FAB-FORM INDUSTRIES LTD.
FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

(In Canadian Dollars rounded to nearest dollar)

FAB-FORM INDUSTRIES LTD.
FINANCIAL STATEMENTS
For year ended 30 June 2024
(Canadian Dollars rounded to nearest dollar)

Table of Contents

FAB-FORM INDUSTRIES LTD.

MANAGEMENT'S REPORT TO SHAREHOLDERS

For the year ended 30 June 2024

The accompanying Financial Statements for the year ended 30 June 2024 are the responsibility of the management of Fab-Form Industries Ltd. The Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") and, where appropriate, include management's best estimates and judgements.

The Company maintains an accounting system and related controls to provide management with reasonable assurance that transactions are executed and recorded in accordance with its authorizations, that assets are properly safeguarded, and accounted for, and that financial records are reliable for preparation of financial statements.

The Company's independent auditor, Baker Tilly WM LLP, has audited the Financial Statements, as reflected in their report.

The Board of Directors oversees management's responsibilities for the Financial Statements primarily through the activities of its Audit Committee. The Audit Committee meets with management of the Company to review the Company's Financial Statements and Management Discussion and Analysis (MD&A).The Audit Committee also reviews internal accounting controls, risk management and accounting principles and practices. The Audit Committee is responsible for approving the remuneration and terms of engagement of the Company's independent auditor. The Audit Committee meets with the independent auditor, without management present, to discuss the results of their audit and the quality of financial reporting. The Audit Committee reports its findings to the Board of Directors, and recommends approval of the Financial Statements. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

....

Director (President and CEO)
Joseph Fearn
25 October 2024

....

Director
Don Russell
25 October 2024

Baker Tilly WM LLP
900 – 400 Burrard Street
Vancouver, British Columbia
Canada V6C 3B7
T: +601.684.6212
F: +601.688.3497

vancouver@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fab-Form Industries Ltd.:

Opinion

We have audited the financial statements of Fab-Form Industries Ltd. (the "Company"), which comprise the statement of financial position as at June 30, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended June 30, 2024. 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. We have determined that there are no key audit matters to communicate in our auditor's report.

Other Matter

The financial statements of the Company for the six months period ended June 30, 2023, and for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those financial statements on October 27, 2023.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 auditor’s 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 auditor’s 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.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Doris Yingying Cen.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
October 25, 2024

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2024, 31 December 2022 and period of six months ended 30 June 2023

(Canadian Dollars rounded to nearest dollar)

	Notes	Year ended 30-Jun-24	Period of six months ended 30-Jun-23	Year ended 31-Dec-22
		$	$	$
Revenue	4	4,681,956	2,591,065	6,132,164
Cost of sales	5	(2,987,548)	(1,520,727)	(3,787,598)
Gross profit (Margin 36% (2023: 41%, 2022: 38%))		**1,694,408**	**1,070,338**	**2,344,566**
Expenses				
General and administration		(607,628)	(303,274)	(512,208)
Selling and marketing		(199,314)	(110,553)	(196,975)
Total expenses	5	**(806,942)**	**(413,827)**	**(709,183)**
Earnings from operations		**887,466**	**656,511**	**1,635,383**
Finance cost		(8,973)	(5,480)	(13,117)
Other income	6 & 25	189,267	10,437	100,845
Earnings before income taxes		**1,067,760**	**661,468**	**1,723,111**
Income taxes	7	(295,885)	(178,874)	(465,107)
Net earnings for the period/year ended and total comprehensive income		**771,875**	**482,594**	**1,258,004**
Weighted average number of shares outstanding		9,174,507	9,174,507	9,090,233
Basic and diluted earnings per share		**0.084**	**0.053**	**0.138**

The accompanying notes are an integral part of these financial statements

FAB-FORM INDUSTRIES LTD.
STATEMENTS OF FINANCIAL POSITION
As at 30 June 2024,30 June 2023, and 31 December 2022
(Canadian Dollars rounded to nearest dollar)

	Notes	30-Jun-24 $	30-Jun-23 $	31-Dec-22 $
ASSETS				
Current				
Cash and cash equivalents	9	1,547,112	1,012,026	831,894
Short-term investments	10	2,557,517	2,043,332	2,018,634
Trade and other receivables	11	527,655	875,716	608,091
Inventories	12	700,300	625,972	654,286
		5,332,584	**4,557,046**	**4,112,905**
Non current assets				
Property and equipment	13	232,420	108,364	83,761
Right-of-use assets	14	237,547	351,571	408,583
Deferred development costs	15	81,249	72,816	65,450
Intangible assets	16	173,734	114,570	88,933
		724,950	**647,321**	**646,727**
Total Assets		**6,057,534**	**5,204,367**	**4,759,632**
LIABILITIES				
Current				
Trade and other payables	17	361,248	247,837	165,656
Lease liabilities	18	117,337	114,449	113,031
Corporate tax payable	20	52,985	11,918	75,795
		531,570	**374,204**	**354,482**
Non current liabilities				
Lease liabilities	18	130,436	247,775	305,356
Deferred tax liability	8	41,265	-	-
		171,701	**247,775**	**305,356**
Total liabilities		**703,271**	**621,979**	**659,838**
EQUITY				
Share capital	19	1,388,006	1,388,006	1,388,006
Retained earnings		3,966,257	3,194,382	2,711,788
Total equity		**5,354,263**	**4,582,388**	**4,099,794**
Total equity and liabilities		**6,057,534**	**5,204,367**	**4,759,632**

