



Annual Report
2023



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Letter from the Chairman



01



Dear Shareholders

It gives me great pleasure to share with you the highlights of our performance in 2023. For the first time in many years we were able to operate without any major impediments. This resulted in our revenues increasing by over US\$2million (13%).

We saw significant increase in cruise ship passenger arrivals as the fear of Covid has almost completely disappeared and the ships which are significantly larger are arriving with good occupancy.

The Ministry of Tourism had announced back in 2022 that we could look forward to the start of several major hotels breaking ground. I am pleased to advise that this became a reality and will result in thousands of new rooms being available in 2024/2025.

The airlift to Jamaica continues to increase and is creating pressure on the Montego Bay airport which has to expand. The lengthening of the runway to take large wide body aircraft from Europe has been completed and this also will add to the expected increase in arrivals. Brand "Jamaica" is experiencing its greatest high, maybe it's the highest in decades. All this is very positive for the industry and its future.

We continued our investments in the maintenance of all our parks and in particular Yaaman Adventure Park where additional new equipment was purchased and also the installation of our very popular zip line.

Our aggressive dividend policy was continued through the year with payments of \$1.60 per share compared to \$0.80 in 2022. This positive approach to reward shareholders continues as is evident by us paying \$0.60 dividends for the first quarter of 2024.

We are proud of the achievements of management and staff this year and look forward to continuing to grow and contribute to the tourism sector of Jamaica.

Thank you for your continued support.

A handwritten signature in black ink, appearing to read 'S. Burrowes', with a small dot at the end.

Stafford Burrowes, OD
Chairman

Highlights



02

Jan

- Dolphin Cove Ocho Rios hosted the Beach Bash for the first time, an event organized for the local market, where more than 200 guests spent a wonderful time in our park.
- Dolphin Cove at Moon Palace Jamaica welcomed 25 students from the Breadnut Hill Primary School, they received an educational tour focused in the awareness of the animal care. This visit was scheduled with the assistance of the Moon Palace Foundation.

Feb

- Dolphin Cove at Moon Palace Jamaica hosted 30 Grade 4C students from Exchange All-Age School for an Environment Educational Program.
- Dolphin Cove Ocho Rios celebrates its 22nd anniversary.

Mar

- Dolphin Cove at Moon Palace Jamaica received the visit of 45 students from Breadnut Hill Primary School to know our dolphin habitat and to learn more about our beloved dolphins.
- The Board of Directors and The Audit Committee of Dolphin Cove Jamaica had the 1st session of the year, to discuss the results as of December 2022 and to review the Audited Financial Statements to be submitted to the Jamaica Stock Exchange, the meeting was held virtually.

Apr

- We celebrated the Annual Easter Egg Hunt in our parks Dolphin Cove Ocho Rios and Dolphin Cove Montego Bay, where we offered face painting, giveaways and entertainment thought the day.
- Dolphin Cove submitted its Annual Report for the year 2022, to the Jamaica Stock Exchange.

May

- Dolphin Cove held special events in all its parks to celebrate Mother's Day.
- Dolphin Montego Bay announced Enrique Rivera as its new Manager, Mr. Rivera joined Dolphin Cove more than 8 years ago with a remarkable performance in the position of Cruise Ship Operations Manager.
- Dolphin Cove's annual Labor Day's celebration took place at Sandy Bay Primary School, where our staff members performed different works such as painting and gardening to give a new look to the school for our children. In the same way, our staff painted a local Women Center building in St. Ann.
- The company submitted to the Jamaica Stock Exchange the financial performance report for the first quarter of 2023.

Jun

- Dolphin Cove Ocho Rios hosted a school group of 150 students from Beulah All Age School from Clarendon.
- Dolphin Cove hosted the Father's Day celebration at Elevate Club Mobay.
- The Board of Directors and The Audit Committee of Dolphin Cove Jamaica met to discuss matters related to the GCT Assessment.
- The Board of Directors and The Audit Committee of Dolphin Cove Jamaica hosted the Annual General Meeting to report the results of the year 2022 to the shareholders.

Aug

- Dolphin Cove celebrated the anniversary of Jamaica Independence and Emancipation Day in all its parks, our guests enjoyed of an amazing experience tasting Jamaican food and pastry in a place full of the Jamaican colors and vibes.
- Yaaman Adventure Park celebrates its 19th anniversary.

Sep

- Dolphin Cove participated for 8th consecutive years in the annual beach clean-up, this year the activity was hosted at the Sugar Beach in St. Mary.
- Dolphin Cove at Moon Palace Jamaica, hosted a group of "Golden Dream" recipients. This is one of the social retribution programs that was coordinated through the Moon Palace Foundation.
- Dolphin Montego Bay Celebrates its 13th anniversary.
- The Board of Directors of Dolphin Cove Jamaica met to discuss the financial performance as of June 2023.

Oct

- Dolphin Cove Ocho Rios hosted its annual Halloween Party.
- The company organized a couples' retreat at Dolphin Cove Moon Palace in collaboration with the Moon Palace Foundation. The 8 couples enjoyed the experience of a Meet & Greet program.
- Dolphin Cove Moon Palace Jamaica celebrates its 8th anniversary.

Nov

- Dolphin Cove joined the Black Friday for the very first time with 30%, 40% and 50% off promotions in our programmes, tours and shops in the parks.
- Dolphin Cove at Moon Palace Jamaica hosted the second "Golden Dreams" group for the year in collaboration with the Moon Palace Foundation, this time, 13 staff members from Moon Palace Hotel enjoyed of a Dolphin Encounter programme.
- The Board of Directors and The Audit Committee of Dolphin Cove Jamaica met to review and approve the financial report corresponding to Q3-2023 for submission to the Jamaica Stock Exchange.

Dec

- Dolphin Cove hosted a Christmas parties for all its employees, one of the events was held at Track & Records Montego Bay.
- The Company hosted more than 2,000 guests in all its parks on December 21st, setting a new record as the day with more guests from the Cruise Segment, breaking the record achieved two weeks earlier with 1,900 guests welcomed.

Our Family



03

48% Male

52% Female

240 Associates

Gender	DC Ocho Rios	DC Mobay	DC Moon Palace	Yaaman
Male	64	15	6	31
Female	83	21	2	18
Total	147	36	8	49

<30 Years Old
45%

30-50 Years Old
49%

>50 Years Old
6%



Certifications and Recognitions



Alliance
The Alliance of Marine Mammal Parks and Aquariums is an international association and accrediting body for zoos, aquariums, and marine parks, dedicated to the highest standards of care for marine mammals and their conservation.



IMATA
International Marine Animal Trainers' Association

IMATA
It is an Association dedicated to achieving the improvement of humane care and management of marine animals, fostering communication among professionals who serve marine animal science through training, public exhibition, research, breeding, conservation, and education.



Autism Center
The Certified Autism Center (CAC) credential is given to organizations working with individuals with autism. The CAC recognizes education, experience, and commitment of organizations worldwide.



Training and Development

The stronger the staff members the stronger the Company, Dolphin Cove recognizes the importance of each member of the team by providing constant training to enhance their skills knowing that training is one of the tools for professional development.

Every year we focus on different training to help our employees acquire new skills, sharpen existing skills and by doing so help them to perform better and increase productivity and be better employees.

During 2023, our staff participated on important training sessions and courses, all essential for our operational process:



Training	Participants	Timeline to Complete
Harassment & Customer Service Sensitization	15	1 day
Occupational Safety and Health	17	2 days
Occupational Health and Safety Administration	20	2 days
Fire Safety Drill	35	1 day
Zipline Work	10	2 days
The Dolphin Way	240	3 hours



Professional Development

As a result of the continued training provided to our staff members, some of them showed interest in professional development and as of December 2023, a total of 17 of our current headcount are staff members that were promoted across the parks to take on new responsibilities.

Park	# of Promotions
Ocho Rios	12
Yaaman	4
Montego Bay	1

Internships

In the summer of 2023, we hosted a student from The College of Agriculture, Science and Education in Jamaica, who was completing her studies to become a veterinary technician.

One of the most important parts of our work is education. Educating the younger generations about the welfare, health and management of these species, as well as their conservation both in situ and ex situ, is a vital part of ensuring the conservation of these animals and making them aware of the importance of their conservation.

For two months, we had the pleasure of teaching her all about the handling of these fantastic creatures and educating her in laboratory techniques to help in her professional growth.



Organizational Culture

Birthday Celebrations and Games Day

Dolphin Cove Ltd and Yaaman Adventure Park takes pride in acknowledging our employees on their birthdays. This is one way how we show our employees how important they are to us, and as part of our engagement program, our employees receive their greeting card, tokens and a personalized birthday cake.



Mother's & Father's Day

Mother's Day and Father's Day is an international recognized day that the company acknowledges and recognizes annually. For 2023, both groups had a formal dinner on behalf of the company to share its appreciation towards both set of parents. A gift token was given to the respective recipients.



Easter Bun and Cheese Give-Away

Bun and Cheese is wholly recognized as a large tradition during Easter time. The practice of eating bun and cheese during Easter descended from the United Kingdom with the Hot Cross Bun. Dolphin Cove honors this tradition and thus all employees within all 4 parks in Jamaica received a package consisting of Bun and Cheese to share with their family and friends.



Back to School Give-Away

As a family park Dolphin Cove strongly support education, all parents were assisted with back to school items for each child. These items were issued at a back to school fun day where both staff and children got the opportunity to interact with the dolphins and have a fun filled family day.



End of Season Appreciation Events

In recognition of the effort and commitment of our associates during the high season period, we reward them with a celebration at the end of it in which they can enjoy and celebrate their achievements.



Montego Bay, Jamaica

Christmas Awards and Party

Every year we show our appreciation to the employees of Dolphin Cove and Yaaman Adventure Park for their hard work throughout the year. In 2023, we hosted a special dinner for all the employees. Awards given were most outstanding, long service, employee of the year and Manager of the year.



Community Engagement & Social Responsibility

Labour Day

Labour Day is an international movement which was first born out of a struggle to free workers who suffered under extreme conditions of repression, exploitation and racism during the nineteenth century. Since its birth in 1980, many countries have set aside the 1st of May in honor of the Labour movement. In Jamaica however, Labour Day is celebrated on the 23rd of May of each year.

For 2023, Dolphin Cove visited a local Woman Center and painted the entire park and cleaned the facility in honor of this tradition.



International Coastal Clean-up Day

Coastal Clean-up has been recognized in communities worldwide and with the aim to collect trash that pollutes our waterways, making our coasts cleaner and our ocean healthier.

On September 16th, 2023 Dolphin Cove & Yaaman Adventure Park planned a clean-up day targeted at beaches in St Ann area. Approximately 45% of the staff participated in this clean-up collecting over 50 bags of trash, garbage and other recyclables materials for proper disposal.



School & Tour Groups

Commemoration of International Childhood Cancer Day

In commemoration of International Childhood Cancer Day, Dolphin Cove Ocho Rios and Yaaman Park hosted a total of 35 children and young people from the Rosebank Center of Excellence School for children with special needs. As a part of the Dreams' Fulfillment Program, the children visited the park and live an amazing experience interacting with our beloved animals.



Down Syndrome World Day Commemoration at Jamaica

In commemoration of Down Syndrome World Day, Dolphin Cove's team organized a dynamic named "Reading Day" with the children of the Edgehill School of Special Education.



Autism Awareness Day

In commemoration of World Autism Awareness Day, we hosted Edgehill Special Education School, of which 60 students and 12 teachers met and took a tour in Dolphin Cove Ocho Rios, Jamaica.



Environmental Education

Our truly commitment to the preservation of the environment starts with education. Through our best practice, "Love is Educating" we promote within students, attitudes and competencies necessary to contribute individually and collectively to the care of the environment.



Christmas Treat

Christmas is known as the season for giving. This Christmas, the company donated gifts to the St. Ann's Bay Hospital Children's Ward.



Education & Preservation



04



 **39** Dolphins

 **03** Nurse Sharks

 **02** Parrots

 **10** Stingrays

 **75** Birds

 **04** Macaws

 **07** Rabbits

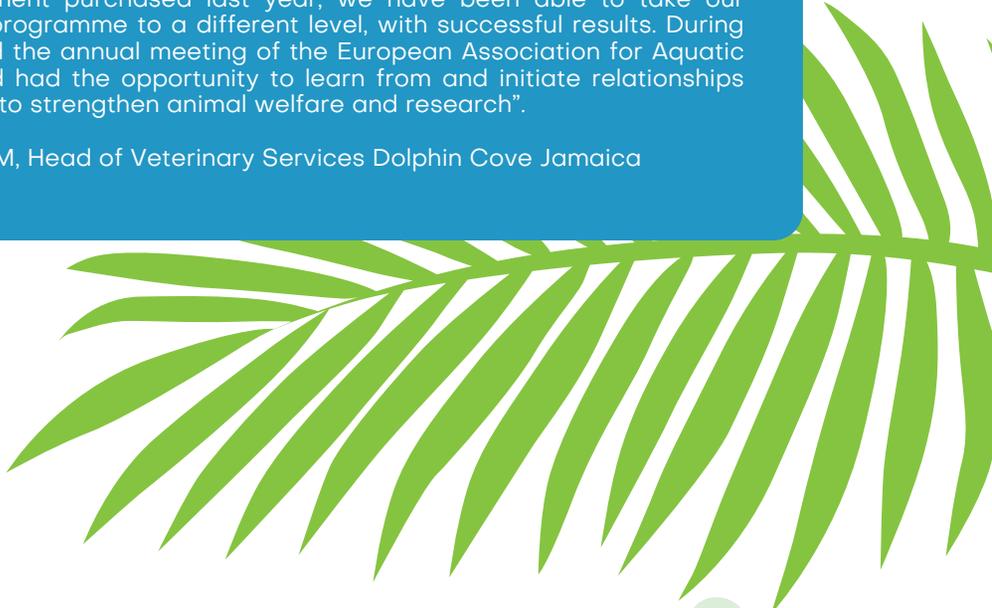
 **02** Iguanas

 **01** Ostrich

“As every year, Dolphin Cove continues to focus on the health and welfare of our dolphin family. With this being the company’s top priority, the veterinarian service is fully supported by the management.

Thanks to the equipment purchased last year, we have been able to take our preventive medicine programme to a different level, with successful results. During the year, we attended the annual meeting of the European Association for Aquatic Mammals (EAAM) and had the opportunity to learn from and initiate relationships with other institutions to strengthen animal welfare and research”.

-**Dr. Ana Malabia**, DVM, Head of Veterinary Services Dolphin Cove Jamaica



Miracle Program Dolphin Cove Ocho Rios

In January 2023, we welcomed two calves to our dolphin family

Calypso gave birth to a healthy female, on the 10th of January 2023 as expected. Chicky took only a couple of weeks more to give birth to a healthy male, on 21st of January 2023.

A 24-hour observation was carried out for a month with both mothers and their calves, ensuring that the most careful care and attention was given to ensure the welfare of both mothers and their offspring.

Our staff took several samples from these two dolphins through the year to ensure the health and wellbeing of these member of our family. The two calves are beginning to show interest in socialization with their care takers and fish, although their diet continues to be mainly mother's milk.



Chicky and her half



Calypso and her half

Contribution in Environmental Affairs

Dolphin Cove has always been an active promotor of environmental awareness, the tours and programmes offered among our parks deliver key messages that enhances the importance of the environment and the conservation practices. In addition to this, the company's tours portfolio contains Educational Programs 100% focused in the preservation of the environment and wildlife. This year, our goal was to perform at least one of these programmes in our three dolphin habitats: Dolphin Cove Ocho Rios, Dolphin Cove Moon Palace and Dolphin Cove Montego Bay. We are very pleased to inform the Dolphin Cove family: Mission accomplished!!



Key Figures



05

Visitors

Total:

201,747

+16% YOY
+16% vs 2019

Revenue

Total:

USD **\$17.1** million

+13% YOY
+15% vs 2019

Selling Expenses

Total:

USD **\$2.7** million

-14% YOY
-30% vs 2019

Admin Expenses

Total:

USD **\$2.7** million

+108% YOY
+44% vs 2019

Excluding the unusual GCT assessment in 2023

Other Operating Expenses

Total:

USD **\$3.8** million

-19% YOY
-18% vs 2019

Interest coverage ratio **101.1x**

Cash	US\$1.85m
Equity	US\$31.91m
Total liabilities	US\$6.02m
Total assets	US\$37.93m



Associates

Total:

240

Same headcount as 2022

Marine Mammals

Dolphins:

22	11	6
Ocho Rios habitat	Negril habitat	Moon Palace habitat

CAPEX

Total:

USD **\$1.0** million

+27% YOY
+154% vs 2019



Management Discussion & Analysis



06



"In 2023, Dolphin Cove welcomed more than 201,000 visitors, growing 16% vs 2019 and 16% vs 2022. The diversification and implementation of our products, such as Zipline, Secret Blue Hole and Dune Buggies from the cruise line segment has allowed us at Yaaman Adventure Park to exceed the annual target by +26%, the Zipline tour had a participation of the 8% from the total Admissions. We are now focusing on the hotel market by creating new products especially in Yaaman and continue to be in the top of leisure in the destination. The local market continues growing YOY in our parks.

We continue to have excellent control of our costs and expenses to generate profitable performance. For 2024, we will continue to work as a team to create and share unforgettable experiences in harmony with the environment, to continue contributing to Jamaica tourism sector."

-Gonzalo Pacheco, COO of Dolphin Cove

General Business Conditions

With a record winter tourist season and 10 consecutive quarters of growth posted, Jamaica reported visitor's arrivals of approximately 4.1 million for 2023. This represents a 16% increase over the previous year's numbers and 7.5% increase over 2019's pre-pandemic numbers. Of this total, more than half of the island's visitors are from the U.S. alone, approximately 3 million.

In 2024, Jamaica expects to add 2,000 new hotel rooms. From the U.S. alone, Jamaica will welcome new flights between Miami and Ocho Rios by American Airlines starting on February as well as a new non-stop flight from Cleveland to Montego Bay's International Airport by Frontier Airlines starting on March.

Reference: <https://www.travelagentcentral.com/caribbean/jamaica-welcomes-record-visitor-arrivals>

During 2023, Stopovers Visitors to Jamaica increased by **20%** vs 2022, and **9%** compared to 2019 according to the Jamaica Tourist Board. The nationality mix was as follows: USA representing **75%** of the visitors to Jamaica, Canadian **13%**, European **10%** and Other nationalities **2%**.

