AVANTE CORP. (Formerly AVANTE LOGIXX INC.)

Consolidated Financial Statements

March 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Avante Corp.

Opinion

We have audited the consolidated financial statements of Avante Corp. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting 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 Consolidated 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 consolidated 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 consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have considered all of the above considerations and drafted the below for our auditor's report:

Occurrence and Accuracy of Revenue Recognition

Refer to note 3 – summary of material accounting policies - revenue from contracts with customers and revenue recognition and deferred revenue, note 4 – critical accounting estimates and judgments – revenue and contract assets, and note 6 – revenue recognition to the consolidated financial statements.

Revenue from all streams was $24,949,785 for the year ended March 31, 2024. The company recognizes revenue from all revenue streams over time, based on the percentage or stage of completion, in accordance with the terms of customer contracts.

We identified the timing and accuracy of the Company's revenue recognition as a key audit matter because of the heightened degree of complexity and management judgement associated with recording multiple different revenue streams in accordance with varying terms of agreements with customers. Management is required to make judgements when recording revenues over time based on various stages of contract completion, resulting in increased estimation uncertainty. Significant audit effort and judgement was required to perform procedures over management's assessment of revenue recognition and to evaluate the results of those procedures.

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How our audit addressed the Key Audit Matter

Our approach to addressing the matter included the following procedures, among others:

- We evaluated management's policies and procedures for revenue recognition to assess whether each revenue stream was recognized appropriately in accordance with the applicable accounting standards.
- We tested revenue recognized on a sample basis by agreeing sales transactions to the underlying sales invoice, cash receipts, contracts terms, and other supporting documentation.
- We tested management's assessment of revenue recognized based on the percentage of projects completed on a sample basis by agreeing projects in progress at year-end to the underlying contract terms, technician notes and progress billings.
- We tested that each performance obligation included in contracts with more than one performance obligation, was measured at relative fair value based on their standalone selling prices and in the correct time period based on the percentage of the project completed.

Acquisition of North Star Support Group

Refer to note 3 – summary of material accounting policies – business combinations, note 4 – critical accounting estimates and judgements – intangible assets and goodwill, and note 13 – business acquisitions.

On October 1, 2023, Avante Corp. via its subsidiary Avante International Inc., acquired a controlling interest of 55% in North Star Support Group ("NSSG"), an international risk management and security company, for purchase consideration of $1,834,561. The Company determined that it obtained control of NSSG and has consolidated the acquired company as at the acquisition date. The main asset acquired in the business combination was intangible assets consisting of customer relationships and trade names at a combined assessed fair value of $1,185,560. The acquisition resulted in goodwill of $1,529,320.

We identified the acquisition of NSSG as a key audit matter due to the significant judgements applied in evaluating whether the Company obtained control of the acquiree and in assessing the fair value of intangible assets acquired. The evaluation of control of NSSG involved subjectivity and complexity, and increased management judgement. Management made significant assumptions in its valuation model for projected cash flows, revenue growth projections, EBITDA margins, and discount rate. These significant assumptions involve a high degree of estimation uncertainty and complexity. This has resulted in increased audit effort, including the use of valuation specialists, and a high degree of auditor judgment to evaluate the audit evidence obtained.

How our audit addressed the Key Audit Matter

Our approach to addressing the matter included the following procedures, among others:

- Reviewed and analyzed the signed purchase agreement to determine if Avante obtained control of NSSG in accordance with IFRS 10, and evaluated whether Avante has substantive rights to direct the relevant activities of the investee, and whether the non-controlling rights were protective or substantive.
- Evaluated management's identification of acquired intangible assets, including assessing whether other unidentified intangible assets were present.
- Evaluated the inputs used in the valuation model, including projected cash flows, revenue growth projections, EBITDA margins, and discount rate, using comparative company data, sensitivity analysis, and historical financial information.