Approved and authorized by the Board 25 October 2024

"Joseph Fearn"
............................., Director

"Vishwanath Kumar"
............................., CFO

The accompanying notes are an integral part of these financial statements

FAB-FORM INDUSTRIES LTD.
STATEMENTS OF CHANGES IN EQUITY
For the year ended 30 June 2024, 31 December 2022 and period of six months ended 30 June 2023
(Canadian Dollars rounded to nearest dollar)

	Notes	Issued Capital		Retained earnings	Total equity
		No of shares	Amount		
			$	$	$
Balance, 1 January 2022		9,084,036	1,264,965	1,453,784	2,718,749
Issue of shares		90,471	123,041	-	123,041
Total net earnings and total comprehensive income			-	1,258,004	1,258,004
Balance, 31 December 2022	19	9,174,507	1,388,006	2,711,788	4,099,794
Balance, 1 January 2023		9,174,507	1,388,006	2,711,788	4,099,794
Total net earnings and total comprehensive income			-	482,594	482,594
Balance, 30 June 2023	19	9,174,507	1,388,006	3,194,382	4,582,388
Balance, 1 July 2023		9,174,507	1,388,006	3,194,382	4,582,388
Total net earnings and total comprehensive income			-	771,875	771,875
Balance, 30 June 2024	19	9,174,507	1,388,006	3,966,257	5,354,263

The accompanying notes are an integral part of these financial statements

FAB-FORM INDUSTRIES LTD.
STATEMENTS OF CASH FLOWS
For the year ended 30 June 2024, 31 December 2022 and period of six months ended 30 June 2023
(Canadian Dollars rounded to nearest dollar)

	Notes	Year ended 30-June-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
Cash flows from operating activities				
Net earnings for the period/year		**771,875**	**482,594**	**1,258,004**
Items not involving use of cash				
Amortization and depreciation	13,15 & 16	40,280	21,028	20,138
Impairment of assets	13	-	-	21,824
Loss on disposal of assets	13,15 & 16	11,401	1,122	-
Depreciation - right-of-use assets	14	114,024	57,012	114,024
Exchange gains		(43,632)	(18,668)	(79,520)
Income taxes	7	295,885	178,874	465,107
Finance cost - lease liabilities	18	7,987	5,055	12,188
		1,197,820	**727,017**	**1,811,765**
Changes in working capital items				
Trade and other receivables	10	348,060	(267,625)	(159,377)
Inventories	12	(74,328)	28,314	147,134
Trade and other payables	17	113,411	82,181	146,274
Cash generated from operating activities		**1,584,963**	**569,887**	**1,945,796**
Income taxes paid	20	(213,553)	(242,751)	(390,397)
Net cash generated from operating activities		**1,371,410**	**327,136**	**1,555,399**
Cash flows from investing activities				
Short-term investments	10	(514,185)	(24,698)	(2,018,634)
Purchase of property and equipment	13	(140,426)	(34,392)	(52,901)
Deferred development costs	15	(21,846)	(8,056)	(39,533)
Intangible assets	16	(81,062)	(37,307)	(85,312)
Net cash used in investing activities		**(757,519)**	**(104,453)**	**(2,196,380)**
Cash flows from financing activities				
Lease payments	18	(122,437)	(61,220)	(122,437)
Net cash used in financing activities		**(122,437)**	**(61,220)**	**(122,437)**
Net increase in cash and cash equivalents		491,454	161,464	(763,418)
Cash and cash equivalents at beginning of the period/year		1,012,026	831,894	1,515,792
Effects of exchange rate changes on cash and cash equivalents		43,632	18,668	79,520
Cash and cash equivalents at end of the period/year	9	**1,547,112**	**1,012,026**	**831,894**

The accompanying notes are an integral part of these financial statements

1 Reporting Entity

Fab-Form Industries Ltd. (the "Company" or "Fab-Form") is a company domiciled in Canada and incorporated under the Business Corporations Act of British Columbia. The address of the Company's head office is Unit 19, 1610 Derwent Way, Delta BC V3M 6W1. The Company develops, manufactures and distributes proprietary technology to form concrete footings, columns, foundations and walls for building structures. The Company also distributes Helix® micro rebar into the BC market and Nudura® insulating concrete forms (ICF), especially into the Lower Mainland of BC market. The Company has traded on the TSX Venture Exchange ("TSX-V" under the symbol FBF) since 2000.

2 Basis of presentation

a) Basis of preparation

These financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"), collectively IFRS Accounting Standards ("IFRS").