Cruise Ships arrivals to Jamaica reflected an increase by **59%** compared vs 2022 and a decrease by **24%** vs 2019. The combined attendance of visitors to Jamaica was **92,124** visitors or **3%** under than 2019.

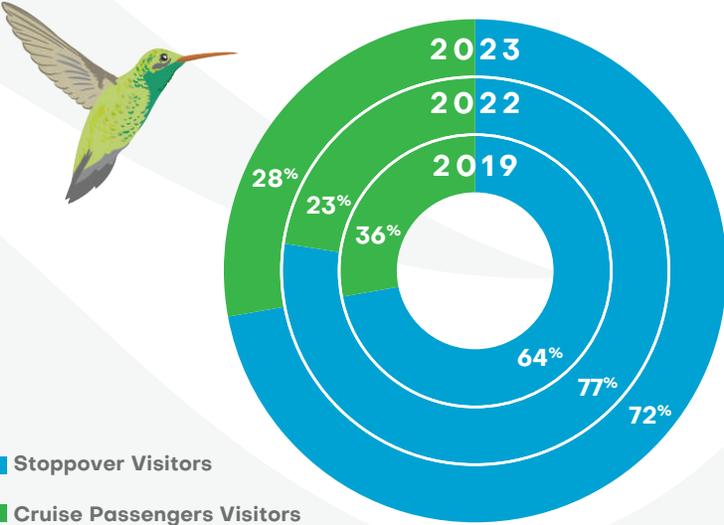
Note. Until the elaboration of this report, the official information of November and December was not uploaded in the Jamaica Tourist Board website.

Visitors to Jamaica



Reference: <https://www.jtbonline.org/report-and-statistics/monthly-summary/>
 Note: Until the elaboration of this graph, the official information of November and December was not uploaded in the Jamaica Tourist Board website.

Market Share Jamaica Visitors



Our parks in the region reported an increment vs 2022 of **16%** in the Attendance, where Cruise Ship is the segment with better performance and has a participation of **35%** in the total attendance and growth of **38%** YOY and **33%** vs 2019. Agencies participated with **34%**, Walk-In with **26%** and growth **19%** YOY and **89%** vs 2019, finally E-commerce with **5%** and showed a performance of **9%** YOY and **12%** vs 2019.

2023 confirms the constant growth and recuperation of the destination to the pre-pandemic levels, we had the opportunity to create and design different strategies in our sales channels with good results as mentioned previously. The Cruise Industry is booming. It has far surpassed 2019 and 2022 levels, breaking sales records in a post-pandemic comeback. Like most tourism sectors, Cruise Ships are reaping the benefits of "Revenge Travel" (Travelers making up for time lost during the pandemic).

Reference: <https://www.jtbonline.org/report-and-statistics/monthly-summary/>
 Note: Information on Stopovers and Cruise Ship arrivals outlined above was extracted from the JTB official website with data as of October 2023.

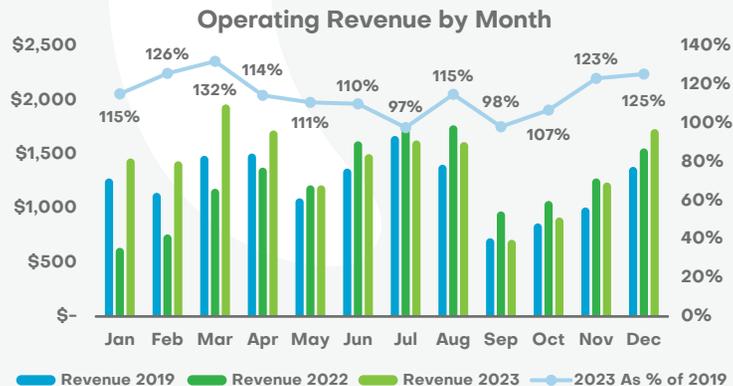
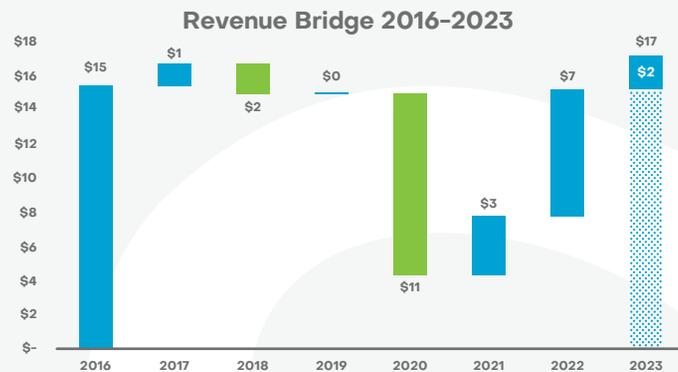


Statement of Profit & Loss & Other Comprehensive Income

Revenue

Dolphin Cove was able to capitalize on the better conditions of the market with a greater investment in advertising and promotion, new attractions and improvement of existing facilities to accommodate a larger flow of guests, ending the year with more than 200,000 visitors, 16% greater YOY and 16% above the attendance recorded in 2019. The business generated from the Cruise Line market was indeed the main factor to achieve this volume of guests, however, the continued strategies for the local market mainly through social media, generated 19% more guests compared to previous year.

The company ended 2023 with US\$17.1 million in Revenue, where Dolphin and Other Interactive Programs had a participation of 51%, on the other hand, the revenue from ancillary services such as the Photo Sales, Retail, Food and Beverage and Other attractions represented 49%.

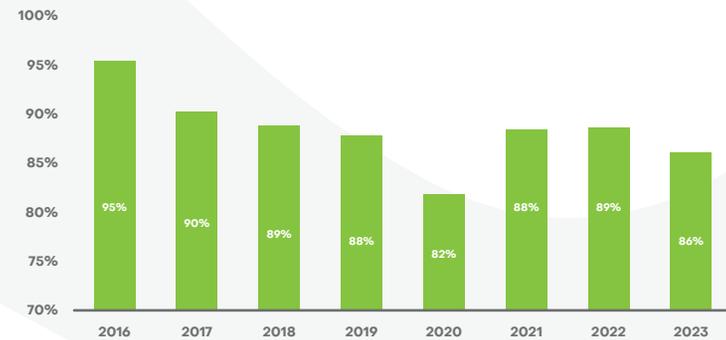


Gross Profit

The direct cost of programmes which represents dolphin food, medication, veterinary services and other consumables, ended marginally below year-over-year. On the other hand, the ancillary services costs which are mainly variable, showed an increased significantly compared to previous year, mainly due to the larger flow of guests to our parks and some increases in prices of goods for sale.

Dolphin Cove reported a gross margin of 86%, marginally below 2022.

2016 - 2023 Gross Profit Margin



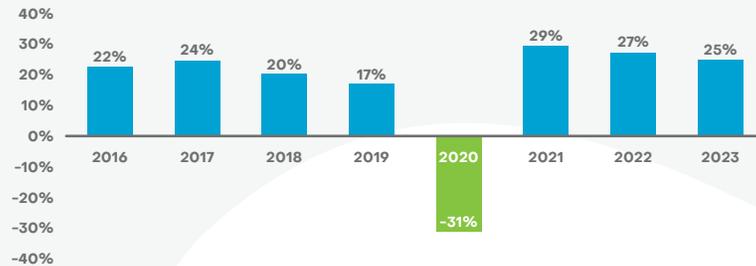
Gross Margin by Quarter



Operating Expenses

The result for 2023 reflects an increase in operating expenses of US\$1.2 million or 13% vs 2022; as disclosed in note 19(b) of the Financial Statements, the operating expenses reported include a provision of US\$1.1 million associated to the GCT assessment performed by the Tax Administration Jamaica for the period January 1, 2014 to July 31, 2019, without considering this unusual expense, and despite important factors that impacted our execution, such as raises on insurance premiums and increased prices of goods and services resulting from inflationary pressures, the expenses of the regular course of business ended just USD\$74,272 or 0.8% above 2022. The reported expenses are USD\$49,353 or 0.5% lesser than 2019.

2016 - 2023 Operative Profit Margin



Expenses



Note: Administrative Expenses include the provision for the unusual GCT assessment for US\$1.1 million.

Statement of Financial Position & Cash Flow

Key Highlights:

Financial Performance and Position: Throughout the year, Dolphin Cove delivered exceptional performance, significantly enhancing our financial position. Current assets saw an increase of approximately \$120,000, primarily due to a rise in accounts receivable. These amounts are anticipated to convert into cash by Q1-2024, following improvements in collections as detailed in Note 27(a)(i) of the audit report. Additionally, our non-current assets grew by \$4.8 million, largely attributed to the increased valuation of properties in Jamaica and abroad.

Throughout the year, we made strategic investments, including the renovation of facilities and updating the fleet of motor vehicles for Yaaman Park tours, which have bolstered our sales performance.

Asset Base and Liquidity: Dolphin Cove maintains a robust financial position with a substantial asset base, ample liquidity, and strong cash flow generation. This sound financial footing enabled us to declare and distribute dividends totaling \$4 million—the largest in the company’s history. Even after significant disbursements, including nearly \$1 million in income tax, our cash and cash equivalents still increased by \$200,000.

Market Performance: According to Simply Wall St., Dolphin Cove has experienced an average annual earnings growth of 23.6%, outpacing the Hospitality industry’s growth rate of 6.2%. Additionally, our annual revenue growth rate stands at 4.4%. The company’s return on equity is 9.6%, with a net margin of 17.9%, underscoring our efficient operations and strong market position.

2016 - 2023 Net Working Capital



23.6%

Earnings growth rate

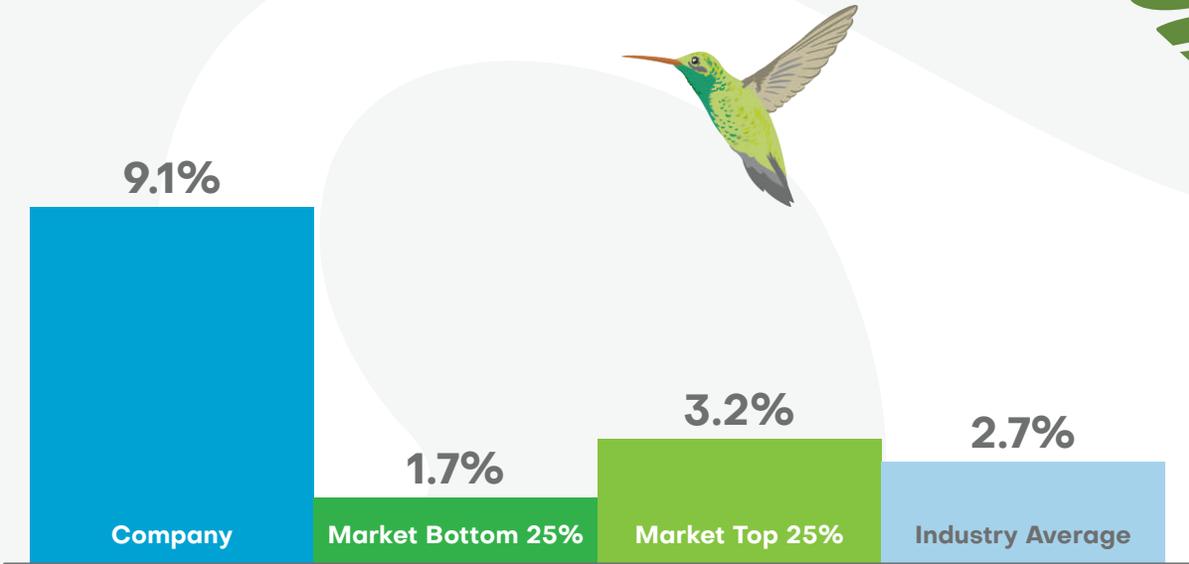
Hospitality industry growth **8.4%**

Revenue growth rate **4.4%**

Return on equity **9.6%**

Net margin **17.9%**

Note: Source: Simply Wall St. website



Current Dividend Yield Vs Market & Industry





I am pleased to report another year of strong financial results. Despite the impressive numbers reached in 2022, the company managed to surpass that performance, generating revenues of over US\$17 million and a net profit of US\$3 million this year, undoubtedly the best financial performance in its history.

The management team successfully capitalized on favorable conditions in the cruise market and the local market, generating US\$2 million more revenue than last year. Moreover, the outstanding management of the resources was reflected in a marginal growth of expenses associated with the normal course of business. In addition, we made meaningful investments during the year which delivered strong returns and will continue to be an important source of growth and profitability.

Despite the great performance achieved by the company so far, we acknowledge that there is still room to improve in our execution. We are encouraged to see 2024 numbers so far, which give us full confidence that the company's performance in 2024 will continue in the same line of excellence, and we will deliver even stronger results to our shareholders.

-Emmanuel Islas, Financial Controller of Dolphin Cove



Corporate Governance



07

Dolphin Cove Limited

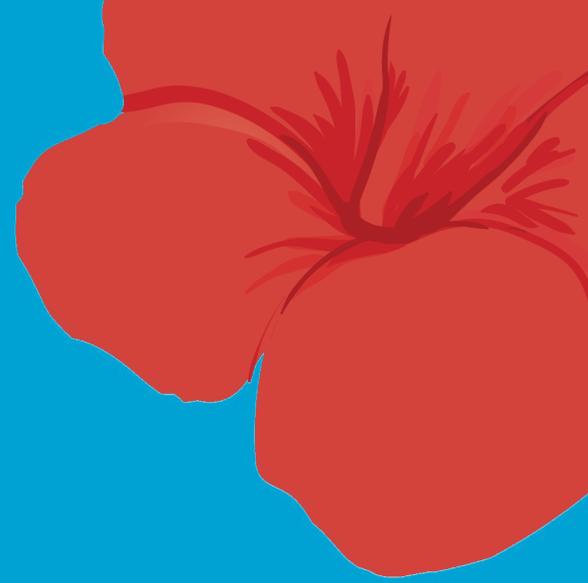
Attendance at board & audit committee meetings for year ended 31 december 2022

Total number of meetings scheduled – Board – 6, Audit Committee – 6, Corporate Governance Committee –1, Remuneration Committee –1

Total number of meetings held – Board –10, Audit Committee –4, Corporate Governance Committee –1, Remuneration Committee –1

Name	Number of Board meetings attended	Number of Audit Committee meeting attended	Number of Corporate Governance meetings attended	Number of Remuneration Committee meetings attended
Eduardo Albor Villanueva Board & Audit	4	0	N/A	N/A
Valeria Albor Dominguez	7	N/A	N/A	N/A
John Bailey Board & Audit	8	3	N/A	N/A
Stafford Burrowes	9	N/A	1	1
Lorenzo Camara <i>Resigned 3 August 2022</i>	6	N/A	N/A	N/A
Richard Downer Board & Audit	9	4	1	1
Sergio Jacome Board & Audit	10	4	N/A	N/A
Renato Lenzi <i>Appointed 23 February 2022</i>	9	N/A	N/A	N/A
Noel Levy Board & Audit	9	4	1	1

Board of Directors



7.1



Stafford Burrowes, OD
(appointed September 1998)
Chairman and Independent Director

Mr. Burrowes is the entrepreneur who conceived and developed the business idea that became the first and only marine park in Jamaica. In 2010 he was awarded the Order of Distinction in the rank of officer in recognition of his contribution to the development of tourism in Jamaica. He served as Chairman of Friends of the Sea from 2002 to 2006, and he has been the Chairman of the Board of Directors of Dolphin Cove Limited since 1998, presently he is also a member of The Dolphin Company board.



Eduardo Albor Villanueva,
(appointed November 2015)
Non-Executive Director

Mr. Eduardo Albor Villanueva is a law graduate from the Universidad de Mayab and has a Masters Degree – Corporate Law from the Universidad Anahuac. From inception, his work has been at the corporate level beginning as the Legal Director of the Royal Resorts. In January 1999, Mr. Albor became the CEO of Dolphin Discover Group, and during his administration the enterprise shifted from a regional player to a worldwide company, leader in the leisure industry. Now, The Dolphin Company has operations in 8 countries and 2 continents around the world, with 13 parks and 21 dolphin habitats that receive more than 2 million visitors annually. Mr. Albor serves as Chairman of The Dolphin Company Board and its Foundation. In addition, Mr. Albor is the president of the editorial group Latitude 21 and coordinates the three publications within the group. One of Mr. Albor's visions has been “always more”, hence he expects to continue the tendency he has established in the Company, to globalize and expand the company's portfolio in a short and long term.



Richard Downer, CD, FCA
(appointed February 2012 – November 2015,
reappointed April 2018)
Independent Director and Mentor

Mr. Downer, a former Senior Partner of PricewaterhouseCoopers in Jamaica, has served on the boards of companies in the financial sector (life and general insurance, commercial and investment banking, and building societies), beverage manufacturing, information technology, agriculture, tourism (hotels and attractions), distribution, real estate development, and construction industries. He was also a Senior Adviser to a private equity firm in London, England, and on the Rating Committee of a credit rating agency that rates sovereigns and large corporates in the Caribbean.

He has served in several roles in the public sector including as Executive Director of the Bureau of Management Support in the Office of the Prime Minister of Jamaica and as Temporary Manager for several troubled financial institutions and held directorships of government entities including the Bank of Jamaica and as Chair of the Coffee Industry Board.

Mr. Downer has advised governments on privatization policy and transactions in the Middle East, the Far East and the Indian subcontinent, Africa, Eastern Europe, and Russia. He has also held various leadership roles, including director of the American Chamber of Commerce, Vice President of the Institute of Chartered Accountants, director of the Public Accountancy Board and the Conference Board of Jamaica, and Honorary Treasurer of the Private Sector Organization of Jamaica.

He was awarded the Order of Distinction with the rank of Commander (CD) by Jamaica in 1986 for services to Accountancy and being a Pioneer in Privatization and the Distinguished Member Award of the Institute of Chartered Accountants and inducted into the Munro College Hall of Fame.

Since December 2010, Mr. Downer has been the Mentor appointed by Dolphin Cove Limited under the rules of the Junior Stock Exchange in which capacity he advises on matters of corporate governance and compliance with the rules of the stock exchange. He has been a member of the Group's Audit Committee since 2010 and the Remuneration Committee since 2012.



