

# DAVIS HOSPITALITY GROUP

## ANNUAL FINANCIAL STATEMENTS

*For the Year Ended December 31, 2024*

### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Davis Hospitality Group,

We have audited the accompanying financial statements of Davis Hospitality Group (the "Company"), which comprise the statement of financial position as at December 31, 2024, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Davis Hospitality Group as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Morgan & Associates LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
February 18, 2025

### STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

ASSETS	2024 (\$)	2023 (\$)
Current Assets		
Cash and cash equivalents	876,500	732,600
Trade and other receivables	543,800	487,300
Inventories	157,400	134,200
Prepaid expenses	76,300	65,900
Total Current Assets	1,654,000	1,420,000

<b>Non-Current Assets</b>		
Property and equipment	5,876,300	5,643,700
Intangible assets	437,500	450,000
Investment property	1,540,000	1,540,000
Deferred tax assets	67,200	54,300
<b>Total Non-Current Assets</b>	<b>  7,921,000</b>	<b>  7,688,000</b>
<b>TOTAL ASSETS</b>	<b>  9,575,000</b>	<b>  9,108,000</b>

LIABILITIES AND EQUITY	2024 (\$)	2023 (\$)
<b>Current Liabilities</b>		
Trade and other payables	432,700	387,600
Current tax liabilities	143,500	121,800
Short-term borrowings	267,900	254,300
Provisions	95,400	87,200
<b>Total Current Liabilities</b>	<b>939,500</b>	<b>850,900</b>

<b>Non-Current Liabilities</b>		
Long-term borrowings	3,765,400	3,943,200
Employee benefit obligations	458,300	427,600
Deferred tax liabilities	217,800	192,300
<b>Total Non-Current Liabilities</b>	<b>  4,441,500</b>	<b>  4,563,100</b>
<b>TOTAL LIABILITIES</b>	<b>  5,381,000</b>	<b>  5,414,000</b>
<b>Equity</b>		
Share capital	2,500,000	2,500,000
Retained earnings	1,544,000	1,044,000
Reserves	150,000	150,000

Total Equity | 4,194,000 | 3,694,000

TOTAL LIABILITIES AND EQUITY | 9,575,000 | 9,108,000

Approved by the Board

CHARLOTTE DAVIS, Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2024

REVENUE	Amount (\$)
Accommodation services	4,587,300
Food and beverage	2,876,500
Event and conference	1,342,700
Other hospitality services	543,200
Total Revenue	9,349,700

Copy

EXPENSES

Cost of services | 3,754,300

Employee benefits | 2,543,600

Depreciation and amortization | 432,700

Utilities and maintenance | 654,300

Sales and marketing | 345,700

General and administrative | 487,200

Finance costs | 178,900

Total Expenses | 8,396,700

Profit Before Tax | 953,000

Income tax expense | 238,250

PROFIT FOR THE YEAR | 714,750

OTHER COMPREHENSIVE INCOME |

Items that will not be reclassified: |

Revaluation of property | 35,250

|

TOTAL COMPREHENSIVE INCOME | 750,000

For inquiries regarding this report, please contact our Finance Department at:

[charlotte.davis@example.net](mailto:charlotte.davis@example.net)

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

OPERATING ACTIVITIES	Amount (\$)
Profit for the year	714,750

Copy

Adjustments for: |

Depreciation and amortization | 432,700

Finance costs | 178,900

Income tax expense | 238,250

|

Changes in working capital: |

Change in receivables | (56,500)

Change in inventories | (23,200)

Change in payables | 45,100

|

Interest paid | (172,400)

Income taxes paid | (225,350)

|

Net cash from operating activities | 1,132,250

|

INVESTING ACTIVITIES |

Purchase of property and equipment | (652,800)

|  
**Net cash used in investing activities | (652,800)**

|  
**FINANCING ACTIVITIES** |  
Repayment of borrowings | (185,550)  
Dividends paid | (150,000)

|  
**Net cash used in financing activities | (335,550)**

|  
**Net increase in cash and equivalents | 143,900**  
Cash and equivalents at beginning of year | 732,600

|  
**Cash and equivalents at end of year | 876,500**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Note 1: Corporate Information**

Davis Hospitality Group (the "Company") is a hospitality company that owns and operates hotels, restaurants, and event venues. The Company is incorporated and domiciled in Saskatoon, with operations throughout Saskatchewan and Alberta.

### **Note 2: Basis of Preparation**

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

### **Note 3: Significant Accounting Policies**

#### *3.1 Revenue Recognition*

Revenue is recognized when services are rendered to customers in an amount that reflects the consideration to which the Company expects to be entitled.

#### *3.2 Property and Equipment*

Property and equipment are stated at cost less accumulated depreciation and any impairment losses.

### **Note 4: Property Information**

The Company's corporate headquarters is located at 654 Birch Ln, Saskatoon. This property was acquired in 2017 and has a carrying value of \$1,875,000 as of December 31, 2024.

**Note 5: Operating Segments**

The Company operates in three primary business segments:

- Hotel accommodations (49% of revenue)
- Food and beverage services (31% of revenue)
- Event and conference hosting (20% of revenue)

**Note 6: Subsequent Events**

No significant events occurred after the reporting period that would require adjustment to or disclosure in the financial statements.

**Form Type: Financial Statements**