In 2023, the Company changed its reporting period from December 31 to June 30. Accordingly, the Company has presented comparative periods as at June 30, 2023 and for the six months ended June 30, 2023 and as at December 31, 2022 and for the year ended December 31, 2022.

b) Basis of measurement

These financial statements were prepared on the historical cost basis, except for financial instruments measured at fair value through profit or loss. The accounting policies set out in Note 3 have been applied consistently to all periods presented in these financial statements.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, the Company's functional currency (rounded to nearest dollar).

d) New and revised standards and interpretations issued but not yet effective

The Company has performed an assessment of new and revised standards issued by the IASB that are not yet effective:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024 and the Company does not expect its adoption to have a material impact on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements. This standard sets out significant new requirements for how financial statements are presented. The focus is particularly on the statement of profit or loss, including requirements for mandatory sub-totals to be presented, aggregation and disaggregation of information, as well as disclosures related to management-defined performance measures. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

e) Use of significant estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have the most significant effect on the amounts recognized in the financial statements:

Estimates

- **Credit losses**
  The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Significant management judgement is required in developing segments and determining level of stratification. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

2 Basis of presentation (continued)

e) Use of significant estimates and judgements (continued)

Significant judgements

- **Capitalization of Intangible (including Development costs)**
  Management applies its judgement in determining the capitalization of intangible assets (which includes product deferred development costs) that create economic benefits in the future from either sale of those products being developed or use of the asset. A significant judgement is required in assessing the future economic benefits expected to be derived from selling the development products and also economic benefits derived from use of assets being capitalized. The Company ensures it has control over the products through gaining patent rights that restrict others from accessing the same benefit.

- **Right-of-use assets and lease liability**
  Management applies judgement in determining the lease term by considering all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option and whether it is reasonably likely that options will be exercised by considering factors such as how far in the future an option occurs, the entity's business planning cycle and past history of terminating/not renewing leases. Extension options (or periods after termination options) are only included in the lease term applied if the lease is reasonably certain to be extended (or not terminated). The lease term for recognized leases is 5 years commencing from 1 Aug 2021.

3 Material accounting policies

a) Financial Instruments

Financial Assets

The Company classifies its financial assets in the following categories at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

- Financial assets at FVTPL: Financial assets carried at FVTPL are initially, recorded at fair value and transaction costs are expenses in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in profit or loss.
- Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income as they arise.
- Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.
- Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.
- The Company has designated its cash and cash equivalents and short term investments as FVTPL. Trade receivables are classified at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

- Fair value through profit or loss — This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.
- Other financial liabilities - This category includes accounts payable and accrued liabilities, accounts payable to related parties, secured convertible debentures and flow-through obligations, all of which are recognized at amortized cost using the effective interest rate (EIR) method, which calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period.
- Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in profit or loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

As at 30 June 2024, the Company does not have any derivative financial liabilities.

3 Material accounting policies (continued)

b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences are recognized in profit or loss.

c) Revenue recognition

The Company manufactures and sells a range of form concrete footings, columns, foundations and walls for building structures. The Company also exclusively distributes Helix® micro rebar and Nudura® insulating concrete forms. Revenue is recognized when performance obligations are satisfied per the contract with customers. Performance obligations are met when control of the products has transferred being when the products are delivered to the customer or a contractor. Delivery occurs when the products have been delivered to a specific location. Revenue from a contract with customers in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. If it is possible that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the revenue is recognized.

Equipment rental income is recognized on a straight line basis over the rental period unless another systematic and rational basis is more representative of the time pattern in which the equipment's benefit is derived. If rental payments are received in advance, the amounts are recognized as deferred revenue and recognized in profit or loss over the rental period according to the rental terms.

d) Interest income

Interest income is recorded using the Effective Interest Rate (EIR) method, which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in profit or loss.

e) Finance cost

Interest expense is recorded using the EIR method, which calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period.. Interest expenses consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

f) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3 Material accounting policies (continued)

f) Income taxes (continued)

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

g) Property and equipment

Property and equipment is measured at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset and cost of direct labour that are attributable to designing, and development of the assetfor its intended use.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within other income in profit or loss. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on the declining balance basis using a 20% annual rate. No amortization is taken on equipment under development. Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

The assets' residual values, useful lives, and methods of depreciation are reviewed at each financial year end and adjusted if appropriate. Any changes in these estimates are accounted for prospectively.

h) Deferred development costs

Product development costs are capitalized only if development costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use as an asset or sell is as a product. The expenditure capitalized includes the cost of material and direct labour costs that are attributable to preparing the product for sale. Overhead costs are not included. Other development expenditure is recognized as an expense in the statement of comprehensive income as incurred.

Amortization is recognized in profit or loss on the straight line method over a period of 20 years. Amortization of the development cost begins when the product is ready for sale. Product development costs are measured at cost less accumulated amortization and accumulated impairment.

i) Intangible assets

Intangible assets are measured on initial recognition at cost which represents the fair market value at the date of the acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

Expenditures relating to patents is recorded at cost and are amortized on a straight-line-basis over the life of the patent to a maximum of 17 years, commencing in the year in which the patent certificate is applied. Costs related to abandoned patent applications are written off in the year the application is abandoned.

Expenditures relating to trademarks are recorded at cost and amortized over 10 years, the life of the trademark. The Company intends to renew the trademarks continuously and evidence supports its ability to do so. Therefore, the trademarks are carried at cost and amortized over 10 years.