John R. Bailey
(appointed April, 2018)
Independent Director

Mr. Bailey has a Bachelor’s degree in Business Administration from the University of South Florida, majoring in Finance. He also completed executive studies at the University of New Orleans (Leadership, Motivation and Organizational Change) and Emory University (Marketing Strategies for Competitive Advantage).

He began his career in the fish industry becoming the dominant producer of red and silver Tilapia in Jamaica. Afterwards he worked in the export industry culminating in distribution to the most exclusive supermarket chain in the U.K. – Sainsburys.

Mr. Bailey led Jabexco Ltd. in being awarded Champion Exporter & Champion Agri-Exporter 1994 by the Jamaica Exporters Association.

He presently serves on the board of directors of several companies in diverse industries including education, food & beverage, water treatment, and pharmaceuticals.



Noel D. Levy
(Appointed September 2006)
Independent Director

Mr. Levy, member of the Jamaica Bar Association and the Law Society of England and Wales in the United Kingdom, is a consultant attorney -at- law at the firm of Myers Fletcher & Gordon and former senior partner of that firm, specializing in commercial law.

He has served on the boards of several private commercial companies including banking, life and general insurance companies. He served for several years as a Commissioner of the Jamaica Racing Commission and the Betting Gaming and Lotteries Commission.

He is Chairman of the Audit Committee of the University of the West Indies Mona Campus.



Federico Lozano
(Appointed June 2022)
Caribbean Executive Director

Mr. Federico Lozano is a graduate of the University La Salle Cancun with a bachelor's degree in Hospitality Management. He is also certified in Health and Safety Awareness in Tourism Accommodation and Hazard Analysis and Critical Control Point (CIEH HACCP). Federico has over 26 years of experience in his field, with emphasis of Operations, Sales, Marketing and Administration, these are experiences gained within the Tourism Sector including Hotel Industry, Travel Agencies, Water and Adventure Parks.

Federico joined The Dolphin Company in April 2015, within the first 8 years in the company he has held various positions as General Manager, Regional Director and Caribbean Deputy Executive Director and Regional Director Caribbean in four different countries; Mexico, Dominican Republic, Grand Cayman and Jamaica.



Sergio Jacome Palma
(appointed November 2019)
Non-Executive Director

Mr. Jacome joins The Dolphin Company family as the Chief Financial Officer in 2017, however, Sergio's previous experience involved working with KPMG and EY as a Senior Manager of their Transaction Advisory Services. Also, Sergio worked for Deloitte and advised the Institute for the Protection to the Bank Saving (IPAB) during the liquidation and bankruptcy of seven banks in Mexico.

Sergio earned a Master in Business Administration and Finance in the EAE Business School in Barcelona, Spain, and a Bachelor of Accounting from the Escuela Bancaria y Comercial, in Mexico City.

As of today, Sergio is responsible for all of the Company's financial functions including accounting, audit, treasury, corporate finance and investor relations to pursue the company's growth strategy and meet its and investors' expectations.



Valeria Albor Dominguez
(appointed November 2019)
Non-Executive Director

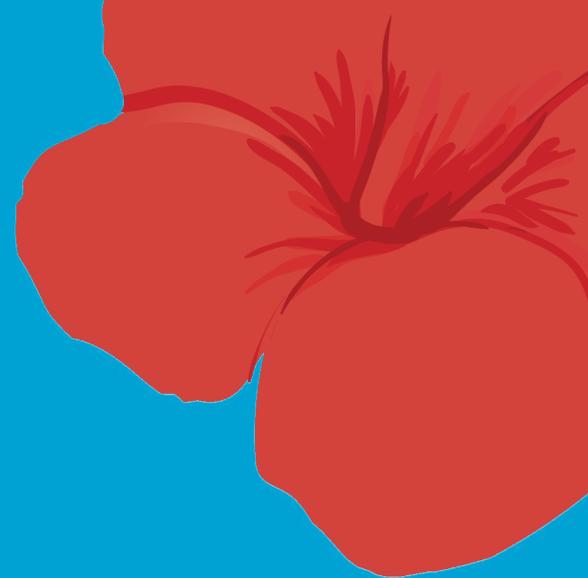
Miss Albor, joined Grupo Dolphin Discovery in 2016 holding the position of Treasury Deputy Manager. Her duties included the monitoring and executing of daily operations such as wire transfers, account openings, currency exchange, and daily closing reports of all locations. During her time in the treasury department she has developed new procedures and reports to help in the decision-making process.

In October 2017 she was promoted as the Financial Planning Manager, in charge of the analysis of the financial statements of the group and preparation of feasibility reports, business plans and any financial projections. On May 2020, she was appointed as Corporate Deputy Director, she created the Dolphin Cares Committee, and along with them our COVID-19 Protocols, communication campaign and follow up. In addition to the corporate coordination and financial analysis, she is involved with the Human Resources department, Marketing and Sales team.

Valeria is shareholder and member of the board at The Dolphin Company.



Directors' Report



7.2

The directors have pleasure in presenting their report for the year ended 31 December 2023, together with the audited financial statements as at that date.

Financial Results for the Year

	US\$
Profit/(Loss) before finance income and costs	4,273,126
Finance income	170,016
Finance costs	(489,012)
Profit/(Loss) before taxation	3,954,130
Taxation (expense)/credit	(896,271)
Profit/(Loss) after taxation	3,057,859
Earnings per stock unit (expressed in US cents per share)	0.78c

Directors

The Board of Directors consists of:

- Mr Eduardo Albor Villanueva
- Miss Valeria Albor Dominiguez
- Mr John Bailey
- Mr Stafford Burrowes
- Mr Richard Downer
- Mr Sergio Jacome Palma
- Mr Noel Levy
- Mr Federico Lozano Perez

In accordance with clause 97 of the Articles of Incorporation, Mr Eduardo Albor Villanueva and Mr Richard Downer retire by rotation, and being eligible, offer themselves for re-election. Mr Federico Lozano Perez, having been elected since the last AGM, also retires and is eligible for re-election.

Auditors

The auditors, Messrs KPMG, Chartered Accountants, have indicated their willingness to continue in office pursuant to section 154 of the Companies Act.

Customers

The directors wish to thank our valued customers for their support and contribution to the company's performance during the year under review and look forward to their continued support of the Group.

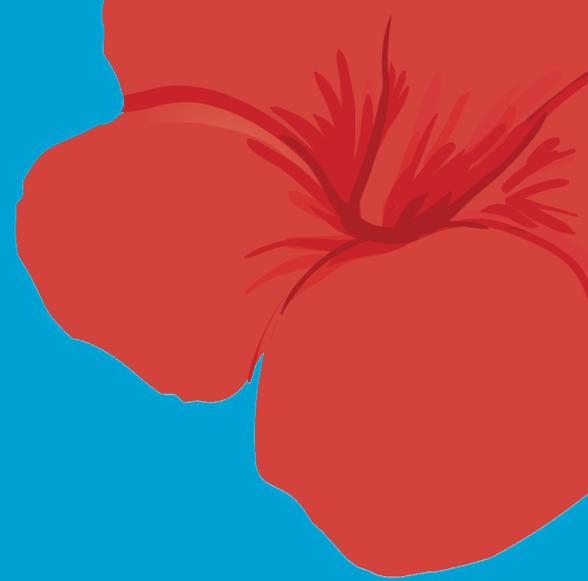
Employees

The directors wish to thank the management and staff of the company for their performance during the year under review.

Dated this 24th day of April 2024
By Order of the Board

Rhonda Goodison
Secretary

Notice of Annual General Meeting



7.3

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Dolphin Cove Limited will be held at **The Courtleigh Hotel & Suites, 85 Knutsford Boulevard, Kingston 5** on Wednesday 26 June 2024 at 2:30 p.m. for the following purposes:

1. To receive the report of the Directors and Financial Statements for the year ended 31 December 2023 and the report of the Auditors thereon.

2. To re-elect the retiring Directors and to fix the remuneration of the Directors. The Directors retiring by rotation pursuant to article 97 of the Company's Articles of Incorporation are Mr Eduardo Albor Villanueva and Mr Richard Downer, who, being eligible, offer themselves for re-election. Mr Federico Lozano Perez, who was appointed since the last AGM, also retires and is eligible for re-election.

To consider and, if thought fit, pass the following resolutions:

(a) That the retiring director Mr Eduardo Albor Villanueva be and is hereby re-elected a director.

(b) That the retiring director Mr Richard Downer be and is hereby re-elected a director.

(c) That Mr Federico Lozano Perez, who was appointed since the last AGM, be and is hereby re-elected a director.

3. To authorise the Directors to fix the remuneration of the Auditors for the ensuing year. The Auditors, Messrs KPMG, Chartered Accountants, have signified their willingness to continue in office pursuant to Section 154 of the Companies Act.

Dated this 24th day of April 2024

BY ORDER OF THE BOARD



Rhonda Goodison
Secretary

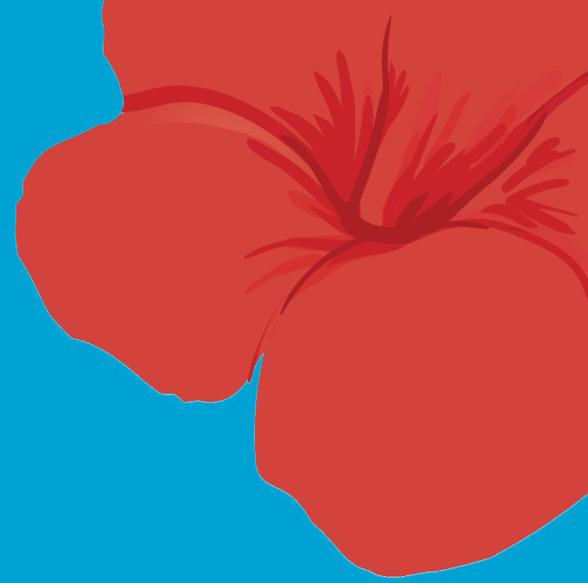
REGISTERED OFFICE
Belmont, Ocho Rios, St Ann

NOTES:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. A suitable form of proxy is enclosed. **It must be lodged at the Company's registered office at least forty-eight hours before the time appointed for holding the meeting. The proxy form shall bear stamp duty of \$100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the persons executing the proxy.**

2. Pursuant the articles of incorporation, a corporate shareholder (member) may by resolution of its Directors appoint a person (not a proxy) to attend and vote at the meeting.

Management Team



7.4



Gonzalo Pacheco
Chief Executive Officer
of Dolphin Cove limited

Gonzalo Pacheco is a graduate of the Universidad Interamericana in Mexico City with a degree in Business Administration and a postgraduate degree in Hotel Management and Revenue Management. He has more than 18 years of experience working in the tourism sector (Hotel & Cruise Industry, Travel Agencies, Water Parks, DMCs). Gonzalo joined Dolphin Cove in July 2021, after working for 12 years in different parks (Riviera Maya, Garrafon Park, Cayman Islands, Dominican Republic and St Kitts) at The Dolphin Company as General Manager.



Gregory Forbes
General Manager
of Ocho Rios Park

Gregory holds a degree in Business Administration from the Utech Academy in Ocho Rios, he has more than 9 years of experience in the cruise ship industry on managerial positions. Mr. Forbes joined Dolphin Cove in August 2018, as an Operations Manager at the Ocho Rios park, he was responsible for the coordination of the operative areas of the park to ensure a high-quality service to our guests, under his responsibility was also to ensure the in-house sales targets were met. After one year and due to the great performance shown, Mr. Forbes was promoted as General manager of the park.



Travoe Brown
General Manager
of Yaaman Adventure Park

Travoe has a Bachelor of Science degree in guidance & counselling from The MICO University College, and earned a Diploma in Business Management Supervision from the National Council on Technical and Vocational Education also obtained a certification from Florida Atlantic University in Hospitality and Tourism Management.

Mr. Brown joined the company in 2017 as Sales Manager, having direct responsibility to supervise the sales production in Ocho Rios area, due to his great performance and skills, in 2018 he was promoted to General Manager of Dolphin Cove's park in Puerto Seco Beach Club where he was responsible for the coordination of the operations and sales of the park.

A year later, he was transferred to Yaaman Adventure Park as the General Manager with the main responsibility of managing the park's operations while ensuring that key performance (financial and otherwise) targets are achieved.



Anthony Kitson
General Manager
Moon Palace Park

Mr. Anthony Kitson embarked on his illustrious career journey with Dolphin Cove Limited in Jamaica in 2014, where he started as a photographer. In 2018, Mr. Kitson's earned him the role of Sales and Marketing Manager for Dolphin Cove and Yaaman Adventure Park. Transitioning seamlessly into the role of Operations Manager at Dolphin Cove in 2019, Mr. Kitson demonstrated his strategic leadership and operational expertise, ensuring smooth operations and enhancing the overall guest experience.

In 2020, Mr. Kitson reached new heights as he was promoted to General Manager of Dolphin Cove Puerto Seco, and later acquired said role in Dolphin Cove Lucea, in 2022. Mr. Kitson's exemplary leadership led to his appointment as General Manager for Dolphin Cove Moon Palace in 2023, where he also completed the Supervisor Management course at HEART/NSTA Trust.



Enrique Rivera
General Manager
Montego Bay Park

Enrique is a professional in tourism, he holds a degree from Universidad Autónoma del Estado de México (UAEM) and complemented with an MBA by Instituto de Estudios Universitarios (IEU). He has been in tourism for more than 23 years and with the company since 2013, his experience in the Caribbean covers Mexico, Anguilla, St. Kitts and Jamaica.

He joined Dolphin Cove in 2016, his leadership and commitment in the Cruise ship area, along with good results gave him the promotion to join us as a General Manager at Dolphin Cove Montego Bay.



Emmanuel Islas
Financial Controller
of Dolphin Cove Limited

Mr. Islas is a graduate from the Universidad Anahuac Cancun, he holds a degree in Accounting and Finance, and he also has a bachelor's degree in Business Administration and a Diploma in Effective Communication. He has more than 15 years of experience in the field of accounting and finance in the Tourism Sector including Hotel Industry, Travel Agencies, Vacation Clubs, Destination Management Companies and Attractions; with over 10 years of experience in the Dolphin industry in Mexico and the Caribbean.

Emmanuel joined the team in March 2017 as the Financial Controller of Dolphin Cove Limited and its subsidiaries.

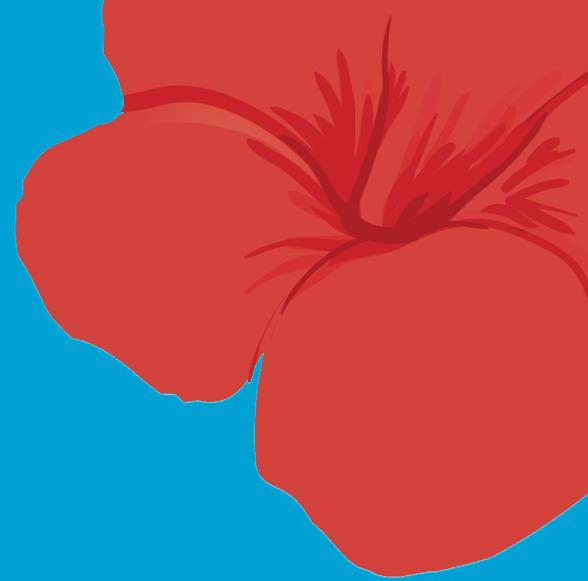


Nicola Campbell, FCCA
Chief Accountant
of Dolphin Cove Limited

Ms. Campbell is a graduate of the University of Technology with a bachelor degree in Accounting, she is also a Chartered Accountant and a member of the Institute of Chartered Accountants of Jamaica. She has more than 30 years of experience in the accounting field, working in important entities such as Guardsman Group.

Nicola joined Dolphin Cove in 2004, she has been the Chief Accountant for the Group for the past decade and a key member for the organization.

