fair value at September 30, 2022.

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	144	-	-	144
Total assets	144	-	-	144

15. Related parties

As disclosed in Note 2(d), intra-group transactions are eliminated on consolidation.

Key management includes directors and members of the executive committee. Key management personnel remuneration includes the following expenses:

	2023	2022
Salaries, directors' fees and short-term benefits	794	842
Post-employment benefits	18	7
Other long-term benefits	4	46
	816	895

16. Payroll and employee benefit expenses

	2023	2022
Wages and salaries	9,205	9,292
Termination benefits	19	9
Pension contributions – defined contribution plan	501	538
Other long-term benefits and taxes	1,318	1,603
	11,043	11,442

17. Administrative expenses

	2023	2022
Consultants and professional fees	576	321
Insurance	246	19
Taxes	157	150
Telecommunications and utilities	891	896
Software and subscriptions	737	867
Cleaning and maintenance	344	325
Advertising and promotions	109	111
Vehicle and transportation	170	157
Bank charges	142	163
Director fees	159	139
Other administrative expenses	779	753
	4,310	4,081

18. Share capital

	Number of shares	Ordinary shares ($'000)	Share premium ($'000)	Total ($'000)
At September 30, 2022	1,429,320	3,430	1,688	5,118
Shares reissued	–	–	–	–
Shares repurchased	(221,988)	(532)	(1,250)	(1,782)
At September 30, 2023	1,207,332	2,898	438	3,336

The Company has authorized 3,300,000 (2022 - 3,300,000) common shares of par value $2.40 each. The holders of these common shares are entitled to one vote per share at general meetings of the Company and are entitled to dividends as they are declared.

The Company acquired 221,988 of its own shares during the year (2022 - 3,058) and the total amount paid to acquire these shares was $1,782 (2022 - $13). The Company issued no shares during the current year. During the year ended September 30, 2022, the Company issued 3,935 shares with a value of $17 to satisfy accrued liabilities. The Company held 222,913 (2022 - 925) 'treasury shares' at September 30, 2023. The reserve for the Company's treasury shares of $534 (2022 - $2) comprises the cost of the Company's treasury shares held.

All shares issued by the Company were fully paid.

The Company's other comprehensive income comprises accumulated changes in the fair value of equity investments held. During the prior year, the equity investment was converted to a note receivable (Note 5).

19. Earnings per share and dividends

Basic and diluted earnings per share have been calculated by dividing the consolidated net profit (loss) attributable to equity holders of the Company by the weighted average number of common shares in issue during the year.

	September 30, 2023	September 30, 2022
Loss attributable to common shareholders	(466)	(100)
Average number of common shares outstanding (in thousands)	1,317	1,428
Basic and diluted loss per share	(0.35)	(0.07)

(Amounts in thousands of Bermuda dollars)

During the year the Company declared dividends of $529 (2022 - $400) to equity holders of the Company. This represents a payment of $0.37 per share (2022 - $0.28). There were 10,038 potential dilutive ordinary shares as at September 30, 2023 (2022 - 8,486). Dividends payable were $143 at September 30, 2023 (2022 - $100).

Reconciliation of dividends payable to cash flows from financing activities:

	September 30, 2023	September 30, 2022
Balance, beginning of the year	100	-
Dividends declared	529	400
Dividends paid to Company's shareholders	(486)	(300)
Balance, end of year	143	100

20. Capital management

The Company's capital management objectives are to maintain financial flexibility in order to preserve its capacity to meet its financial commitments, to pay dividends and to meet its potential obligations resulting from internal growth and acquisitions. The Company defines capital as the total of the following balances:

	September 30, 2023	September 30, 2022
Equity attributable to owners of the Company	22,490	25,267
Borrowings	163	607
Cash and cash equivalents	(1,523)	(4,390)
	21,130	21,484

The Company manages its capital in accordance with changes in operating conditions. In order to maintain or adjust its capital structure the Company may elect to adjust the amount of debt outstanding, adjust the amount of dividends paid to shareholders, return capital to its shareholders, repurchase and cancel its shares or issue new shares. The Company is currently meeting all its financial commitments and there have been no changes in the Company's approach to capital management during the year. The Company is not subject to any external capital requirements.

21. Commitments and contingencies

(a) Capital commitments:

There were no commitments for capital expenditure as at September 30, 2023 or 2022.

(b) Lease commitments:

There were no lease commitments as at September 30, 2023 or 2022.