Expenditures on software licenses are amortized over the lesser of the term of the licences and 5 years. Expenditures on internally developed websites are amortized over 5 years. Expenditures include costs that are directly attributable to website application and infrastructure development, and graphics development which are reliably measured. These costs are capitalized only when the Company has the ability to obtain or generate future economic benefits and restrict others from accessing those benefits. The Company evaluates the recoverability of capitalized website costs on an annual basis, any impairment recognized in profit or loss.

3 Material accounting policies (continued)

j) Impairment of long-lived assets

At each reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and the value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. Impairment is assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

k) Inventories

Inventories are measured at the lower of weighted average cost or net realizable value. Cost is determined on the average cost basis. Cost includes costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition, including labour. Cost of purchased inventory is determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion.

l) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other financial receivables such as rebates receivable, advances paid to suppliers and prepaid expenses are recognized as other receivables.

Trade and other receivables are initially measured at fair value and subsequently measured at Amortized cost using the Effective Interest Rate (EIR) method less any provision for impairment.

The Company applies the simplified approach in measuring expected credit losses (ECL) allowance which is a policy choice permitted under IFRS 9 on making impairment of trade receivables.

ECLs are probability-weighted estimates of credit losses. The allowance is provided by considering evidence of impairment for receivables of both individual and collective level. Receivables are individually assessed for impairment by considering objective evidence such as experiencing a significant financial difficulty or default in payment by customer. Receivables that are not specifically impaired are then collectively assessed for any impairment. In assessing collective impairment, the Company uses historical information on the probability of default, the timing of recoveries, the amount of loss incurred and makes an adjustment if current and forward looking economic and credit conditions are likely to be greater or lesser than suggested historical trends.

m) Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments with maturities of three months or less, readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalents if they have a short maturity of three months or less from the date of acquisition. Financial instruments can only be included if they are in substance cash equivalents. Investments with maturities over three months are classified as short-term investments, and have not been included as a part of cash and cash equivalents.

3 Material accounting policies (continued)

n) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on 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 assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

The lease liability is measured at amortized cost using the EIR 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 Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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. The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term. During the years/periods presented there were no short-term or low-value asset leases.

o) Share capital

The Company records proceeds from share issuances net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date of issuance.

p) Earning per share

Earnings per share is calculated using the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated using the treasury stock method and reflects the potential dilution of securities by including stock held in escrow in the weighted average number of shares outstanding, if dilutive.

		Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
4	**Revenue**			
	Sale of goods and services	4,562,337	2,495,217	5,974,262
	Rental income	119,619	95,848	157,902
		4,681,956	2,591,065	6,132,164

The Company recorded revenue from the transfer of goods and services at a point-in-time and over time in the following lines of business:

Point-in-time			
New bracing equipment	1,353,700	794,052	1,624,063
Used bracing equipment	24,686	3,287	20,375
Building and concrete forming materials	3,177,118	1,686,973	4,322,319
Training	6,833	10,905	7,505
	4,562,337	2,495,217	5,974,262
Overtime			
Equipment rental	119,619	95,848	157,902
	119,619	95,848	157,902

Contracts with customers are short-term, goods or services transferred and payment terms are within 30 days.

5 Breakdown of expenses by nature

Amortization of deferred developments	2,760	690	1,380
Amortization of right-of-use of assets	114,024	57,012	114,024
Cost of goods sold	2,523,034	1,329,388	3,472,568
Depreciation	15,818	8,668	18,422
Directors' fee (Note 21)	24,000	12,000	24,000
Expected credit loss allowance	828	8,686	-
Impairment of assets	-	-	21,824
Management remuneration (Note 21)	315,585	102,221	219,346
Other expenses	389,330	104,844	202,760
Patent and maintenance expenses	18,473	1,876	7,350
Professional fees	64,218	46,087	30,213
Salaries and payroll related expenses	326,420	263,082	384,894
Total cost of goods sold, distribution costs and administrative expenses	3,794,490	1,934,554	4,496,781
Represented by:			
Cost of sales	2,987,548	1,520,727	3,787,598
General and administration	607,628	303,274	512,208
Selling and marketing	199,314	110,553	196,975
	3,794,490	1,934,554	4,496,781

6 Other income

Interest income	105,451	50,088	6,306
Exchange gains / (losses)	73,521	(41,484)	89,578
Miscellaneous income	10,295	1,833	4,961
	189,267	10,437	100,845

Interest income includes $69,077 (Six months ended 30 June 2023: $47,945, year ended 31 December 2022:$2,841) interest receivable from short-term investments which is included in short-term investments (Note 10).