Company Data



7.5

Board of Directors

Stafford Burrowes, OD, (Chairman)
Eduardo Albor Villanueva
Richard Downer, CD, FCA
Noel D. Levy
John Bailey
Federico Lozano
Sergio Jacome Palma
Valeria Albor Dominguez

Mentor

Richard Downer, CD, FCA

Audit Committee

Richard Downer, CD, FCA
(Committee Chairman)
(Appointed Chairman February, 2018)

Noel D. Levy

(Member) (Non-Executive Director)

Sergio Jacome Palma

(Member) (Non-Executive Director)

Remuneration Committee

Noel D. Levy
(Member) (Non-Executive Director)

Stafford Burrowes, OD

(Member) (Executive Officer)

Richard Downer, CD, FCA

(Member) (Mentor)

Company Secretary

Rhonda A. Goodison

Registered Office

Belmont Road, Ocho Rios, St. Ann

Telecommunications

Telephone: (876) 974-5335
Fax: (876) 974-9208
Website: www.dolphincoveja.com
Email: info@dolphincoveja.com

Registrar & Transfer Agent

Jamaica Central Securities Depository
Limited
40 Harbour Street
Kingston

External Auditors

KPMG, Chartered Accountants
Unit #14 Fairview Office Park
Alice Eldemire Drive
Montego Bay, St. James

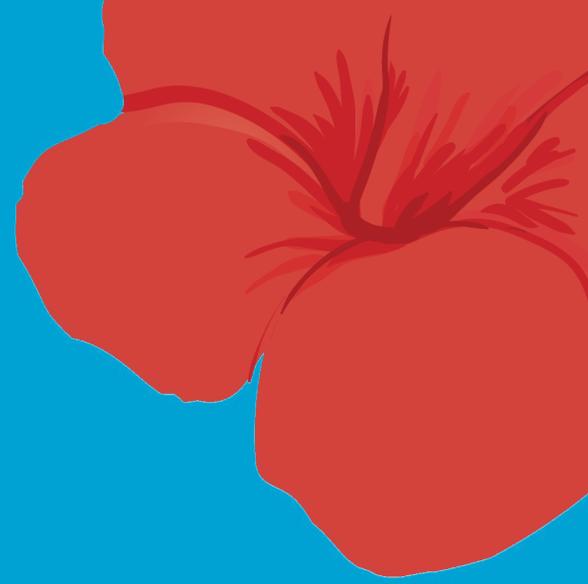
Attorney's at-Law

Myers Fletcher and Gordon
21 East Street
Kingston

Bankers

Sagicor Bank Limited
Bank of Nova Scotia Jamaica Limited

Disclosure of Shareholdings



7.6

Major Stockholders	Shares Held
World of Dolphins Inc.	313,901,858
Garden House Holdings Ltd.	37,491,168
JCSD Trustee Services Ltd. - Sigma Global Venture	7,531,481
QWI Investments Limited	6,610,361
JMMB Securities Ltd. House Account #2	2,367,024
CXN Direct Investing Inc.	1,311,010
Lorna Allison Myers	1,245,972
Winston Hoo	1,216,954
Marilyn Jean Burrowes	1,000,008
Bridgeton Management Services Limited	630,132

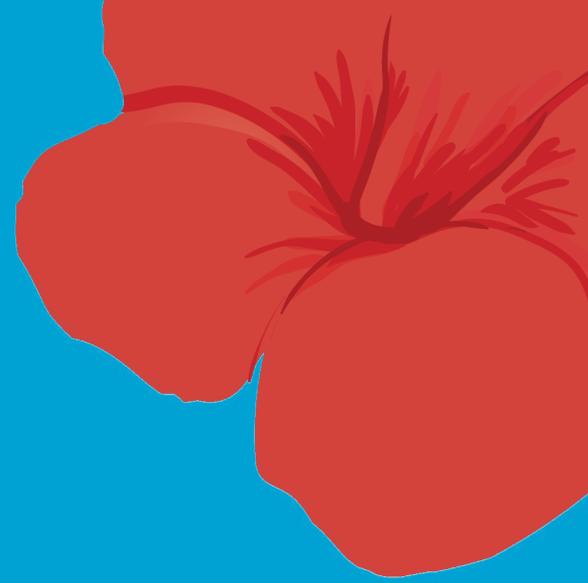
Total Ordinary Stocks in Issue:	392,426,376
Total Number of Stockholders:	1,582



Stockholdings of Directors and Connected Persons

Director	Stockholding	Connected Persons	Stockholding
Noel Douglas Levy	200,000	NIL	NIL
Richard L. Downer	14,000	NIL	NIL
Stafford C. Burrowes	13,900	Marilyn Burrowes & Garden House Holding	38,491,176

Auditors' Report & Financial Statements



08



KPMG
Chartered Accountants
P.O. Box 220
Unit #14 Fairview Office Park
Alice Eldemire Drive
Montego Bay
Jamaica, W.I.
+1 (876) 684 9922
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
DOLPHIN COVE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dolphin Cove Limited ("the Company") comprising the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 6 to 58 which comprise the Group's and Company's statements of financial position as at December 31, 2023, the Group's and Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at December 31, 2023, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R. Tarun Handa
Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford

Nigel R. Chambers
Nyssa A. Johnson
Wilbert A. Spence
Sandra A. Edwards

Karen Ragoobirsingh
Al A. Johnson
Damon D. Reid



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
DOLPHIN COVE LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. No key audit matter was determined.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
DOLPHIN COVE LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 5 and 6, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Wilbert Spence.

Chartered Accountants
Kingston, Jamaica
March 29, 2024



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
DOLPHIN COVE LIMITED

Appendix to the Independent Auditors' report

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 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
DOLPHIN COVE LIMITED

Appendix to the Independent Auditors' report (Continued)

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, actions taken to eliminate threats or safeguards applied.

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

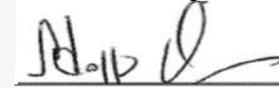
DOLPHIN COVE LIMITED

Group Statement of Financial Position
December 31, 2023

(Expressed in United States dollars)

	Notes	2023	2022
CURRENT ASSETS			
Cash and cash equivalents		1,851,957	1,637,957
Investments	4	2,665	1,002,132
Trade and other receivables	5	2,028,853	1,356,708
Taxation recoverable		39,441	39,441
Due from related companies	6(b)(ii)	1,206,982	748,910
Due from parent company	6(b)(iii)	934,305	1,139,200
Inventories	7	378,131	398,726
		<u>6,442,334</u>	<u>6,323,074</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	26,373,300	21,361,944
Right-of-use asset	10(a)	418,926	378,080
Live assets	11	3,581,108	3,834,021
Advance to related company	6(b)(iv)	<u>1,110,012</u>	<u>1,110,012</u>
		<u>31,483,346</u>	<u>26,684,057</u>
TOTAL ASSETS		<u>37,925,680</u>	<u>33,007,131</u>
CURRENT LIABILITIES			
Bank overdraft	12	468,758	846,229
Current portion of lease liabilities	10(b)	192,518	109,900
Accounts payable	13	3,201,348	2,087,678
Due to other related party	6(b)(v)	7,356	7,356
Current portion of long-term liabilities	15	-	5,374
Taxation payable		<u>159,295</u>	<u>176,331</u>
		<u>4,029,275</u>	<u>3,232,868</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	14	1,515,851	1,229,072
Lease liabilities	10(b)	<u>471,562</u>	<u>403,550</u>
		<u>1,987,413</u>	<u>1,632,622</u>
EQUITY			
Share capital	16	3,654,390	3,654,390
Capital reserves	17	16,517,917	11,796,412
Retained earnings		<u>11,736,685</u>	<u>12,690,839</u>
		<u>31,908,992</u>	<u>28,141,641</u>
TOTAL EQUITY AND LIABILITIES		<u>37,925,680</u>	<u>33,007,131</u>

The financial statements on pages 6 to 58 were approved by the Board of Directors on March 28, 2024 and signed on its behalf by:


Stafford Burrowes Director


Sergio Jacome Director

The notes on pages 14 to 58 are an integral part of these financial statements.

DOLPHIN COVE LIMITED

Group Statement of Profit or Loss and Other Comprehensive Income
Year ended December 31, 2023
(Expressed in United States dollars)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
OPERATING REVENUE			
Programme revenue	18(a)	8,746,329	7,719,723
Ancillary service revenue	18(b)	<u>8,367,418</u>	<u>7,394,041</u>
Overall revenue		17,113,747	15,113,764
Less: Direct costs of sales	19(a)	<u>(2,391,045)</u>	<u>(1,729,256)</u>
Gross profit		14,722,702	13,384,508
Loss on disposal of property, plant and equipment		<u>(120,585)</u>	-
Loss on disposal of live assets		-	<u>(146,667)</u>
Other (expense)/income	19(d)	<u>(24,828)</u>	<u>125,975</u>
		<u>14,577,289</u>	<u>13,363,816</u>
OPERATING EXPENSES			
Administrative		<u>(3,840,293)</u>	<u>(1,302,804)</u>
Other operations		<u>(3,824,207)</u>	<u>(4,717,962)</u>
Selling		<u>(2,721,403)</u>	<u>(3,153,680)</u>
	19(b)	<u>(10,385,903)</u>	<u>(9,174,446)</u>
Decrease/(increase) in allowance for impairment loss on trade receivables	5(a)	<u>81,740</u>	<u>(81,539)</u>
Profit before finance income and costs		4,273,126	4,107,831
Finance income	20(a)	170,016	82,352
Finance costs	20(b)	<u>(489,012)</u>	<u>(607,492)</u>
Profit before taxation		3,954,130	3,582,691
Taxation	21	<u>(896,271)</u>	<u>(614,919)</u>
Profit for the year		<u>3,057,859</u>	<u>2,967,772</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Surplus on revaluation of land and buildings	9	5,047,341	-
Related deferred tax on revalued buildings	14	<u>(325,836)</u>	-
Other comprehensive income, net of taxes		<u>4,721,505</u>	-
Total comprehensive income for the year		<u>7,779,364</u>	<u>2,967,772</u>
Basic and diluted earnings per stock unit	22	<u>0.78¢</u>	<u>0.76¢</u>

The notes on pages 14 to 58 are an integral part of these financial statements.

DOLPHIN COVE LIMITED

Group Statement of Changes in Equity
Year ended December 31, 2023
(Expressed in United States dollars)

	<u>Share capital</u> (note 16)	<u>Capital reserves</u> (note 17)	<u>Retained earnings</u>	<u>Total</u>
Balances as at December 31, 2021	3,654,390	12,291,412	11,227,692	27,173,494
Profit, being total comprehensive income for the year	-	-	<u>2,967,772</u>	<u>2,967,772</u>
Transfer of revaluation surplus recognised on dolphins to retained earnings	-	<u>(660,000)</u>	660,000	-
Transfer of deferred tax on revaluation surplus of dolphins	-	<u>165,000</u>	<u>(165,000)</u>	-
	-	<u>(495,000)</u>	<u>495,000</u>	-
Transactions with owners of the Company:				
Dividends (note 23)	-	-	<u>(1,999,625)</u>	<u>(1,999,625)</u>
Balances as at December 31, 2022	<u>3,654,390</u>	<u>11,796,412</u>	<u>12,690,839</u>	<u>28,141,641</u>
Total comprehensive income:				
Profit for the year	-	-	3,057,859	3,057,859
Other comprehensive income, net of taxes	-	<u>4,721,505</u>	-	<u>4,721,505</u>
Total comprehensive income	-	<u>4,721,505</u>	<u>3,057,859</u>	<u>7,779,364</u>
Transactions with owners of the Company:				
Dividends (note 23)	-	-	<u>(4,012,013)</u>	<u>(4,012,013)</u>
Balances as at December 31, 2023	<u>3,654,390</u>	<u>16,517,917</u>	<u>11,736,685</u>	<u>31,908,992</u>

The notes on pages 14 to 58 are an integral part of these financial statements.

DOLPHIN COVE LIMITED

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Group Statement of Cash Flows
Year ended December 31, 2023
(Expressed in United States dollars)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		3,057,859	2,967,772
Adjustments for:			
Depreciation and amortisation	9,10,11	1,287,481	1,822,059
Loss on disposal/write-off of property, plant and equipment		120,585	-
Loss on disposal of live assets		-	146,667
Loss on lease modification	10(c),19(d)	148,270	-
Interest income	20(a)	(59,191)	(972)
Interest expense	20(b)	102,894	118,407
Impairment losses	5(a)	(81,740)	81,539
Taxation	21	896,271	614,919
		5,472,429	5,750,391
Changes in:			
Accounts receivable		(590,405)	(492,053)
Inventories		20,595	(136,970)
Accounts payable		1,113,670	716,323
Due from related parties		(458,072)	(231,403)
Cash generated from operations		5,558,217	5,606,288
Interest paid		(102,894)	(118,407)
Income tax paid		(952,364)	(436,130)
Net cash provided by operating activities		4,502,959	5,051,751
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		24,812	972
Additions to property, plant and equipment	9	(1,002,082)	(789,927)
Proceeds from disposal of property, plant and equipment		12,369	-
Additions to live assets	11	(3,001)	(53,111)
Advances to parent company		(1,450,100)	(2,000,000)
Repayment by parent company		1,689,374	379,000
Proceeds from maturity of investments		1,002,132	-
Purchase of investments		(2,665)	(1,000,000)
Net cash provided by/(used in) investing activities		270,839	(3,463,066)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loans	15	(5,374)	(7,626)
Payment of lease liabilities	10(d)	(164,940)	(99,063)
Drawdowns of bank overdraft	12(c)	3,009,411	3,243,200
Repayment of bank overdraft	12(c)	(3,386,882)	(3,507,673)
Dividends paid		(4,012,013)	(1,999,625)
Net cash used in financing activities		(4,559,798)	(2,370,787)
Net increase/(decrease) in cash and cash equivalents		214,000	(782,102)
Cash and cash equivalents at beginning of the year		1,637,957	2,420,059
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,851,957	1,637,957

The notes on pages 14 to 58 are an integral part of these financial statements.

DOLPHIN COVE LIMITED

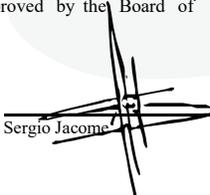
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Company Statement of Financial Position
December 31, 2023
(Expressed in United States dollars)

	Notes	2023	2022
CURRENT ASSETS			
Cash and cash equivalents		1,851,957	1,637,957
Investments	4	2,665	1,002,132
Trade and other receivables	5	2,028,393	1,356,248
Due from related companies	6(b)(ii)	1,206,982	748,910
Due from parent company	6(b)(iii)	934,305	1,139,200
Inventories	7	378,131	398,726
		6,402,433	6,283,173
NON-CURRENT ASSETS			
Investment in subsidiaries	8	314,539	314,539
Property, plant and equipment	9	11,241,581	8,840,948
Right-of-use asset	10(a)	1,457,026	1,512,004
Live assets	11	3,579,654	3,832,236
Due from subsidiaries	6(b)(i)	4,481,985	4,483,846
Advance to related company	6(b)(iv)	1,110,012	1,110,012
		22,184,797	20,093,585
TOTAL ASSETS		28,587,230	26,376,758
CURRENT LIABILITIES			
Bank overdraft	12	468,758	846,229
Current portion of lease liabilities	10(b)	282,869	194,580
Accounts payable	13	3,150,940	2,046,300
Due to other related party	6(b)(v)	7,356	7,356
Due to subsidiaries	6(b)(vi)	300	300
Current portion of long-term liabilities	15	-	5,374
Taxation payable		159,295	176,331
		4,069,518	3,276,470
NON-CURRENT LIABILITIES			
Deferred tax liability	14	1,431,924	1,147,932
Lease liabilities	10(b)	1,755,016	1,777,355
		3,186,940	2,925,287
EQUITY			
Share capital	16	3,654,390	3,654,390
Capital reserves	17	6,286,281	4,223,776
Retained earnings		11,390,101	12,296,835
		21,330,772	20,175,001
TOTAL EQUITY AND LIABILITIES		28,587,230	26,376,758

The financial statements on pages 6 to 58 were approved by the Board of Directors on March 28, 2024, and signed on its behalf by:


Stafford Burrows Director


Sergio Jacome Director

The notes on pages 14 to 58 are an integral part of these financial statements.

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DOLPHIN COVE LIMITED

Company Statement of Profit or Loss and Other Comprehensive Income
Year ended December 31, 2023
(Expressed in United States dollars)

	Notes	2023	2022
OPERATING REVENUE			
Programme revenue	18(a)	8,746,329	7,719,723
Ancillary services revenue	18(b)	<u>8,367,418</u>	<u>7,394,041</u>
Overall revenue		17,113,747	15,113,764
Less: Direct costs of sales	19(a)	<u>(2,391,045)</u>	<u>(1,729,256)</u>
Gross profit		14,722,702	13,384,508
Loss on disposal of property, plant and equipment		(120,585)	-
Loss on disposal of live assets		-	(146,667)
Other (expense)/income	19(d)	<u>(24,828)</u>	<u>125,975</u>
		<u>14,577,289</u>	<u>13,363,816</u>
OPERATING EXPENSES			
Administrative		(3,815,038)	(1,288,381)
Other operations		(3,863,412)	(4,752,046)
Selling		<u>(2,721,403)</u>	<u>(3,153,680)</u>
	19(b)	<u>(10,399,853)</u>	<u>(9,194,107)</u>
Decrease/(increase) in allowance for impairment loss on receivables	5(a),6(b)(i)	<u>81,740</u>	<u>(350,942)</u>
Profit before finance income and costs		4,259,176	3,818,767
Finance income	20(a)	320,655	234,685
Finance costs	20(b)	<u>(581,068)</u>	<u>(705,115)</u>
Profit before taxation		3,998,763	3,348,337
Taxation	21	<u>(893,484)</u>	<u>(592,209)</u>
Profit for the year		<u>3,105,279</u>	<u>2,756,128</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Surplus on revaluation of land and buildings	9	2,388,341	-
Related deferred tax on revalued buildings	14	<u>(325,836)</u>	<u>-</u>
Other comprehensive income, net of taxes		<u>2,062,505</u>	<u>-</u>
Total comprehensive income for the year		<u>5,167,784</u>	<u>2,756,128</u>

The notes on pages 14 to 58 are an integral part of these financial statements.

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DOLPHIN COVE LIMITED

Company Statement of Changes in Stockholders' Equity
Year ended December 31, 2023
(Expressed in United States dollars)

	Share capital (note 16)	Capital reserves (note 17)	Retained earnings	Total
Balances as at December 31, 2021	<u>3,654,390</u>	<u>4,718,776</u>	<u>11,045,332</u>	<u>19,418,498</u>
Profit, being total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>2,756,128</u>	<u>2,756,128</u>
Transfer of revaluation surplus recognised on dolphins to retained earnings	-	(660,000)	660,000	-
Transfer of deferred tax on revaluation surplus of dolphins	<u>-</u>	<u>165,000</u>	<u>(165,000)</u>	<u>-</u>
	<u>-</u>	<u>(495,000)</u>	<u>495,000</u>	<u>-</u>
Transactions with owners of the Company:				
Dividends (note 23)	<u>-</u>	<u>-</u>	<u>(1,999,625)</u>	<u>(1,999,625)</u>
Balances as at December 31, 2022	<u>3,654,390</u>	<u>4,223,776</u>	<u>12,296,835</u>	<u>20,175,001</u>
Total comprehensive income:				
Profit for the year	-	-	3,105,279	3,105,279
Other comprehensive income, net of taxes	<u>-</u>	<u>2,062,505</u>	<u>-</u>	<u>2,062,505</u>
Total comprehensive income	<u>-</u>	<u>2,062,505</u>	<u>3,105,279</u>	<u>5,167,784</u>
Transactions with owners of the Company:				
Dividends (note 23)	<u>-</u>	<u>-</u>	<u>(4,012,013)</u>	<u>(4,012,013)</u>
Balances as at December 31, 2023	<u>3,654,390</u>	<u>6,286,281</u>	<u>11,390,101</u>	<u>21,330,772</u>

The notes on pages 14 to 58 are an integral part of these financial statements.