(c) Contingent liabilities:

There is a contingent liability for the legal costs owing to the counterparty associated with the ruling on December 13th, 2023 against the Company in its appeal of an injunction that prevented reporting of a tax evasion case. No provisions has been made for these legal costs in the consolidated financial statements as the amounts to be incurred by the Company cannot be estimated. There were no contingent liabilities to disclose as at September 30, 2022.

(Amounts in thousands of Bermuda dollars)

22. Segmented information

The Company has identified its reportable segments based on its separate products and services. Publishing and retail covers newspaper, online, magazine and directory publishing and the sale of stationery and office equipment. Commercial printing covers commercial and retail printing. The rental and other segment includes property rentals, investment activities and other operations.

Sales of goods and services between segments occur on terms agreed between those responsible for the segments. There are no significant differences between segment amounts and consolidated totals other than those arising from inter-segment transactions. The accounting policies of the segments do not differ from those reported in Note 2.

September 30, 2023	**Publishing and retail $**	**Commercial Printing $**	**Rental and other $**	**Inter-segment eliminations $**	**Total $**
Revenue from external customers	13,396	2,537	2,976	–	18,909
Revenue from internal customers	180	117	2,690	(2,987)	–
	13,576	2,654	5,666	(2,987)	18,909
Expenses	15,027	3,377	2,670	(2,980)	18,094
Depreciation	205	91	990	–	1,286
Interest expense	–	–	33	(7)	26
	15,232	3,468	3,693	(2,987)	19,406
Segment income (loss)	(1,656)	(814)	1,973	–	(497)
Finance income	12	–	11	–	23
Gain (loss) on sale of assets	10	–	(2)	–	8
Total income (loss)	(1,634)	(814)	1,982	–	(466)
Segment assets	5,356	1,047	28,815	(9,563)	25,655
Segment liabilities	1,862	317	1,233	(247)	3,165
Additions to non-current assets	134	–	400	–	534

Included in publishing and retail revenue are publishing revenues of $10,605 and retail revenues of $2,791.

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2023
(Amounts in thousands of Bermuda dollars)

September 30, 2022	**Publishing and retail $**	**Commercial Printing $**	**Rental and other $**	**Inter-segment eliminations $**	**Total $**
Revenue from external customers	14,067	2,600	3,008	–	19,675
Revenue from internal customers	157	133	2,810	(3,100)	–
	14,224	2,733	5,818	(3,100)	19,675
Expenses	15,142	3,681	2,497	(3,088)	18,232
Depreciation	283	115	1,114	–	1,512
Interest expense	–	–	66	(12)	54
	15,425	3,796	3,677	(3,100)	19,798
Segment (loss) income	(1,201)	(1,063)	2,141	–	(123)
Finance income	21	–	–	–	21
Gain (loss) on sale of assets	3	–	(1)	–	2
Total (loss) income	(1,177)	(1,063)	2,140	–	(100)
Segment assets	5,099	1,063	32,542	(9,514)	29,190
Segment liabilities	1,979	387	1,755	(198)	3,923
Additions to non-current assets	84	–	376	–	460

Included in publishing and retail revenue are publishing revenues of $11,156 and retail revenues of $2,911.

Timing of revenue recognition:	**2023 $**	**2022 $**
At a point in time	6,431	6,709
Over time	12,478	12,966
Revenue from external customers	18,909	19,675

Entity-wide information

The breakdown of revenue, all of which is generated by customers in Bermuda, is disclosed in the consolidated statement of comprehensive income and all of the Company's assets are located in Bermuda.

23. Revenue from contracts with customers

Remaining long-term contracts

The Company does not have any long-term contracts of greater than one year other than those related to leasing of equipment and investment properties accounted for in accordance with IFRS 16, Leases. Contracts in respect of remaining revenue streams are for one year or less and are billed in line with delivery of the associated goods or services. As permitted under IFRS 15, the transaction price allocated to unsatisfied contracts is not disclosed.

Assets recognized from costs to fulfill a contract

The Company has not created any assets from costs to fulfill its contracts.

Contract liabilities

The Company's contract liabilities consist of unearned income totaling $634 (2022 - $807). During the year the Company recognized in revenue the full amount of the contract liability balance at September 30, 2022.

The movement in the contract liabilities balance from September 30, 2022 to September 30, 2023 of $173 reflects the timing of payments received from customers. The Company expects 100% of the unearned income balance at September 30, 2023 to be earned in the year ending September 30, 2024.

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