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $

7 Income taxes

A reconciliation of income tax at statutory rates at the reporting date with the reported taxes is shown in the table below. Income tax expense differs from the amount calculated by applying the enacted federal and provincial rates as follows:

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
Current tax			
Current tax on profits for the year	254,620	178,874	465,107
Total current tax expenses	254,620	178,874	465,107
Deferred income tax			
Increase in deferred tax liabilities	106,768	-	-
Increase in deferred tax assets	(65,503)	-	-
Total deferred tax expense	41,265	-	-
Income taxes	295,885	178,874	465,107
Earnings before income taxes	1,067,760	661,468	1,723,111
Tax using statutory tax rate of 25.55% (30 June 2023: 25.58%, 31 December 2022: 25.80%)	272,826	169,204	444,563
Tax effect of amounts which are not deductible (taxable) in calculated taxable income			
Unrealized exchange gains	(18,806)	-	-
Temporary differences arising from tangible assets	(8,236)	-	-
Temporary differences arising from intangible assets	3,941	-	-
Product development resource reduction	1,973	-	-
Recognition of deferred tax	41,265	-	-
Unrecognized deferred taxes	-	9,670	20,544
Other	2,922	-	-
Income taxes	295,885	178,874	465,107

8 Deferred tax liability

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
Deferred tax assets			
The balance comprises temporary differences attributable to:			
Contractual liabilities - Lease	63,309	-	-
Resource deduction	2,193	-	-
Total deferred tax assets	65,502	-	-
Deferred tax liabilities			
The balance comprises temporary differences attributable to:			
Property and equipment	21,890	-	-
Right-of-use of assets	60,696	-	-
Intangible assets	24,181	-	-
Total deferred tax liabilities	106,767	-	-
Net deferred tax liabilities	41,265	-	-

9 Cash and cash equivalents

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
Cash at banks	1,035,552	1,012,026	831,894
Guaranteed investment certificate	511,560	-	-
	1,547,112	1,012,026	831,894

Guaranteed investment certificate (GIC) includes redeemable prime linked GIC (4.45%) of $500,000 maturing on 10 January 2024.

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
10 Short-Term Investments			
Short-Term deposits - USD	-	1,021,702	1,017,470
Short-Term deposits - CAD	2,557,517	1,021,630	1,001,164
	2,557,517	2,043,332	2,018,634

Short-term investments consists of USD Nil and non redeemable GIC of $2,500,000 (at average rate of 5.32%), maturing $1Mn,$0.5Mn and $1Mn on 03/11/2024, 27/12,2024, and 17/05/2025 respectively. (**2023:** USD$750,000 at 5% (USD 0.25mn and USD0.5Mn matured on 05/09/2023 and 27/09/2023 respectively) and CAD1,000,000 at 4.5% matured on 21/12/2023) (**2022 :** USD$750,000 at 5% (USD 0.25mn and USD0.5Mn matured on 05/09/2023 and 27/09/2023 respectively) and CAD1,000,000 at 4.5% matured on 21/12/2023).

11 Trade and other receivables

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
Trade receivables	472,865	696,824	450,929
Supplier rebates	2,038	40,312	39,076
Deposits, advances and prepayments	51,883	136,376	110,174
GST receivable	869	2,204	7,912
	527,655	875,716	608,091

12 Inventories

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
Raw materials	244,739	95,542	92,170
Finished goods	455,561	530,430	562,116
	700,300	625,972	654,286

Inventories recognized as an expense in cost of sales during the year 30 June 2024 amounted to $2,523,034 (Six months ended 30 June 2023 : $1,329,388, year ended 31 December 2022 :$3,472,568). Write-down of inventories occurred in the year ended 30 June 2024 was $21,568 (six months ended 30 June 2023 was $3,342, year ended 31 December 2022 : $5,399).

13 Property and equipment

	Office Assets $	Production equipment $	Warehouse equipment $	Vehicles $	Total $
Cost					
Balance at 1 January 2022	14,818	97,963	39,135	25,357	177,273
Additions	5,834	42,213	4,854		52,901
Impairment		(24,867)			(24,867)
Balance at 31 December 2022	20,652	115,309	43,989	25,357	205,307
Additions	899	33,493	-	-	34,392
Disposal	-	(8,116)	-	-	(8,116)
Balance at 30 June 2023	21,551	140,686	43,989	25,357	231,583
Additions	2,323	131,189	6,914	-	140,426
Disposal	(1,047)	-	-	-	(1,047)
Balance at 30 June 2024	22,827	271,875	50,903	25,357	370,962
Accumulated depreciation					
Balance at 1 January 2022	(2,301)	(66,106)	(28,509)	(9,250)	(106,166)
Depreciation	(2,690)	(10,224)	(2,566)	(2,942)	(18,422)
Disposal		3,043			3,043
Balance at 31 December 2022	(4,991)	(73,287)	(31,075)	(12,192)	(121,545)
Depreciation	(1,533)	(4,658)	(1,214)	(1,263)	(8,668)
Disposal	-	6,995	-	-	6,995
Balance at 30 June 2023	(6,524)	(70,950)	(32,289)	(13,455)	(123,218)
Depreciation	(2,868)	(7,627)	(3,150)	(2,173)	(15,818)
Disposal	494	-	-	-	494
Balance at 30 June 2024	(8,898)	(78,577)	(35,439)	(15,628)	(138,542)
Carrying amount at 31 December 2022	15,661	42,022	12,914	13,165	83,762
Carrying amount at 30 June 2023	15,027	69,735	11,700	11,902	108,364
Carrying amount at 30 June 2024	13,929	193,298	15,464	9,729	232,420

		Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
14	**Right-of-use of assets**			
	Cost			
	Balance at beginning of the period/year	820,287	820,287	820,287
	Additions	-	-	-
	Balance at end of period/year	820,287	820,287	820,287
	Accumulated amortization			
	Balance at beginning of the period/year	(468,716)	(411,704)	(297,680)
	Amortization	(114,024)	(57,012)	(114,024)
	Balance at end of period/year	(582,740)	(468,716)	(411,704)
	Carrying amount	237,547	351,571	408,583

Right-of-use of assets includes lease office and warehouses in Delta BC. Rental contracts are made for fixed period of five years, with no extension options.