DOLPHIN COVE LIMITED

Company Statement of Cash Flow
Year ended December 31, 2023
(Expressed in United States dollars)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		3,105,279	2,756,128
Adjustments for:			
Depreciation and amortisation	9,10,11	1,334,699	1,863,864
Loss on disposal/write-off of property, plant and equipment		120,585	-
Loss on disposal of live assets		-	146,667
Loss on lease modification	10(c),19(d)	148,270	-
Interest income	20(a)	(209,830)	(153,305)
Interest expense	20(b)	195,201	216,030
Impairment losses	5(a),6(b)(i)	(81,740)	350,942
Taxation	21	<u>893,484</u>	<u>592,209</u>
		5,505,948	5,772,535
Change in:			
Accounts receivable		(590,405)	(492,053)
Inventories		20,595	(136,970)
Accounts payable		1,104,640	710,024
Due to other related companies		-	-
Due from related companies		(458,072)	(231,403)
Cash generated from operations		5,582,706	5,622,133
Interest paid		(195,201)	(118,407)
Income tax paid		(952,364)	(436,130)
Net cash provided by operating activities		<u>4,435,141</u>	<u>5,067,596</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		24,812	972
Additions to property, plant and equipment	9	(1,002,083)	(789,927)
Proceeds from disposal of property, plant and equipment		12,369	-
Additions to live assets	11	(3,001)	(53,111)
Advances to subsidiaries		(303,139)	(15,845)
Repayments from subsidiaries		150,639	-
Advances to parent company		(1,450,100)	(2,000,000)
Repayment by parent company		1,689,374	379,000
Proceeds from maturity of investments		1,002,132	-
Purchase of investments		(2,665)	(1,000,000)
Net cash provided by/(used in) investing activities		<u>423,338</u>	<u>(3,478,911)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loans	15	(5,374)	(7,626)
Payment of lease liabilities	10(d)	(249,621)	(99,063)
Drawdowns of bank overdraft	12(c)	3,009,411	3,243,200
Repayment of bank overdraft	12(c)	(3,386,882)	(3,507,673)
Dividends paid		(4,012,013)	(1,999,625)
Net cash used in financing activities		<u>(4,644,479)</u>	<u>(2,370,787)</u>
Net increase/(decrease) in cash and cash equivalents		214,000	(782,102)
Cash and cash equivalents at beginning of the year		<u>1,637,957</u>	<u>2,420,059</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>1,851,957</u>	<u>1,637,957</u>

The notes on pages 14 to 58 are an integral part of these financial statements.

DOLPHIN COVE LIMITED

Notes to the Financial Statements
Year ended December 31, 2023
(Expressed in United States dollars, unless otherwise stated)

1. Corporate structure and principal activities

- (a) Dolphin Cove Limited (the Company) is domiciled in Jamaica and is incorporated under the laws of Jamaica. Its registered office and principal place of business is located at Belmont Road, Ocho Rios, St. Ann, Jamaica, W.I.

The principal activities of the Company are the operation of a tourist attraction comprising dolphin programmes and ancillary operations such as restaurants, gift and video shops at several locations.

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 21, 2010.

- (b) The Company and its wholly-owned subsidiaries, as listed below, are collectively referred to as "the Group".
- (i) Dolphin Cove (Negril) Limited was incorporated in Jamaica, on May 11, 2010, and commenced operations in September 2010. Its principal place of business is located at Point, Lucea, Hanover, Jamaica W.I. where it offered dolphin programmes and ancillary operations similar to that of the Company. However, effective January 1, 2014, the Company assumed its operations. Dolphin Cove (Negril) Limited continues to own the real estate in Hanover which is now leased to the Company.
- (ii) Too Cool Limited is incorporated in the Cayman Islands and owns land and buildings located in Jamaica from which the Company operates.
- (iii) Cheshire Hall Limited (CHL) was incorporated on June 22, 2012 as a St. Lucia International Business Company (IBC) and is controlled by the Company. It's wholly-owned subsidiary, DCTCI Limited, was incorporated in the Turks and Caicos Islands and owns land on which the Group intends to develop an attraction.
- (iv) Balmoral Dolphins Limited is a St. Lucia IBC, incorporated on April 5, 2012. Its wholly-owned subsidiary, Dolphin Cove TCI Limited, was incorporated in the Turks & Caicos Islands for the intended purpose of operating the attraction to be developed by DCTCI Limited.
- (v) SB Holdings Limited was incorporated on November 4, 2013, as a St. Lucia IBC. Its wholly-owned subsidiary, Marine Adventure Park Limited, was also incorporated in St. Lucia and purchased land in St. Lucia on which the Group intends to develop an attraction.

- (c) World of Dolphins Inc. (the Parent Company), incorporated in Barbados, acquired 229,610,218 shares in the Company or 58.51% of its issued share capital on December 18, 2015, and made a follow-up offer to purchase all the remaining shares of the Company, effective January 8, 2016. The Parent Company now holds 79.99% of the issued share capital of the Company.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

1. Corporate structure and principal activities (continued)

- (d) World of Dolphins, Inc. is a subsidiary of Controladora Dolphin SA de C.V. (intermediate holding company), which is, in turn, a subsidiary of Dolphin Capital Company, S. de RL de C.V. (ultimate holding company), referred to as "The Dolphin Company" – the 'wider group'. Both companies are incorporated in Mexico.
- (e) In April 2019, World of Dolphins Inc. pledged to charge 100% (313,901,858) of stock units which it holds in the Company as co-security for a Note Purchase Agreement on behalf of Controladora Dolphin SA de C.V.

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and comply with the provisions of the Jamaican Companies Act.

New and amended standards:

(i) Newly effective standards:

The Group and Company adopted the following amended standards during the year:

- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2)* from January 1, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

In keeping with the amendments, management updated the financial statements to include material accounting policies (2022: significant accounting policies), otherwise the amendments had no other impact on the financial statements.

- *Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* and were effective January 1, 2023. The adoption of these amendments did not have any impact on the financial statements.

(ii) Forthcoming standards:

At the date of authorisation of these financial statements, certain amended standards have been issued which are not effective at the reporting date and which the Group and Company has not early adopted.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards (continued):

(ii) Forthcoming standards (continued):

- *Amendments to IAS 1 Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Instead of the requirement for a right of deferral to be "unconditional", the standard requires that a right to defer settlement must have "substance" and exist at the end of the reporting date. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting date. It has also been clarified that a right to defer exists only if the entity is in compliance with conditions specified in the loan agreement at the reporting date, even if the lender does not test compliance until a later date.

The Group and Company will apply the amended standards for the reporting period starting January 1, 2024. The amended standard is not expected to have a significant impact on the Group's and Company's financial statements.

- There are other new and amended standards, which are not expected to have a significant impact on the Group's and Company's financial statements.

(b) Basis of measurement and functional currency:

The financial statements are prepared under the historical cost basis, except for land and buildings which are carried at market value. The financial statements are presented in United States dollars (\$), which is the functional currency of the Group and Company.

(c) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the reporting date, and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Judgements made by management in the application of IFRS Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are discussed below:

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

2. Statement of compliance and basis of preparation (continued)

- (c) Use of estimates and judgements (continued):

Judgements

For the purpose of these financial statements, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS Accounting Standards. The key relevant judgements are in respect of the useful lives of the dolphins and fair value of land and buildings. The useful lives of dolphins vary, and management used its judgement in determining an average, expected useful life of 30 years [see note 3(g)]. The fair value of land and buildings requires the use of significant unobservable inputs [see note 9(a)].

Key assumptions concerning the future and other sources of estimation uncertainty

- (i) Impairment of receivables:

The impairment allowance for receivables is determined upon origination of the receivable based on a model that calculates the expected credit loss ("ECL") of the receivables.

Under this ECL model, the Group and Company segment their receivables in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience over the last 12 months and analysis of future delinquency, that is applied to the balance of the receivables. The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 91 days or more past due.

The measurement of the ECL is an area that requires assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). The use of assumptions make uncertainty inherent in such estimates [see notes 3(m) and 27(a)(i)].

- (ii) Fair value of land and buildings:

Land and buildings are revalued annually to fair market value at each reporting date. These valuations are conducted periodically by independent professional valuers, using recent selling prices of comparable properties.

However, as no two properties are exactly alike, adjustments are made to reflect differences between properties. Consequently, the determination of fair market value of the property requires that the valuers analyse the differences in relation to age and physical condition, time of sale, land to building ratio, the advantages and disadvantages of the location and other functional gains to be derived from the property, and make necessary adjustments (see note 9).

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

2. Statement of compliance and basis of preparation (continued)

- (d) Basis of consolidation:

The consolidated financial statements include the separate financial statements of the Company and its subsidiaries (note 1), made up to December 31, 2023. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

- (i) Subsidiaries:

Subsidiaries are entities controlled by 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 a subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

- (ii) Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3. Material accounting policies

- (a) Foreign currencies:

Foreign currency transactions and balances:

Monetary assets and liabilities denominated in foreign currencies are translated to the United States dollar (\$) at the rates of exchange at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined.

Transactions in foreign currencies are converted to the functional currency at the rates of exchange ruling at the dates of those transactions. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Gains and losses arising from fluctuations in exchange rates are generally included in profit or loss. However, foreign currency differences arising from the translation of equity investments designated at fair value through other comprehensive income are recognised in other comprehensive income, except on impairment in which case the foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

3. Material accounting policies (continued)

(b) Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and at bank including short-term deposits, where the original maturities of such deposits do not exceed three months and are used in the management of the Group's and Company's short-term commitments. Cash and cash equivalents are measured at amortised cost.

(c) Investments:

Fixed deposits are classified and measured at amortised cost. The Group and Company intend to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(d) Accounts receivable:

Accounts receivable comprising trade and other receivables and are measured at amortised cost, less impairment losses.

(e) Inventories:

Inventories are measured at the lower of cost, determined on the weighted average basis, and net realisable value.

(f) Property, plant and equipment:

(i) Recognition and measurement:

Land and buildings are measured at valuation, less subsequent depreciation. Valuations are done annually by the directors and every three years by an external independent valuator. All other categories of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Any revaluation increase arising on the revaluation of land and buildings is credited to capital reserves through other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in capital reserve relating to a previous revaluation of such assets.

On a sale or retirement of the revalued asset, the attributable revaluation surplus remaining in unrealised capital reserve is transferred directly to realised reserve.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

3. Material accounting policies (continued)

(f) Property, plant and equipment (continued):

(i) Recognition and measurement (continued):

Cost includes expenditures that are attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefit embodied within the part will flow to the Group and Company and its cost can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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

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

(ii) Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and Company.

(iii) Depreciation:

Depreciation is recognised in profit or loss on the straight-line basis computed at annual rates estimated to write down the assets to their estimated residual values over their estimated useful lives.

The estimated useful lives are as follows:

Buildings	40 years
Leasehold improvements	10 years
Furniture, fixtures and equipment	10 years
Computers	5 years
Motor vehicles	5 years
Dune buggies	3 years

No depreciation is charged on land and capital work-in-progress. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

3. Material accounting policies (continued)

(g) Live assets:

This comprises of dolphins and other marine life, as well as birds and are measured at cost, less amortisation. Dolphins and other marine life are amortised over periods not exceeding thirty years and fifteen years, respectively.

The costs of dolphins (calves) are accumulated from the date the mothers are pregnant and include food, medicine, veterinary services, special care and training of the calves. Directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are capitalised until calves are brought into production. These costs are then amortised on a straight-line basis over a period not exceeding thirty years. Dolphins purchased are capitalised at the acquisition cost which is amortised over a period not exceeding thirty years on the straight-line basis. The useful life of thirty years for the dolphins is based on research done on dolphins and the experience of the Group and Company. These live assets are not held for agricultural purposes.

(h) Leases:

At inception of a contract, the Group and Company assess 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 and Company use the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group and Company allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group and Company recognise 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 lease transfers ownership of the underlying asset to the Group and Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group and Company 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 on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

3. Material accounting policies (continued)

(h) Leases (continued):

As a lessee (continued)

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 and Company's incremental borrowing rate. Generally, the Group and Company use their incremental borrowing rate as the discount rate.

The Group and Company determine their incremental borrowing rate by obtaining interest rates from various external financing sources and make 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 and Company are reasonably certain to exercise, lease payments in an optional renewal period if the Group and Company are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and Company are reasonably certain not to terminate early.

The lease liability is measured at amortised 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 and Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group and Company change their assessment of whether they 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 asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

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

(i) Accounts payable:

Accounts payable comprising trade and other payables are measured at amortised cost.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023*(Expressed in United States dollars, unless otherwise stated)*3. Material accounting policies (continued)

(j) Provisions:

A provision is recognised when the Group and Company have a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(k) Interest bearing borrowings:

Interest bearing borrowings are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowing on an effective interest basis.

(l) Share capital and dividends:

Ordinary shares are classified as equity and carried at cost. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(m) Impairment:

(i) Non-financial assets:

The carrying amounts of the Group's and Company's assets are reviewed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

– Calculation of recoverable amount:

The recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

– Reversal of impairment:

An impairment loss is reversed, if there has been a change in the estimate used to determine the 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, if no impairment loss had been recognised.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023*(Expressed in United States dollars, unless otherwise stated)*3. Material accounting policies (continued)

(m) Impairment (continued):

(ii) Financial assets:

Measurement of ECLs

The Group and Company recognise loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group and Company measure loss allowances at an amount equal to lifetime ECLs.

Loss allowances for trade 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 and Company consider reasonable and supportable information 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 and Company assume that the credit risk on financial assets has increased significantly if it is more than 30 days past due.

The Group and Company consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group and Company in full, without recourse by the Group and Company to action such as realising security if any is held; or
- the financial asset is more than 90 days past due.

The Group and Company use these definitions in line with its parent company and the Group's and Company's historical loss experience.

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and Company are exposed to credit risk.

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 and Company in accordance with the contract and the cash flows that the Group and Company expect to receive).

ECLs are discounted at the effective interest rate of the financial asset.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

3. **Material accounting policies (continued)**

(m) Impairment (continued):

(ii) Financial assets (continued):

Credit-impaired financial assets

At each reporting date, the Group and Company assess whether financial assets carried at amortised costs 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 borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is the case when the Group and Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and Company's procedures for recovery of amounts due.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

3. **Material accounting policies (continued)**

(n) Revenue recognition:

Revenue from services is measured at fair value of the consideration received or receivable, net of volume rebates and sales taxes.

Performance obligations and revenue recognition policies:

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

<i>Type of products and services</i>	<i>Nature and timing of satisfaction of performance obligations, including significant payment terms.</i>	<i>Revenue recognition under IFRS 15</i>
Rendering of services	Customers obtain control of service when programme attraction service and ancillary services have been provided.	The Group and Company recognise revenue at a point in time as services are provided.
	Invoices for services are generated at that point in time. Invoices are usually payable within 30 days.	
Sale of goods	Customers obtain control of goods when the good is transferred to the customer.	Revenue is recognised at a point in time in the amount of the price, before tax on sales, expected to be received by the Group and Company for goods and services supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Revenues are decreased by any trade discounts granted to customers.
	Invoices for goods are generated at a point in time.	

(o) Finance income:

Finance income comprises interest earned on funds invested and foreign exchange gains recognised in profit or loss. Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

3. Material accounting policies (continued)

(p) Employee benefits:

Employee benefits include current or short-term benefits such as salaries, statutory contributions paid, annual vacation leave and non-monetary benefits such as medical care and housing. Short-term employee benefits are recognised as a liability, net of payments made, and charged as expenses. The expected cost of vacation leave that accumulates is recognised over the period that the employees become entitled to the leave.

(q) Expenses:

(i) Expenses:

Expenses are recognised on the accrual basis.

(ii) Finance costs:

Finance costs comprise interest incurred on borrowings, calculated using the effective interest method, foreign exchange losses and bank related charges.

(r) Income taxes:

(i) Current tax:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly to equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax:

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax liability is recognised for taxable temporary differences, except on the initial recognition of goodwill and to the extent that the Group and Company are able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

3. Material accounting policies (continued)

(s) Segment reporting:

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Each operating segment's operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM"), to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group has identified the Managing Director as its CODM.

During the year, a review of operating segments was conducted. Based on the economic and operational similarities and the way the CODM monitors the operations, the Group has concluded that its operating segments should be aggregated and that it has only one operating segment.

(t) Financial instruments:

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group and Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

*Classification and subsequent measurement**Financial assets*

The financial assets that meet both of the following conditions and are not designated as at fair value through profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as "Held to collect" and measured at amortised cost.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

3. Material accounting policies (continued)

(t) Financial instruments (continued):

Classification and subsequent measurement (continued)

Amortised cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Investments
- Trade and other receivables
- Due from related companies
- Due from parent company
- Due from subsidiaries
- Advance to related company

Due to their short-term nature, the Group and Company initially recognise these assets at the original invoiced or transaction amount less expected credit losses.

Subsequent measurement

The Group's and Company's financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment on financial assets are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the Group and Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

*Financial liabilities**Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Group's and Company's financial liabilities, which include payables and accruals, bank borrowings and lease obligations, due to other related companies and long-term liabilities are recognised initially at fair value.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

3. Material accounting policies (continued)

(t) Financial instruments (continued):

Subsequent measurement

Subsequent to initial recognition, the Group's and Company's financial liabilities are measured at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the liability on an effective interest basis.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4. Investments

	<u>Group and Company</u>	<u>2023</u>	<u>2022</u>
Current:			
Amortised cost:			
Fixed deposits	2,665	1,002,132	

5. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade receivables	1,914,649	1,663,811	1,852,277	1,601,439
Prepayments	393,464	174,983	393,464	174,983
GCT recoverable	14,023	54,223	14,023	54,223
Other receivables	<u>245,640</u>	<u>160,836</u>	<u>245,228</u>	<u>160,424</u>
	2,567,776	2,053,853	2,504,992	1,991,069
Less: Allowance for impairment (a)	(538,923)	(697,145)	(476,599)	(634,821)
	<u>2,028,853</u>	<u>1,356,708</u>	<u>2,028,393</u>	<u>1,356,248</u>

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

5. Trade and other receivables (continued)**(a) Changes in allowance for impairment:**

	Group		Company	
	2023	2022	2023	2022
Balance as at January 1	697,145	891,895	634,821	829,571
Accounts written off	(76,482)	(276,289)	(76,482)	(276,289)
(Decrease)/increase in allowance	(81,740)	81,539	(81,740)	81,539
Balance as at December 31	<u>538,923</u>	<u>697,145</u>	<u>476,599</u>	<u>634,821</u>

6. Related party balances and transactions**(a) Identity of related parties:**

The Company has related party relationships with its Parent Company, its holding companies, subsidiaries, fellow subsidiaries, its directors and key management personnel.

(b) The statement of financial position includes the following balances arising in the ordinary course of business with related parties:**(i) Due from subsidiaries – non-current:**

		Company	
		2023	2022
Dolphin Cove (Negril) Limited:			
10% US\$ loan	(a)	1,500,076	1,518,162
DCTCI Limited:			
3.5% US\$ loan	(b)	1,933,790	1,932,390
Marine Adventure Park Limited:			
3.5% US\$ loan	(c)	1,008,592	1,004,277
Dolphin Cove TCI Limited	(d)	6,431	4,531
SB Holdings Limited	(e)	8,097	6,207
Cheshire Hall Limited	(f)	7,454	5,564
Balmoral Dolphins Limited	(g)	8,016	5,916
Too Cool Limited	(h)	9,529	6,799
		<u>4,481,985</u>	<u>4,483,846</u>

Amounts due from subsidiaries are stated after deduction of impairment losses of \$269,403 (2022: \$269,403), which was recognised in profit or loss in the prior year.

(a) This loan bears interest at 10% per annum, is unsecured and has no fixed repayment terms. However, the Company's intent is not to require repayment within 12 months of the reporting date.**DOLPHIN COVE LIMITED**

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

6. Related party balances and transactions (continued)**(b) (Continued)****(i) Due from subsidiaries - non-current (continued):**

(b) This balance materially comprises advances for the purchase of property and expenses incurred so far in respect of the proposed developments in the Turks & Caicos Islands [note 9(c)]. This loan, along with additional advances during the year, are unsecured, bear interest at 3.5% per annum and have no fixed repayment terms. However, the Company's intent is not to require repayment within 12 months of the reporting date. Interest of \$78,571 (2022: \$75,914) was waived during the year.

(c) This balance materially comprises advances for the purchase of property and professional fees, interest expenses and other expenses in respect of the expansion of the experience at Marine Adventure Park Limited [note 9(c)]. This loan, along with additional advances during the year, are unsecured, bear interest at 3.5% per annum and have no fixed repayment terms. However, the Company's intent is not to require repayment within 12 months of the reporting date. Interest of \$40,897 (2022: 39,514) was waived during the year.

(d) This balance comprises an advance for professional fees due from Dolphin Cove TCI Limited that is unsecured and interest free.

(e) This balance comprises an advance for professional fees due from SB Holdings Ltd. that is unsecured and interest free.

(f) This balance comprises an advance for professional fees due from Cheshire Hall Limited that is unsecured and interest free.

(g) This balance comprises an advance for professional fees due from Balmoral Dolphins Limited that is unsecured and interest free.

(h) This balance comprises an advance for professional fees due from Too Cool Limited that is unsecured and interest free.

For advances for professional fees included in (d) to (h) above, the Company's intent is not to require repayment within 12 months of the reporting date.

(ii) Due from related companies - current

	Group and Company	
	2023	2022
Dtraveller Limited (fellow subsidiary)	665,127	401,720
Controladora Dolphin S.A. de C.V. (intermediate parent company)	470,513	295,818
Viajero Cibernetico S.A. (fellow subsidiary)	<u>71,342</u>	<u>51,372</u>
	<u>1,206,982</u>	<u>748,910</u>

Amounts due from related companies are interest free, unsecured and repayable on demand.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

*(Expressed in United States dollars, unless otherwise stated)***6. Related party balances and transactions (continued)****(b) (Continued)****(iii) Due from parent company - current**

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
World of Dolphins Inc.	<u>934,305</u>	<u>1,139,200</u>

This represents the remaining balance of advances which are unsecured and repayable on demand. As of August 2023, interest of 6% per annum is payable on the outstanding balance.

(iv) Advance to related company – non-current:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
Non-current:		
Dolphin Discovery, Inc. (fellow subsidiary)	<u>1,110,012</u>	<u>1,110,012</u>

This represents pre-payment for constructing a new dolphin encounter park in St. Lucia on behalf of the Company. The amount provided constitutes 40% of the estimated project cost. As at December 31, 2023, there has been no further progress on the project and management is in discussion for its resumption. Once the project has started, the amount will be treated as capital work-in-progress as part of property, plant and equipment. In the event of cancellation, Dolphin Discovery, Inc. is obliged to return the advance to the Company.

(v) Amount due to other related party is interest free, unsecured and repayable on demand.

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
Dolphin Cove Cayman Limited (fellow subsidiary)	<u>7,356</u>	<u>7,356</u>

(vi) Amounts due to subsidiaries are interest free, unsecured and repayable on demand.

	<u>Company</u>	
	<u>2023</u>	<u>2022</u>
Balmoral Dolphins	100	100
Cheshire Hall Limited	100	100
SB Holdings Limited	<u>100</u>	<u>100</u>
	<u>300</u>	<u>300</u>

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

*(Expressed in United States dollars, unless otherwise stated)***6. Related party balances and transactions (continued)****(c) The statement of profit or loss and other comprehensive income includes the following (income)/expense transactions with related parties in the ordinary course of business:**

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Management fees to intermediate holding company [note 19(b)]	342,045	302,275	342,045	302,275
Interest on lease paid to a subsidiary	-	-	92,536	97,623
Interest earned from subsidiaries [note 6(b)(i)]	-	-	(150,639)	(152,333)
Interest earned from parent company [note 6(b)(iii)]	(34,379)	-	(34,379)	-
Gross operating revenue from related companies:				
Dtraveller Limited	(641,277)	(567,442)	(641,277)	(567,442)
Viajero Cibernetico S.A	(18,154)	-	(18,154)	-
Controladora Dolphins S.A. de CV	<u>(185,236)</u>	<u>(197,921)</u>	<u>(185,236)</u>	<u>(197,921)</u>

(d) Key management personnel compensation:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
Directors' emoluments:		
Fees	68,366	65,000
Key management personnel compensation*	<u>174,108</u>	<u>164,782</u>

*Key management personnel compensation is included in staff costs [note 19(c)].

Directors of the Company and entities under their control along with the Parent Company hold approximately 82% (2022: 82%) of the voting stock units of the Company [see also note 1(c)].

7. Inventories

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
Items for resale	267,431	214,309
Dolphin food	43,132	63,428
Goods in transit	4,019	51,085
Other	<u>63,549</u>	<u>69,904</u>
	<u>378,131</u>	<u>398,726</u>
Inventories charged to direct expenses during the year [see note 19(a)]	<u>507,660</u>	<u>398,071</u>

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

8. Investment in subsidiaries

This represents the cost of the Company's 100% interest in the shares of its subsidiaries [see also note 1(b)].

	Company	
	2023	2022
Dolphin Cove (Negril) Limited	1,114	1,114
Too Cool Limited	313,125	313,125
Cheshire Hall Limited	100	100
Balmoral Dolphins Limited	100	100
SB Holdings Limited	100	100
	<u>314,539</u>	<u>314,539</u>

9. Property, plant and equipment

	Group					Total
	Land and buildings	Leasehold improvements	Furniture, fixtures, computers & equipment	Motor vehicles & dune buggies	Capital work-in-progress	
Cost or valuation:						
December 31, 2021	17,047,939	983,810	5,282,028	1,592,960	2,540,219	27,446,956
Additions	<u>29,133</u>	<u>239,235</u>	<u>439,546</u>	<u>82,013</u>	-	<u>789,927</u>
December 31, 2022	17,077,072	1,223,045	5,721,574	1,674,973	2,540,219	28,236,883
Additions	36,027	125,127	229,264	611,664	-	1,002,082
Revaluation adjustment	4,636,900	-	-	-	-	4,636,900
Disposal/write-off	-	-	-	(1,196,622)	(42,925)	(1,239,547)
December 31, 2023	<u>21,749,999</u>	<u>1,348,172</u>	<u>5,950,838</u>	<u>1,090,015</u>	<u>2,497,294</u>	<u>32,636,318</u>
Depreciation:						
December 31, 2021	551,828	289,632	4,042,702	1,236,929	-	6,121,091
Charge for the year	<u>122,426</u>	<u>124,675</u>	<u>354,774</u>	<u>151,973</u>	-	<u>753,848</u>
December 31, 2022	674,254	414,307	4,397,476	1,388,902	-	6,874,939
Charge for the year	131,591	145,238	429,873	198,410	-	905,112
Revaluation adjustment	(410,441)	-	-	-	-	(410,441)
Eliminated on disposal	-	-	-	(1,106,592)	-	(1,106,592)
December 31, 2023	<u>395,404</u>	<u>559,545</u>	<u>4,827,349</u>	<u>480,720</u>	-	<u>6,263,018</u>
Net book values:						
December 31, 2023	<u>21,354,595</u>	<u>788,627</u>	<u>1,123,489</u>	<u>609,295</u>	<u>2,497,294</u>	<u>26,373,300</u>
December 31, 2022	<u>16,402,818</u>	<u>808,738</u>	<u>1,324,098</u>	<u>286,071</u>	<u>2,540,219</u>	<u>21,361,944</u>

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

9. Property, plant and equipment (continued)

	Company					Total
	Land and buildings	Leasehold improvements	Furniture, fixtures, computers & equipment	Motor vehicles & dune buggies	Capital work-in-progress	
Cost or valuation:						
December 31, 2021	6,471,940	1,189,883	4,962,744	1,552,857	42,924	14,220,348
Additions	<u>29,133</u>	<u>239,235</u>	<u>439,546</u>	<u>82,013</u>	-	<u>789,927</u>
December 31, 2022	6,501,073	1,429,118	5,402,290	1,634,870	42,924	15,010,275
Additions	36,027	125,127	229,265	611,664	-	1,002,083
Revaluation adjustment	1,977,900	-	-	-	-	1,977,900
Disposal/write-off	-	-	-	(1,196,622)	(42,924)	(1,239,546)
December 31, 2023	<u>8,515,000</u>	<u>1,554,245</u>	<u>5,631,555</u>	<u>1,049,912</u>	-	<u>16,750,712</u>
Depreciation:						
December 31, 2021	244,230	289,632	3,749,074	1,186,235	-	5,469,171
Charge for the year	<u>82,897</u>	<u>124,677</u>	<u>340,609</u>	<u>151,973</u>	-	<u>700,156</u>
December 31, 2022	327,127	414,309	4,089,683	1,338,208	-	6,169,327
Charge for the year	83,314	145,238	429,875	198,410	-	856,837
Revaluation adjustment	(410,441)	-	-	-	-	(410,441)
Eliminated on disposal	-	-	-	(1,106,592)	-	(1,106,592)
December 31, 2023	-	559,547	4,519,558	430,026	-	5,509,131
Net book values:						
December 31, 2023	<u>8,515,000</u>	<u>994,698</u>	<u>1,111,997</u>	<u>619,886</u>	-	<u>11,241,581</u>
December 31, 2022	<u>6,174,092</u>	<u>1,014,663</u>	<u>1,312,607</u>	<u>296,662</u>	<u>42,924</u>	<u>8,840,948</u>

- (a) The Group's and Company's land and buildings were revalued as at December 31, 2023 using market approach for land and cost approach for buildings. Market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. Cost approach comprises valuation techniques that reflect the amount that would be required to replace the service capacity of the buildings. Valuation was conducted by Property Consultants Limited (an independent firm of registered real estate agents, appraisers, auctioneers and consultants) of Kingston, Jamaica. The carrying values reflect the estimated market value of the land and buildings, as at the reporting date, according to the valuations performed.

The fair value was determined using level 3 fair value measurements as the valuation model used both observable and unobservable inputs and the unobservable inputs are considered significant to the fair value measurement [see also note 2(c)].

The surplus arising on revaluation is included in capital reserves for the Group and Company (note 17).

The net book value of land and buildings under the cost model would have been \$4,034,098 (2022: \$4,129,662) for the Group and \$1,426,139 (2022: \$1,473,572) for the Company.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

9. Property, plant and equipment (continued)

(a) (continued)

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Market based approach: The approach is based on the principle of substitution whereby the purchaser with perfect knowledge of the property market pays no more for the subject property than the cost of acquiring an existing comparable property, assuming no cost delay in making the substitution.</p> <p>The approach requires comparison of the subject property with others of similar design and utility, inter alia, which were sold in the recent past.</p> <p>However, as no two properties are exactly alike, adjustment is therefore made for the difference between the property subject to valuation and comparable properties.</p> <p>Cost approach: The approach comprises valuation techniques that reflect the amount that would be required to replace the service capacity of the buildings.</p> <p>The approach requires adjustment for depreciation due to economic conditions and physical conditions of the buildings.</p>	<p>Market approach:</p> <ul style="list-style-type: none"> • Comparative price per square foot: <ul style="list-style-type: none"> ○ Negril location – \$1.30 to \$6.92 per sqft. ○ Ocho Rios location – \$11.41 to \$24.10 per sqft. • Comparable adjustment per square foot: <ul style="list-style-type: none"> ○ Negril location – -\$1.37 to \$4.25 per sqft. ○ Ocho Rios location – \$10.34 to \$23.03 per sqft. • Price per square foot: <ul style="list-style-type: none"> ○ Negril location – \$5.55 per sqft. ○ Ocho Rios location – \$34.44 per sqft. <p>Cost approach:</p> <ul style="list-style-type: none"> • Construction cost per square foot: <ul style="list-style-type: none"> ○ Negril location - \$93.27 per sqft. ○ Ocho Rios location - \$96.06 per sqft. 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • The comparative price per square foot was higher/(lower). • The comparable adjustment per square foot was higher/(lower). • Price per square foot was higher/(lower). • Construction cost per square foot was higher/(lower).

(b) Land and buildings include land at a valuation of \$16,050,000 (2022: \$12,656,000) for the Group and \$4,265,000 (2022: \$3,180,000) for the Company.

(c) Capital work-in-progress includes land at cost amounting to \$2,497,294 (2022: \$2,497,294) for the Group [see note 6(b)(i)(b) and (c)]. Professional fees paid to attorneys and for other advisory services were capitalised in previous years.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

10. Leases

The Group and Company lease land from Dolphin Cove (Negril) Limited and Santa Maria Limited for tourist attraction activities, as well as motor vehicles.

The Dolphin Cove (Negril) Limited lease commenced in January 2014 and, after an initial period to October 2014, has four subsequent five year options to renew. For the lease computations, it has been assumed that the option to renew will be exercised.

The Santa Maria Limited lease commenced in January 2017 and expires in December 2026. During the year, the lease was modified, increasing the rental fees to cover for inflation. This resulted to the remeasurements of right-of-use asset and lease liability as indicated in (a) and (b) below.

Information about leases for which the Group and Company are lessees is presented below:

(a) Right-of-use assets

	Group	Company
Balance at December 31, 2021	472,351	1,702,099
Depreciation charge for the year	(94,271)	(190,095)
Balance at December 31, 2022	378,080	1,512,004
Remeasurement of right-of-use asset	54,948	54,948
Additions during the year	112,353	112,353
Depreciation charge for the year	(126,455)	(222,279)
Balance at December 31, 2023	<u>418,926</u>	<u>1,457,026</u>

(b) Lease liabilities

Lease liabilities are payable as follows:

	Group		Company	
	2023	2022	2023	2022
Less than one year	232,227	140,039	409,215	317,027
One to five years	505,552	445,831	1,213,504	1,153,783
More than five years	<u>5,161</u>	<u>-</u>	<u>1,037,591</u>	<u>1,209,418</u>
Total undiscounted lease liabilities at December 31	742,940	585,870	2,660,310	2,680,228
Less: Interest on lease liabilities	(78,860)	(72,420)	(622,586)	(708,293)
	<u>664,080</u>	<u>513,450</u>	<u>2,037,885</u>	<u>1,971,935</u>
Lease liabilities included in the statement of financial position at December 31, as follows:				
Current	192,518	109,900	282,869	194,580
Non-current	<u>471,562</u>	<u>403,550</u>	<u>1,755,016</u>	<u>1,777,355</u>
	<u>664,080</u>	<u>513,450</u>	<u>2,037,885</u>	<u>1,971,935</u>

Remeasurement of lease liability amounted to \$203,218 (2022: nil) for the Group and Company.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

10. Leases (continued)

	Group		Company	
	2023	2022	2023	2022
(c) Amounts recognised in profit or loss				
Depreciation	126,455	94,271	222,279	190,095
Interest on lease liabilities [note 20(b)]	50,064	36,897	142,371	134,520
Loss on lease modification [note 19(d)]	148,270	-	148,270	-
Expenses relating to short-term/ low value leases	12,107	6,956	12,107	6,956
Other income - rent concession	-	(4,532)	-	(4,532)
(d) Amounts recognised in the statement of cash flows				
Interest on lease liabilities [note 20(b)]	50,064	36,897	142,371	134,520
Lease payment – principal portion	<u>164,940</u>	<u>99,063</u>	<u>249,621</u>	<u>99,063</u>

11. Live assets

	Group		
	Dolphins	Other animals	Total
At cost:			
December 31, 2021	7,473,461	236,944	7,710,405
Additions	1,152,711*	400	1,153,111
Disposal (death)	(220,000)	-	(220,000)
December 31, 2022	8,406,172	237,344	8,643,516
Additions	-	3,001	3,001
Disposal	-	(225,219)	(225,219)
December 31, 2023	<u>8,406,172</u>	<u>15,126</u>	<u>8,421,298</u>
Amortisation:			
December 31, 2021	3,696,310	212,578	3,908,888
Charge for the year	958,325	15,615	973,940
Eliminated on disposal	(73,333)	-	(73,333)
December 31, 2022	4,581,302	228,193	4,809,495
Charge for the year	249,331	6,583	255,914
Eliminated on disposal	-	(225,219)	(225,219)
December 31, 2023	<u>4,830,633</u>	<u>9,557</u>	<u>4,840,190</u>
Net book values:			
December 31, 2023	<u>3,575,539</u>	<u>5,569</u>	<u>3,581,108</u>
December 31, 2022	<u>3,824,870</u>	<u>9,151</u>	<u>3,834,021</u>

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

11. Live assets (continued)

	Company		
	Dolphins	Other animals	Total
At cost:			
December 31, 2021	7,473,461	231,767	7,705,228
Additions	1,152,711*	400	1,153,111
Disposal	(220,000)	-	(220,000)
December 31, 2022	8,406,172	232,167	8,638,339
Additions	-	3,001	3,001
Disposal	-	(225,219)	(225,219)
December 31, 2023	<u>8,406,172</u>	<u>9,949</u>	<u>8,416,121</u>
Depreciation:			
December 31, 2021	3,696,310	209,513	3,905,823
Charge for the year	958,325	15,288	973,613
Eliminated on disposal	(73,333)	-	(73,333)
December 31, 2022	4,581,302	224,801	4,806,103
Charge for the year	249,331	6,252	255,583
Eliminated on disposal	-	(225,219)	(225,219)
December 31, 2023	<u>4,830,633</u>	<u>5,834</u>	<u>4,836,467</u>
Net book values:			
December 31, 2023	<u>3,575,539</u>	<u>4,115</u>	<u>3,579,654</u>
December 31, 2022	<u>3,824,958</u>	<u>7,278</u>	<u>3,832,236</u>

* In 2022, the Group and Company received 5 dolphins worth \$1,100,000 from its parent company as settlement of outstanding balance. This was a non-cash transaction and therefore not included in the statement of cash flows.