15	**Deferred development costs**			
	Cost			
	Balance at beginning of the period/year	93,078	85,022	45,489
	Additions	21,846	8,056	39,533
	Write off	(10,653)	-	-
	Balance at end of period/year	104,271	93,078	85,022
	Accumulated amortization			
	Balance at beginning of the period/year	(20,262)	(19,572)	(18,192)
	Amortization	(2,760)	(690)	(1,380)
	Balance at end of period/year	(23,022)	(20,262)	(19,572)
	Carrying amount	81,249	72,816	65,450

16 Intangible Assets

	Patents $	Trademarks $	Software $	Website $	Total $
Cost					
Balance at 1 January 2022	6,433	-	-	-	6,433
Additions	26,845	2,057	56,410	-	85,312
Balance at 31 December 2022	33,278	2,057	56,410	-	91,745
Additions	195	5,778	31,334	-	37,307
Balance at 30 June 2023	33,473	7,835	87,744	-	129,052
Additions	1,104	-	37,927	42,031	81,062
Disposal	-	-	(3,091)	-	(3,091)
Write off	(196)	-	-	-	(196)
Balance at 30 June 2024	34,381	7,835	122,580	42,031	206,827
Accumulated amortization					
Balance at 1 January 2022	(2,476)	-	-	-	(2,476)
Amortization	(336)	-	-	-	(336)
Balance at 31 December 2022	(2,812)	-	-	-	(2,812)
Amortization	(983)	(290)	(10,397)	-	(11,670)
Balance at 30 June 2023	(3,795)	(290)	(10,397)	-	(14,482)
Disposal	-	-	3,091	-	3,091
Reclassification	104	(104)	-	-	-
Amortization	(1,926)	(780)	(17,719)	(1,277)	(21,702)
Balance at 30 June 2024	(5,617)	(1,174)	(25,025)	(1,277)	(33,093)
Carrying amount at 31 December 2022	30,466	2,057	56,410	-	88,933
Carrying amount at 30 June 2023	29,678	7,545	77,347	-	114,570
Carrying amount at 30 June 2024	28,764	6,661	97,555	40,754	173,734

The Company has exclusive rights to use proprietary technology. Patents are used, where applicable, to protect those rights.

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
17 Trade and other payables			
Trade	98,094	63,918	51,274
Related party (Note 21)	29,596	9,666	-
Payroll related accruals	200,712	110,735	50,923
Government remittances	13,033	47,358	29,934
Balances due to customers	19,813	16,160	33,525
	361,248	247,837	165,656

Trade payables are unsecured and are usually paid within 30 days of recognition.

Payroll accruals include vacation and bonus payable. Total salaries and wages paid to employees during the period of 12 months ended 30 June 2024 were $739,161.58 (Six months ended 30 June 2023 : $349,089, year ended 31 December 2022: $604,240). Salaries and wages of $133,274 were capitalized as property and equipment, deferred development costs, and intangible assets during year ended 30 June 2024 (Six months ended 30 June 2023:$58,779, year ended 31 December 2022: $28,971).

18 Lease liabilities

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
Balance at beginning of the period/year	362,223	418,388	528,636
Additions	-	-	-
Payments	(122,437)	(61,220)	(122,437)
Finance cost	7,987	5,055	12,188
Balance at end of period/year	247,773	362,223	418,387
Current	117,337	114,449	113,031
Non-current	130,436	247,774	305,356
	247,773	362,223	418,387
Maturity analysis			
Within one year	122,436	122,436	122,436
two to five years	132,640	255,077	316,296
Total undiscounted minimum lease payments	255,076	377,513	438,732
Discount for present value	(7,303)	(15,290)	(20,345)
	247,773	362,223	418,387

19 Share capital

(i) **Authorized:** 100,000,000 common shares without par value.

(ii) **Issued**

Common shares	Quantity	Amount $
Balance - 1 January 2022	9,084,036	1,264,965
Share issuance	90,471	123,041
Balance at 31 December 2022	9,174,507	1,388,006
Share issuance	-	-
Balance - 30 June 2023	9,174,507	1,388,006
Share issuance	-	-
Balance - 30 June 2024	9,174,507	1,388,006

As of 30 June 2024, 46.78% (30 June 2023, 47.02%, 31 December 2022 : 47.02%) of the issued and outstanding voting Common shares of the Company were owned by a director and officer of the Company and a relative of the director and officer.