Dolphins with original cost of \$1,313,179 (2022: \$1,093,179) for the Group and Company are fully amortised, however, they are still being used in operations to generate revenue.

12. Bank overdraft

(a) The Group and Company have a Jamaica dollar (J\$) 6.5 million (\$43,345) overdraft facility with The Bank of Nova Scotia Jamaica Limited at an interest rate of 17.75%, which is secured by a hypothecation of cash deposits. Bank overdraft includes credit balances in the amount of \$72,613 (2022: \$22,722) on the Group's and the Company's bank accounts arising from items in transit at the reporting date.

That bank has also issued guarantees aggregating J\$1.4 million (\$9,336) [(2022: J\$1.4 million) (\$9,336)] on behalf of the Group and Company in favor of the Commissioner of Customs.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

12. Bank overdraft (continued)

(b) In 2020, the Group and Company obtained an overdraft facility from Sagicor Bank Jamaica Limited for an authorised amount of J\$140 million (\$965,517), to be drawn down over 12 months. During 2021, an additional amount of J\$116 million (\$758,170) was obtained resulting in a total overdraft facility of J\$256 million (\$1,723,687). The overdraft facility bears interest at a rate of 8.75% per annum, calculated daily on the outstanding balance and is payable monthly in arrears. The facility is secured as follows:

- First demand debenture over the fixed and floating assets of the Group and Company, stamped to cover J\$140 million (\$965,517).
- Unlimited corporate guarantee of Too Cool Limited supported by a first legal mortgage over the Ocho Rios properties stamped to cover J\$140 million (\$965,517).
- First legal mortgage over the Ocho Rios properties owned by the Group and Company stamped to cover J\$140 million (\$965,517).
- Second demand debenture over the fixed and floating assets of Dolphin Cove Limited, stamped to cover J\$140 million (\$965,517) supported by:
 - Collateral demand second legal mortgage stamped collateral to the above debenture for J\$116 million (\$758,170) over the Ocho Rios property in the name of Too Cool Limited.
 - Collateral demand second legal mortgage stamped collateral to the above debenture for J\$116 million (\$758,170) over the Ocho Rios property in the name of Dolphin Cove Limited.

(c) Reconciliation of movements of bank overdraft to cash flows arising from financing activities:

	Group and Company	
	2023	2022
At the beginning of the year	846,229	1,110,702
Changes from financing cash flows:		
Drawdowns made	3,009,411	3,243,200
Repayments made	(3,386,882)	(3,507,673)
At the end of the year	<u>468,758</u>	<u>846,229</u>

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

13. Accounts payable

	Group		Company	
	2023	2022	2023	2022
Trade payables	1,025,417	1,141,567	1,022,687	1,141,567
Provision for GCT liability (a)	1,131,474	-	1,131,474	-
Statutory deductions	102,956	117,258	102,956	117,258
Accruals	679,227	468,619	660,327	456,019
Other payables	<u>262,274</u>	<u>360,234</u>	<u>233,496</u>	<u>331,456</u>
	<u>3,201,348</u>	<u>2,087,678</u>	<u>3,150,940</u>	<u>2,046,300</u>

(a) The Group and Company have recognised a liability for General Consumption Tax (GCT) of \$1,131,474 (J\$177,641,413), inclusive of interest and penalties, following a GCT audit for the period January 1, 2014 to July 31, 2019 by Tax Administration Jamaica (TAJ). The Group and Company have negotiated to settle the liability in 10 monthly installments, with the commencement date to be determined. As at the date of approval of the financial statements, the formal communication from TAJ regarding the final settlement is pending. The interest recognised on the liability is computed up to the reporting date, therefore additional interest may be charged up to the date of final settlement.

14. Deferred tax liability

Deferred tax is attributable to the following:

	Group					
	Balance at December 31, 2021	Recognised in income (note 21)	Balance at December 31, 2022	Recognised in income (note 21)	Recognised in other comprehensive income	Balance at December 31, 2023
Accounts receivable	244,366	32,037	276,403	26,769	-	303,172
Property, plant and equipment	416,375	9,172	425,547	(71,036)	325,836	680,347
Live assets	785,489	(188,970)	596,519	26,111	-	622,630
Accounts payable	(24,551)	(104)	(24,655)	(5,668)	-	(30,323)
Right-of-use asset	118,088	(23,617)	94,471	10,261	-	104,732
Lease liabilities	(130,873)	2,511	(128,363)	(37,657)	-	(166,020)
Tax losses carried forward	(81,136)	81,136	-	-	-	-
Unrealised foreign exchange loss	-	(10,850)	(10,850)	12,163	-	1,313
	<u>1,327,758</u>	<u>(98,686)</u>	<u>1,229,072</u>	<u>(39,057)</u>	<u>325,836</u>	<u>1,515,851</u>

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DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

14. Deferred tax liability (continued)

Deferred tax is attributable to the following (continued):

	Company					
	Balance at December 31, 2021	Recognised in income (note 21)	Balance at December 31, 2022	Recognised in income (note 21)	Recognised in other comprehensive income	Balance at December 31, 2023
Accounts receivable	244,366	32,037	276,403	26,769	-	303,172
Property, plant and equipment	416,375	9,172	425,547	(71,036)	325,836	680,347
Live assets	785,489	(188,970)	596,519	26,111	-	622,630
Accounts payable	(24,551)	(104)	(24,655)	(5,668)	-	(30,323)
Right-of-use asset	425,524	(47,573)	377,951	(13,695)	-	364,256
Lease liabilities	(496,739)	3,756	(492,983)	(16,488)	-	(509,471)
Tax losses carried forward	(81,136)	81,136	-	-	-	-
Unrealised foreign exchange loss	-	(10,850)	(10,850)	12,163	-	1,313
	<u>1,269,328</u>	<u>(121,396)</u>	<u>1,147,932</u>	<u>(41,844)</u>	<u>325,836</u>	<u>1,431,924</u>

15. Long-term liabilities

	Group and Company	
	2023	2022
Long-term loan:		
Sagcor Bank Jamaica Limited loan:		
J\$ loan	-	5,374
Less: Current portion	-	(5,374)
	<u>-</u>	<u>-</u>

This represented a loan of J\$3,495,000 (\$26,885) financed by Sagcor Bank in December 2018 which bore interest at rate of 8.5%. The balance was repaid in full in 2023.

Reconciliation of movements of long-term liabilities to cash flows arising from financing activities:

	Group and Company	
	2023	2022
At the beginning of the year	5,374	13,000
Change from financing cash flows:		
Repayments made	(5,374)	(7,626)
At the end of the year	<u>-</u>	<u>5,374</u>

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DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

16. Share capital

	Group and Company	
	2023	2022
Authorised:		
432,426,376 ordinary shares of no par value		
Stated capital, issued and fully paid:		
392,426,376 ordinary stock units of no par value	3,901,554	3,901,554
Less: Transaction costs of share issue	(247,164)	(247,164)
	<u>3,654,390</u>	<u>3,654,390</u>

Holders of ordinary stock units are entitled to dividends as declared from time to time and are entitled to one vote per stock unit at general meetings of the Group and Company. All ordinary shares rank equally with regard to the Group's and Company's residual assets.

17. Capital reserves

	Group		Company	
	2023	2022	2023	2022
Revaluation surplus arising on (note 9)				
Land	13,041,532	9,647,532	3,878,543	2,793,543
Buildings	<u>4,278,965</u>	<u>2,625,624</u>	<u>3,210,318</u>	<u>1,906,977</u>
	17,320,497	12,273,156	7,088,861	4,700,520
Deferred tax arising on revalued buildings	(802,580)	(476,744)	(802,580)	(476,744)
	<u>16,517,917</u>	<u>11,796,412</u>	<u>6,286,281</u>	<u>4,223,776</u>

18. Operating revenue

This represents revenue from the operation of attractions and is reported net of discounts and General Consumption Tax.

- Programme attraction revenue represents programme fees from hotels, cruise ships and walk-in guests.
- Ancillary services revenue represents revenue from the operation of restaurants, gift shops, photo shops and other adventure tours.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

19. Disclosure of expenses and other income

(a) Direct cost of sales:

	Group and Company	
	2023	2022
Direct cost of programmes (i)	749,919	804,535
Direct cost of ancillary services (ii)	<u>1,641,126</u>	<u>924,721</u>
	<u>2,391,045</u>	<u>1,729,256</u>

(i) Direct costs of dolphin programmes represent dolphin food, medication and veterinary services and other consumables.

(ii) Direct costs of ancillary services represent operating costs of restaurants, gift shops, photo shops and other adventure tours.

(b) Operating expenses:

	Group		Company	
	2023	2022	2023	2022
Repairs and maintenance	156,579	116,967	156,579	116,967
Staff costs (c)	3,873,356	3,209,246	3,873,356	3,209,246
Advertising, marketing and promotion	658,511	608,601	658,511	608,601
Guest transportation and tour charge	854,052	1,081,724	854,052	1,081,724
Travel and entertainment	53,091	68,217	53,091	68,217
Legal and professional fees	377,633	204,191	358,678	196,068
Rental, utilities and office expenses	410,034	385,026	410,034	385,026
Insurance	250,125	174,616	242,113	166,895
Security	217,390	132,286	217,390	132,286
Management fees [note 6(c)]	342,045	302,275	342,045	302,275
Depreciation and amortisation	1,287,481	1,822,059	1,334,699	1,863,864
Auditors' remuneration	124,400	104,300	118,100	98,000
Cleaning and sanitation	106,582	110,674	106,582	110,674
Donation and subscription	17,764	17,239	17,764	17,239
Fuel and lubricants	181,922	196,695	181,922	196,695
Motor vehicle expenses	203,507	136,440	203,507	136,440
Penalties and interest [note 13(a)]	1,131,474	-	1,131,474	-
General expenses	81,327	424,498	81,327	424,498
Other	58,630	79,392	58,630	79,392
	<u>10,385,903</u>	<u>9,174,446</u>	<u>10,399,853</u>	<u>9,194,107</u>

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

19. Disclosure of expenses and other income (continued)

(c) Staff costs:

	Group and Company	
	2023	2022
Salaries and wages	2,755,908	2,224,508
Payroll taxes	370,881	309,325
Commission	415,292	461,574
Other benefits	315,937	207,629
Pension	<u>15,338</u>	<u>6,210</u>
	<u>3,873,356</u>	<u>3,209,246</u>

(d) Other (expense)/income:

	Group and Company	
	2023	2022
Dolphin maintenance fee	-	114,800
Lease concession income	-	4,532
Loss on lease modification [note 10(c)]	(148,270)	-
Other	<u>123,442</u>	<u>6,643</u>
	<u>(24,828)</u>	<u>125,975</u>

20. Finance income/(costs)

	Group		Company	
	2023	2022	2023	2022
(a) Finance income:				
Net foreign exchange gains	110,825	81,380	110,825	81,380
Interest income calculated using the effective interest method	<u>59,191</u>	<u>972</u>	<u>209,830</u>	<u>153,305</u>
	<u>170,016</u>	<u>82,352</u>	<u>320,655</u>	<u>234,685</u>
(b) Finance costs:				
Interest expense	(52,830)	(81,510)	(52,830)	(81,510)
Bank charges	(104,801)	(98,731)	(104,801)	(98,731)
Credit card charges	(130,082)	(110,264)	(130,082)	(110,264)
Net foreign exchange losses	(151,235)	(280,090)	(150,984)	(280,090)
Interest on leases [note 10(c)(d)]	<u>(50,064)</u>	<u>(36,897)</u>	<u>(142,371)</u>	<u>(134,520)</u>
	<u>(489,012)</u>	<u>(607,492)</u>	<u>(581,068)</u>	<u>(705,115)</u>

21. Taxation

	Group		Company	
	2023	2022	2023	2022
(a) Income tax charge:				
(i) Current tax at 25%	935,328	706,899	935,328	706,899
Changes in estimates in respect of prior year	-	6,706	-	6,706
(ii) Deferred taxation:				
Origination and reversal of temporary differences (note 14)	<u>(39,057)</u>	<u>(98,686)</u>	<u>(41,844)</u>	<u>(121,396)</u>
	<u>896,271</u>	<u>614,919</u>	<u>893,484</u>	<u>592,209</u>

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

*(Expressed in United States dollars, unless otherwise stated)***21. Taxation (continued)****(b) Reconciliation of actual tax:**

	Group		Company	
	2023	2022	2023	2022
Profit before taxation	<u>3,954,130</u>	<u>3,582,691</u>	<u>3,998,763</u>	<u>3,348,337</u>
Computed "expected" tax charge at the Group's and Company's statutory rate of 25%	988,533	895,673	999,691	837,084
Tax effect of differences between treatment for financial statement and taxation purposes:				
Disallowed items, net	280,544	22,003	266,599	57,882
Employment tax credit	(372,806)	(309,463)	(372,806)	(309,463)
Adjustment in respect of prior year	-	6,706	-	6,706
Actual tax expense recognised in profit for the year	<u>896,271</u>	<u>614,919</u>	<u>893,484</u>	<u>592,209</u>

(c) Cheshire Hall Limited, SB Holdings Limited, Marine Adventure Park Limited and Balmoral Dolphins Limited have elected to pay income tax at 1% of profits earned in St. Lucia. However, the companies had not commenced operations as at the reporting date [note 1(b)].

(d) Dolphin Cove TCI Limited and DCTCI Limited are not required to pay income tax in the Turks & Caicos Islands.

(e) At December 31, 2023, tax losses available for set-off against future taxable profits, subject to agreement by the Commissioner General, Tax Administration Jamaica, amounted to J\$84 million (\$694,528) [2022: J\$83 million (\$688,748)] for the Group. Tax losses may be carried forward indefinitely; however, the maximum amount that can be utilised in any one year is restricted to 50% of chargeable income for that year. Deferred tax on these losses was not recognised by the subsidiary.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

*(Expressed in United States dollars, unless otherwise stated)***22. Earnings per stock unit**

Earnings per stock unit is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue for the year.

	2023	2022
Profit for the year attributable to stockholders of the Company	<u>3,057,859</u>	<u>2,967,772</u>
Weighted average number of ordinary stock units held during the year	<u>392,426,376</u>	<u>392,426,376</u>
Earnings per stock unit (expressed in ¢ per share)	<u>0.78</u>	<u>0.76</u>

There was no dilution of shares during the year and the comparative period.

23. Dividends

	Group and Company			
	2023		2022	
	Dividend per ordinary stock unit	Dividends paid	Dividend per ordinary stock unit	Dividends paid
	\$	\$	\$	\$
First interim dividend:				
March 27, 2023 (2022: April 29, 2022)	0.00400	1,021,204	0.00254	999,812
Second interim dividend:				
October 05, 2023 (2022: September 29, 2022)	0.00400	1,002,027	0.00254	999,813
Third interim dividend:				
December 13, 2023 (2022: nil)	<u>0.00800</u>	<u>1,988,782</u>	-	-
	<u>0.01600</u>	<u>4,012,013</u>	<u>0.00508</u>	<u>1,999,625</u>

24. Segment information

The Group maintains discrete financial information for each of its parks, which is used by the Chief Operating Decision Maker ("CODM"), identified as the Group's Managing Director, as a basis for allocating resources. Each park has been identified as an operating segment and meets the criteria for aggregation under IFRS 8 due to similar economic characteristics and all of the parks provide similar products and services, share similar processes for delivering services and target the same type and class of customers.

Accordingly, based on these economic and operational similarities and the way the CODM monitors the operations, the Group has concluded that its operating segments should be aggregated and that it has one reportable segment.

Financial information related to the reportable segment results for the year ended December 31, 2023, can be found in the Group income statement and related notes. There are no differences in the measurement of the reportable segment results and the Group's results.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

24. Segment information (continued)

Details of the segment assets and liabilities for the year ended December 31, 2023 can be found in the Group's statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the Group's assets and liabilities.

25. Pension arrangements

On September 3, 2019, the Government of Jamaica established a defined contribution pension scheme for tourism workers and self-employed tourism workers known as the "Tourism Workers Pension Scheme" in accordance with the Tourism Workers Pension Act 2019. On January 12, 2022, the Pension Scheme was officially launched. The Pension Scheme is administered and managed by the Guardian Group.

During the year, some of the Group's and Company's employees enrolled into the Tourism Workers Pension Scheme. Members are mandated to contribute 3% of their earnings up to January 31, 2023 and 5% of their earnings thereafter. The member's contributions to the scheme are matched by the employer.

The members have an option to make voluntary contributions to the scheme and the maximum allowable annual contribution is 20% of the earnings for each member.

The Group and Company's contributions to the scheme for the year ended December 31, 2023 aggregated \$15,338 (2022: \$6,210).

26. Contingencies

There are threatened claims against the Group and Company in respect of alleged injuries by guests and employees. The potential liability in the opinion of the Group's and Company's attorney is approximately J\$600,000 (\$3,907) [2022: J\$3,900,000 (\$26,006)]. The Group and Company are still resisting the claims and have not made any provision in these financial statements. Up to the date of approval of the financial statements, there has been no change in the status of these matters.

27. Financial instruments

(a) Financial risk management:

The Group and Company have exposure to credit risk, market risk and liquidity risk from its use of financial instruments in the ordinary course of the business. Derivative financial instruments are not used to reduce exposure to fluctuations in interest and foreign exchange rates.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

27. Financial instruments (continued)

(b) Financial risk management (continued):

(i) 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.