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
20 Income taxes paid			
Balance at beginning of the period/year	(11,918)	(75,795)	(1,085)
Charge for the year (Note 7)	(254,620)	(178,874)	(465,107)
Net income taxes paid	213,553	242,751	390,397
Balance at end of period/year	(52,985)	(11,918)	(75,795)

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
21 Related party transactions			
Related parties include Key management personnel. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management personnel include Directors, the President, Vice-President and Chief Financial Officer and Chief Technology Officer.			
Related party payable (Note 17)	29,596	9,666	-
(Related party payables are payable on demand without interest).			
Management remuneration (Note 5)	315,585	102,221	219,346
Directors' fees (Note 5)	24,000	12,000	24,000
22 Commitments			
Commitments for purchase of raw material and finished goods in the ordinary course of business.	248,852	255,636	221,569
Commitments for capital expenditure	-	32,471	-
	248,852	288,107	221,569

Commitments includes orders placed at the end of the reporting period/year but products not delivered.

23 Financial instruments and financial risk management

23.1 Management of Capital

The Company considers its capital to consist of all components of its shareholders' equity of $5,354,263 (30. June 2023: $4,582,388, 31 December 2022: $4,099,794).

The Company's objectives for managing capital are to safeguard its ability to continue as a going concern in order to pursue the design, development and marketing of new products to service the concrete forming industry. There were no changes in the Company's approach to capital management during the year ended 30 June 2024 and the Company does not have any externally imposed capital restrictions.

The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Throughout the year, exposure to the US Dollar (USD) was significantly reduced by converting US-denominated cash and cash equivalents to Canadian Dollars when the exchange rates were at their peak. This strategy enabled the Company to realize exchange gains and reinvest the converted funds in income-generating instruments.

23.2 Fair value of financial instruments

The Company’s financial instruments consist of cash and cash equivalents,short term investments, trade receivables, trade and other payables.

The fair values of cash and cash equivalents (classified FVTPL - level 1), short term investments (classified FVTPL - level 1), trade receivables, trade and other payables approximate their carrying values due to the short-term maturities of those instruments.

Fair value hierarchy
The fair value hierarchy classifies inputs used in valuation techniques into three levels:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Unobservable inputs for the asset or liability, relying on the entity's own assumptions about market participant pricing.

23.3 Financial risk management

Exposure to counterparty credit risk and foreign currency risk arises in the normal course of the Company’s business.

The Company currently does not enter into derivative financial instruments to reduce exposure to fluctuations in any of the risks impacting the Company’s operations.

23 Financial instruments and financial risk management (continued)

23.3 Financial risk management (continued)

Credit risk

Credit risk refers to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk, which is a worst case scenario and does not reflect results expected by the Company, is as follows:

	As at year ended 30-Jun-24	As at period of six months ended 30-Jun-23	As at year ended 31-Dec-22
	$	$	$
Cash and Cash Equivalents	1,547,112	1,012,026	831,894
Short-Term investments	2,557,517	2,043,332	2,018,634
Trade receivables and supplier rebates	474,903	737,136	490,005
Total	**4,579,532**	**3,792,494**	**3,340,533**

The credit risk on cash and short-term investments are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has credit risk as a result of its trade receivables and supplier rebates. trade receivables and supplier rebates consists of a large number of customers, spread across diverse industries. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. As such, the Company does not anticipate any significant credit losses. Of the trade receivables and supplier rebates balance at 30 June 2024, no customers represented greater than 10% of the total receivable balance. There were no significant changes to the credit risk management during the year.

The following table presents an analysis of the age of customer trade receivables.

As at year ended 30 June 2024

	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
	$	$	$	$	$
Trade receivables (CAD customers)	167,576	96,734	15,783	156,196	436,289
Trade receivables (USD customers)	36,170	11,633	1,689	326	49,818
Supplier rebates	2,038	-	-	-	2,038
Total	205,784	108,367	17,472	156,522	488,145
Loss allowance %	0.4%	1.4%	3.1%	6.6%	2.7%
Expected credit losses	(807)	(1,510)	(543)	(10,382)	(13,242)
Net receivables	204,977	106,857	16,929	146,140	474,903

As at period of six months ended 30 June 2023

	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
	$	$	$	$	$
Trade receivables (CAD customers)	353,430	89,258	48,466	41,847	533,001
Trade receivables (USD customers)	135,061	37,651	3,521	2,024	178,257
Supplier rebates	40,312	-	-	-	40,312
Total	528,803	126,909	51,987	43,871	751,570
Loss allowance %	0.7%	0.5%	0.5%	23.6%	1.9%
Expected credit losses	(3,212)	(585)	(273)	(10,364)	(14,434)
Net receivables	525,591	126,324	51,714	33,507	737,136

As at year ended 31 December 2022

	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
	$	$	$	$	$
Trade receivables (CAD customers)	48,165	160,670	19,423	163,921	392,179
Trade receivables (USD customers)	16,364	40,450	18,522	8,348	83,684
Supplier rebates	39,076	-	-	-	39,076
Total	103,605	201,120	37,945	172,269	514,939
Loss allowance %	1.3%	0.5%	8.3%	11.3%	4.8%
Expected credit losses	(1,298)	(1,036)	(3,141)	(19,459)	(24,934)
Net receivables	102,307	200,084	34,804	152,810	490,005

23 Financial instruments and financial risk management (continued)

23.3 Financial risk management (continued)

Credit risk (continued)

	Year ended 30-Jun-24 $	Period of six months ended 30-Jun-23 $	Year ended 31-Dec-22 $
The loss allowances for trade receivables as at 30 June reconciled to the opening loss allowances as follows:			
Balance at beginning of the period/year	14,434	24,934	24,934
Increase/(decrease) in loss allowance recognized in profit or loss	828	8,686	-
Write offs	(2,020)	(19,186)	-
Balance at end of period/year	13,242	14,434	24,934

Trade receivables are non-interest bearing and are generally on 30 day terms.