The maximum exposure to credit risk at the reporting date is represented by the carrying amount of each relevant financial asset.

Cash and cash equivalents and investments

The Group and Company limit its exposure to credit risk by:

- placing cash resources with substantial counterparties who are believed to have minimal risk of default and have good credit standing based on ratings by international credit agencies; and
- only investing in liquid securities with credit worthy institutions that are appropriately licensed, regulated and have good credit standing based on ratings by international credit agencies.

Accounts receivable

The Group's and Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has a credit policy in place under which each customer is analysed for credit worthiness through commercial references and background checks prior to being offered credit. The Group and Company do not require collateral in respect of trade and other receivables. At the reporting date, there were significant concentrations of credit risk in respect of 6 (2022: 6) major customers for the Group and Company in relation to its trade receivables.

As at December 31, 2023, amounts receivable from these six customers aggregated \$1,303,146 (2022: \$1,094,926) for the Group and Company. These represent 68% (2022: 66%) of trade receivables for the Group and 70% (2022: 68%) for the Company.

Expected credit loss assessment for trade receivables

The Group and Company use an allowance matrix to measure expected credit loss (ECLs) of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward looking information.

Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off, current conditions and the economic conditions over the expected lives of the receivables.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023*(Expressed in United States dollars, unless otherwise stated)*27. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued):

Expected credit loss assessment for trade receivables (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

Age buckets	Weighted average loss rate %	2023		2023		Credit impaired
		Group		Company		
		Gross carrying amount \$	Impairment loss allowance \$	Gross carrying amount \$	Impairment loss allowance \$	
Current (not past due)	12.58	1,521,408	191,327	1,521,408	191,327	No
31-60 days	50.22	103,775	58,130	103,727	58,130	No
61-90 days	98.31	-	-	-	-	No
Over 90 days	100.00	<u>289,466</u>	<u>289,466</u>	<u>227,142</u>	<u>227,142</u>	Yes
		<u>1,914,649</u>	<u>538,923</u>	<u>1,852,277</u>	<u>476,599</u>	

Although there has been an increase in trade receivables, there has been a reduction in the ECL due to improvement in receivables that are 61-90 days and over 90 days past due when compared to the previous year. This resulted from the improved efforts by the Group and Company in the collection of receivables.

Age buckets	Weighted average loss rate %	2022		2022		Credit impaired
		Group		Company		
		Gross carrying amount \$	Impairment loss allowance \$	Gross carrying amount \$	Impairment loss allowance \$	
Current (not past due)	10.07	1,096,662	180,522	1,096,662	180,567	No
31-60 days	35.01	62,755	21,985	62,755	21,971	No
61-90 days	64.12	27,190	17,434	27,142	17,403	No
Over 90 days	100.00	<u>477,204</u>	<u>477,204</u>	<u>414,880</u>	<u>414,880</u>	Yes
		<u>1,663,811</u>	<u>697,145</u>	<u>1,601,439</u>	<u>634,821</u>	

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023*(Expressed in United States dollars, unless otherwise stated)*27. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued):

Due from related companies

These amounts are currently interest-free with no fixed repayment terms; however, some amounts are repayable on demand. The Group and Company assess each related entity's ability to pay if payment is demanded, considering future trading activities coupled with other economic conditions. The trend worldwide is to use more online platforms to book any leisure activities. Also, the tourism sector has already recovered from the adverse effect of the pandemic which reduces the risk of doing business with companies dedicated to online sales. Additionally, the Group and Company have the right to set-off balances with related parties. The expected credit losses are calculated on this basis. No impairment allowance was recognised as at December 31, 2023 and 2022.

Due from parent company

As of August 16, 2023, the amount due carries interest of 6% and remains to have no fixed repayment terms, however, some amounts are repayable on demand. The Group and Company assess the parent company's ability to pay, considering future trading activities coupled with other economic conditions. The trend worldwide is to use more online platforms to book any leisure activities. Also, the tourism sector has already recovered from the adverse effect of the pandemic which reduces the risk of doing business with companies dedicated to online sales. Additionally, the Group and Company have the right to set-off balances with related parties. The expected credit losses are calculated on this basis. No impairment allowance was recognised as at December 31, 2023 and 2022.

(ii) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates and foreign exchange rates and will affect the Group's and Company's income or the value of its holdings of financial instruments.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

27. Financial instruments (continued)

(a) Financial risk management (continued):

(ii) Market risk: (continued):

• Interest rate risk:

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Subject to normal conditions, the Group and Company materially contract financial liabilities at fixed interest rates for the duration of the term.

Interest-bearing financial assets are primarily represented by amounts due from subsidiaries, cash and cash equivalents and investments. Interest-bearing financial liabilities are mainly represented by loans, lease liabilities and bank overdrafts.

Financial instruments subject to interest are as follows:

	Carrying amount			
	Group		Company	
	2023	2022	2023	2022
Fixed rate instruments:				
Financial assets	2,665	1,002,132	4,709,698	5,721,535
Financial liabilities	(962,832)	(1,336,957)	(2,434,030)	(2,795,442)
	<u>(960,167)</u>	<u>(334,825)</u>	<u>2,275,668</u>	<u>2,926,093</u>
Variable rate instruments:				
Financial assets	1,800,773	1,616,373	1,800,773	1,616,373
Financial liabilities	(72,613)	(28,096)	(72,613)	(28,096)
	<u>1,728,160</u>	<u>1,588,277</u>	<u>1,728,160</u>	<u>1,588,277</u>

Cash flow sensitivity analysis for variable rate instruments

An increase or decrease in basis points in interest rates on variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the year by amounts shown below.

	Group and Company			
	2023		2022	
	Increase 25bp	Decrease 25bp	Increase 100bp	Decrease 50bp
Effect on profit or loss	<u>4,320</u>	<u>(4,320)</u>	<u>15,883</u>	<u>(7,941)</u>

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023

(Expressed in United States dollars, unless otherwise stated)

27. Financial instruments (continued)

(a) Financial risk management (continued):

(ii) Market risk (continued):

• Interest rate risk:

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

Fair value sensitivity analysis for fixed rate instruments

The Group and Company do not account for any financial instrument at fair value. Therefore, a change in interest rates at the reporting date would not affect the carrying value of Group's and Company's financial instruments.

• Foreign currency risk:

Foreign currency risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group and Company incur foreign currency risk primarily on purchases and borrowings that are denominated in a currency other than the United States dollar (\$). The principal foreign currency exposure of the Group and Company is denominated in Jamaica dollars (J\$).

Exposure to foreign currency risk arising mainly in respect of JS denominated balances was as follows:

	Group and Company	
	2023	2022
Cash and cash equivalents	14,855,952	15,058,692
Accounts receivable	64,234,187	37,794,151
Bank overdrafts	(61,129,086)	(123,496,618)
Accounts payable	(175,589,058)	(102,288,734)
Long-term loans	-	(809,007)
	<u>(157,628,005)</u>	<u>(173,741,516)</u>
US\$ equivalent	<u>(1,021,502)</u>	<u>(1,158,586)</u>

Exchange rates of the United States dollar to the Jamaican dollar were as follows:

At December 21, 2023: US\$1 to J\$154.31
At December 31, 2022: US\$1 to J\$149.96

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023*(Expressed in United States dollars, unless otherwise stated)***27. Financial instruments (continued)****(a) Financial risk management (continued):****(ii) Market risk (continued):**

- Foreign currency risk (continued):

Sensitivity analysis

Changes in the exchange rates of the United States dollar (\$) to the Jamaica dollar (J\$) would have the effects described below:

	Increase/(decrease) in profit or loss for the year	
	<u>Group and Company</u> <u>2023</u>	<u>2022</u>
4% (2022:4%) strengthening of the US\$ against the J\$	<u>40,860</u>	<u>46,343</u>
1% (2022: 1%) weakening of the US\$ against the J\$	<u>(10,215)</u>	<u>(11,586)</u>

The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2022.

(iii) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the Group and Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash resources, and the availability of funding through an adequate amount of committed credit facilities. The management of the Group and Company aims at maintaining flexibility in funding by keeping lines of credit available (see note 12). The Group and Company have a credit facility of J\$256,000,000 (US\$1,658,998) of which they have drawn down J\$50,207,823 (US\$325,370).

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023*(Expressed in United States dollars, unless otherwise stated)***27. Financial instruments (continued)****(a) Financial risk management (continued):****(iii) Liquidity risk (continued):**

The following are the contractual maturities of financial liabilities measured at amortised cost, including interest payments. The tables show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group and Company can be required to pay:

	Group 2023					
	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 -years
Bank overdrafts	468,758	509,774	509,774	-	-	-
Accounts payable	1,390,647	1,390,647	1,390,647	-	-	-
Due to other related parties	7,356	7,356	7,356	-	-	-
Lease liabilities	<u>664,080</u>	<u>742,940</u>	<u>232,227</u>	<u>236,554</u>	<u>268,998</u>	<u>5,161</u>
Total financial liabilities	<u>2,530,841</u>	<u>2,650,711</u>	<u>2,140,004</u>	<u>236,554</u>	<u>268,998</u>	<u>5,161</u>

	Group 2022					
	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 -years
Bank overdrafts	846,229	895,564	895,564	-	-	-
Accounts payable	1,619,059	1,619,059	1,619,059	-	-	-
Due to other related parties	7,356	7,356	7,356	-	-	-
Long-term liabilities	5,374	5,646	5,646	-	-	-
Lease liabilities	<u>513,450</u>	<u>585,870</u>	<u>140,039</u>	<u>144,240</u>	<u>301,591</u>	<u>-</u>
Total financial liabilities	<u>2,991,468</u>	<u>3,113,495</u>	<u>2,667,664</u>	<u>144,240</u>	<u>301,591</u>	<u>-</u>

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023*(Expressed in United States dollars, unless otherwise stated)*27. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Liquidity risk (continued):

	Company					
	2023					
	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 -years
Bank overdrafts	468,758	509,774	509,774	-	-	-
Accounts payable	1,359,139	1,359,139	1,359,139	-	-	-
Due to subsidiaries	300	300	300	-	-	-
Due to other related companies	7,356	7,356	7,356	-	-	-
Lease liabilities	<u>2,037,885</u>	<u>2,660,310</u>	<u>409,215</u>	<u>413,542</u>	<u>799,962</u>	<u>1,037,590</u>
Total financial liabilities	<u>3,873,438</u>	<u>4,536,879</u>	<u>2,285,784</u>	<u>413,542</u>	<u>799,962</u>	<u>1,037,590</u>

	Company					
	2022					
	Carrying amount	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 -years
Bank overdrafts	846,229	895,564	895,564	-	-	-
Accounts payable	1,590,281	1,590,281	1,590,281	-	-	-
Due to subsidiaries	300	300	300	-	-	-
Due to other related companies	7,356	7,356	7,356	-	-	-
Long-term liabilities	5,374	5,646	5,646	-	-	-
Lease liabilities	<u>1,971,935</u>	<u>2,680,228</u>	<u>317,027</u>	<u>321,228</u>	<u>832,555</u>	<u>1,209,418</u>
Total financial liabilities	<u>4,421,475</u>	<u>5,179,375</u>	<u>2,816,174</u>	<u>321,228</u>	<u>832,555</u>	<u>1,209,418</u>

(iv) Capital management:

The Group and Company manage the adequacy of capital by managing the returns on equity and borrowed funds to protect against losses on its business activities so as to be able to generate an adequate level of return for its stockholders.

As a condition of its long term loans, the Group and Company are required to have positive stockholders' equity.

There are no other externally imposed capital requirements and there have been no changes in the Group's and Company's approach to managing capital during the year.

DOLPHIN COVE LIMITED

Notes to the Financial Statements (Continued)

Year ended December 31, 2023*(Expressed in United States dollars, unless otherwise stated)*27. Financial instruments (continued)

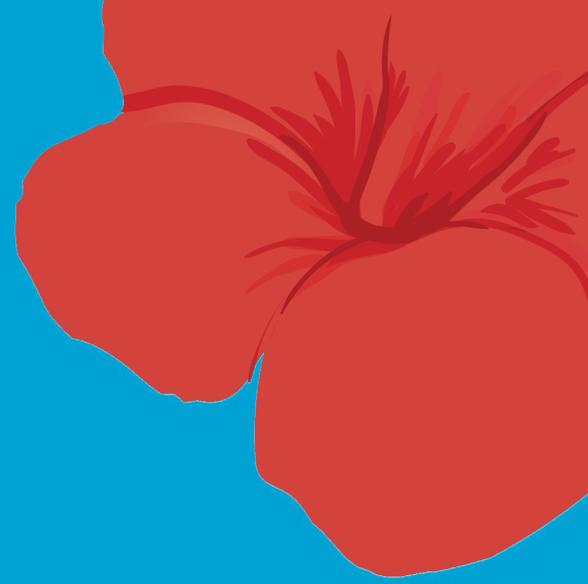
(b) Fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group and Company have no financial instruments that are carried at fair value.

The following methods and assumptions have been used to determine the fair value of the Group's and Company's financial instruments:

- The fair value of cash and cash equivalents, investments, accounts receivable, due from related companies and parent company, accounts payable, bank overdrafts, due to subsidiaries and other related companies is assumed to approximate their carrying value due to their relatively short-term nature.
- The carrying amounts of due from subsidiaries are assumed to approximate their fair value due as the amounts are stated after discounting their future cash flows.
- The carrying value of lease liabilities and long-term loans approximates the fair value as these obligations are carried at amortised cost reflecting their contractual obligations and the interest rates are reflective of market rates for similar instruments.

Form of Proxy



09

PROXY FORM

I/We.....
of.....
being the registered holder of..... ordinary shares in Dolphin Cove Limited,
hereby appoint..... of.....
or failing him..... of.....
as my proxy to attend and, on a poll, vote on my/our behalf at the annual general
meeting of the company to be held on Wednesday 26 June 2024, and at any
adjournment thereof.

Dated this..... day of..... 2024

.....

Signature of Member

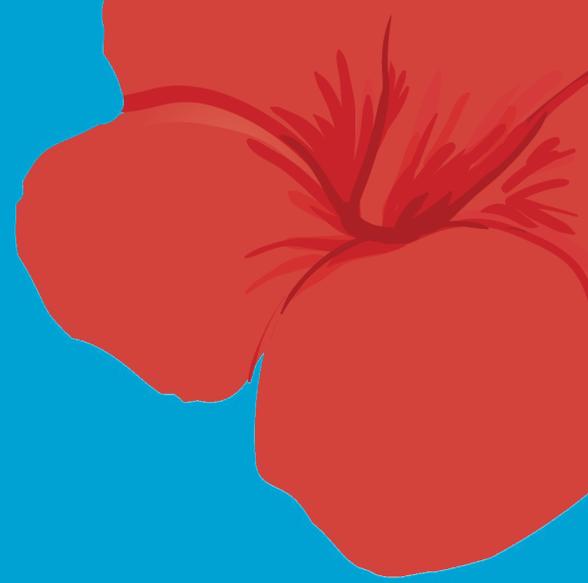
Please indicate below how you wish your votes to be cast:

For Against

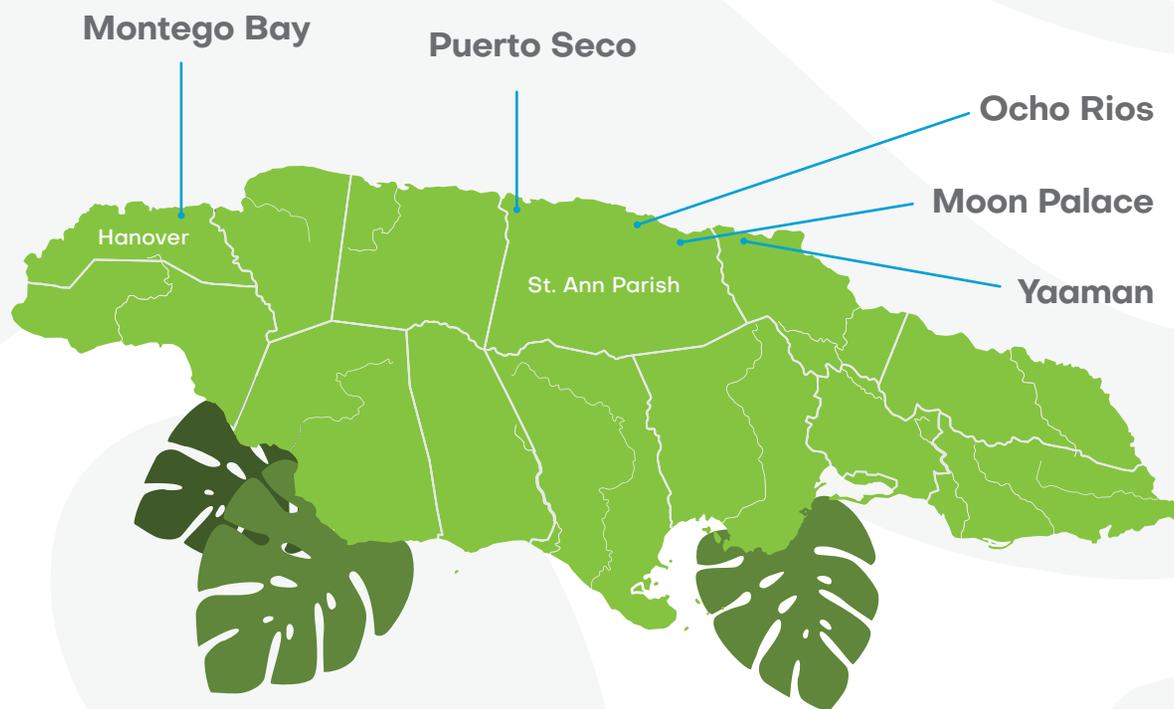
- Resolution 1 – To receive the Directors’ Report and financial statements
Resolution 2(a) – To re-elect retiring director, Mr Eduardo Albor Villanueva
Resolution 2(b) – To re-elect retiring director, Mr Richard Downer
Resolution 2(c) – To re-elect retiring director, Mr Federico Lozano Perez
Resolution 3 – To authorise the directors to fix the auditors’ remuneration

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Our Footprint



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