In determining the expected credit loss amount, the Company considers the client's financial position, service and payment history and economic conditions.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents or short term investments and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash, as well as through the availability of funding from committed credit facilities. As at 30 June 2024, the Company had cash and cash equivalents of $1,547,112 (30 June 2023 : $1,012,026).

The Company's financial liabilities, based on contractual undiscounted payments at 30 June 2024, were $603,291 (At 30 June 2023: $577,992, at 31 December 2022 $438,732). Management believes that future cash flows from operations will be adequate to support the financial liabilities. Trade payables are non-interest bearing and are normally settled on 30 day term.

The tables below analyze the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities.

	Total	Less than 6 months	6-12 months	Between 1-2 years	Between 3-4 years	More than 5 years
As at 30 June 2024	**$**	**$**	**$**	**$**	**$**	**$**
Trade and other payables	348,215	348,215	-	-	-	-
Lease liabilities	255,076	61,218	61,218	132,640	-	-
	603,291	409,433	61,218	132,640	-	-

	Total	Less than 6 months	6-12 months	Between 1-2 years	Between 3-4 years	More than 5 years
As at 30 June 2023	**$**	**$**	**$**	**$**	**$**	**$**
Trade and other payables	200,479	200,479	-	-	-	-
Lease liabilities	377,513	61,218	61,218	244,874	10,203	-
	577,992	261,697	61,218	244,874	10,203	-

	Total	Less than 6 months	6-12 months	Between 1-2 years	Between 3-4 years	More than 5 years
As at 31 December 2022	**$**	**$**	**$**	**$**	**$**	**$**
Trade and other payables	135,722	135,722	-	-	-	-
Lease liabilities	438,732	61,218	61,218	244,874	71,422	-
	574,454	196,940	61,218	244,874	71,422	-

23 Financial instruments and financial risk management (continued)

23.3 Financial risk management (continued)

Market risk
The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(a) Currency risk
The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to currency risk, primarily the USD. Currency risk arises from future commercial transactions, and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Company's exposure to USD at the end of the year, expressed in CAD , was as follows.

	Year ended 30-Jun-24	Period of six months ended 30-Jun-23	Year ended 31-Dec-22
	$	$	$
Accounts receivable	49,818	257,172	83,684
Cash and cash equivalents	906,551	785,837	363,394
Short-term investments	-	1,021,702	1,017,470
	956,369	2,064,711	1,464,548
Accounts payable	(22,309)	(9,702)	(6,899)
Net Exposure	934,060	2,055,009	1,457,649
Impact on net earnings from a change in USD/CAD exchange rate by 10%	93,406	205,501	145,765

(b) Other price risk
The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.The Company is exposed to other price risk on their cash and cash equivalents and short term investments classified as FVTPL. However, the risk is not significant due to the short term maturities of these instruments.

(c) Interest rate risk
The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any short or long term borrowings or deposits that are directly exposed to interest rate risk.

24 Segmented information

The Company operates in one reportable segment being the manufacture and distribution of concrete forming products. The enterprise-wide disclosures are as follows:

		Year ended 30 June 2024		Period of six months ended 30-Jun-23		Year ended 31-Dec-22	
		$		$		$	
Gross Sales	Canada	3,228,019	68.9%	1,793,525	69.2%	4,456,620	72.7%
	USA	1,453,937	31.1%	797,540	30.8%	1,675,544	27.3%
	Total	**4,681,956**	**100.0%**	**2,591,065**	**100.0%**	**6,132,164**	**100.0%**
Total assets	Canada	5,665,509	93.5%	4,863,829	93.5%	3,535,841	74.3%
	USA	392,025	6.5%	340,538	6.5%	1,223,791	25.7%
	Total	**6,057,534**	**100.0%**	**5,204,367**	**100.0%**	**4,759,632**	**100.0%**
Capital expenditure	Canada	243,334	100.0%	79,755	100.0%	177,746	100.0%
	USA	-	-	-	-	-	-
	Total	**243,334**	**100.0%**	**79,755**	**100.0%**	**177,746**	**100.0%**

Capital expenditure refers to purchases of property and equipment, deferred development costs and intangible assets. All non-current assets are located in Canada.

25 Prior period adjustment

Other income previously presented as part of "earnings from operations" for the six months ended June 30, 2023, amounting to $10,437 and for the twelve months ended December 31, 2022, amounting to $100,845, has been reclassified to "other income" as the nature of this income is not part of the Company's operating activities. Accordingly, "earnings from operations" decreased by $10,437 for the six months ended June 30, 2023, and decreased $100,845 for the twelve months ended December 31, 2022. There was no change "net earnings and total comprehensive income" and "basic and diluted earnings per share" for the six months ended June 30, 2023, and the twelve months ended December 31, 2022.