- With the assistance of internal valuation specialists, evaluated the reasonableness of management's model by:
    - Assessing the appropriateness of valuation models used and testing the significant assumptions and inputs by comparing to externally available industry data and economic trends.
    - Evaluating budgets and forecasts for future operations.
    - Comparing against guideline companies within the same industry.
- Assessed the appropriateness of disclosures in relation to the assumptions used in the acquisition in the notes to the consolidated financial statements.
- Assessed the competency and objectivity of those involved in the valuation of intangible assets, including management's internal valuation team and management's external valuation specialists, by considering their qualifications and expertise.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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

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

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jamie Zuk.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
July 30, 2024
Toronto, Ontario

AVANTE CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2024 AND MARCH 31, 2023

	Mar 31, 2024	Mar 31, 2023
ASSETS		
CURRENT		
Cash and cash equivalents	$ 6,030,907	$ 10,114,383
Accounts receivable (note 8)	7,392,456	5,601,479
Inventories (note 9)	1,103,250	929,375
Contract assets (note 6b)	285,548	482,029
Prepaid expenses	591,836	192,681
	15,403,997	17,319,947
NON-CURRENT ASSETS		
Property, plant & equipment (note 10)	2,335,755	2,442,680
Capitalized commissions (note 11)	4,164	4,355
Deferred tax assets (note 19)	435,632	719,878
Intangible assets (note 12)	2,488,697	1,860,290
Goodwill (note 12)	4,501,317	2,971,997
Long term notes receivable	-	264,183
	9,765,565	8,263,383
TOTAL ASSETS	**$ 25,169,562**	**$ 25,583,330**
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	4,570,790	4,196,532
Bank indebtedness (note 14)	-	500,000
Loan from officer	89,670	-
Corporate tax payable	1,466	-
Obligations under lease (note 15)	562,052	569,792
Contract liabilities (note 6b)	2,388,521	2,139,672
Put option liability (note 13)	1,269,562	-
	8,882,061	7,405,996
NON-CURRENT LIABILITIES		
Obligations under lease (note 15)	818,096	1,064,220
Dividend payable to non-controlling shareholder of NSSG	606,486	-
Cash settled share-based payment liabilities (note 22)	1,209,875	-
Deferred tax liability (note 19)	143,957	332,024
	2,778,414	1,396,244
TOTAL LIABILITIES	**11,660,475**	**8,802,240**
SHAREHOLDERS' EQUITY		
Share capital (note 16a)	30,233,361	30,138,388
Contributed surplus (note 16b)	2,395,960	2,340,769
Equity component of put option	(370,752)	-
Accumulated other comprehensive deficit	(2,019)	-
Accumulated deficit	(18,726,858)	(15,698,067)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**13,529,692**	**16,781,090**
Non-controlling interest (note 17)	(20,605)	-
TOTAL EQUITY	**13,509,087**	**16,781,090**
TOTAL EQUITY & LIABILITIES	**$ 25,169,562**	**$ 25,583,330**

Contingencies (note 26)
Subsequent events (note 27)

AUTHORIZED FOR ISSUE ON BEHALF OF THE BOARD:

Signed "Emmanuel Mounouchos" Director *Signed "Daniel Argiros" Director*

See accompanying notes to the consolidated financial statements

AVANTE CORP.

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED MARCH 31, 2024 AND MARCH 31, 2023

	For the year ended	
	Mar 31, 2024	**Mar 31, 2023**
Revenues from continuing operations (note 6a)	$ 24,949,785	$ 19,960,315
Cost of sales	14,634,375	11,837,890
Gross profit	10,315,410	8,122,425
Operating expenses		
Salaries, benefits and commissions	6,161,038	3,608,018
Administration	4,817,785	3,245,567
Depreciation on capital assets (note 10)	863,185	706,571
Amortization on intangible assets (note 12)	557,153	392,551
Merchant transaction fees and bank charges	422,377	334,701
Share based payments (note 16b)	55,191	653,929
	12,876,729	8,941,337
Income (loss) before other income and expenses and reorganization and acquisition costs	(2,561,319)	(818,912)
Other (income) expenses		
Miscellaneous income	(538,918)	(337,522)
Interest expense	232,577	212,898
Foreign exchange loss	857	7,366
Loss on revaluation of put option liability (note 13)	649,143	-
	343,659	(117,258)
Income (loss) before reorganization and acquisition costs	(2,904,978)	(701,654)
Reorganization and acquisition costs (note 23)	231,211	2,560,292
Income (loss) before income taxes	(3,136,189)	(3,261,946)
Provision for income taxes		
Income tax expense to the prior year (recovery) (note 19)	1,466	
Deferred income tax expense (recovery) (note 19)	(88,259)	593,927
Net income (loss) from continuing operations for the year	(3,049,396)	(3,855,873)
Net income from discontinued operations for the year net of tax (note 24)	-	3,888,183
Net income (loss) for the year	$ (3,049,396)	$ 32,310
Net income (loss) for the year attributable to:		
Equity holders of the parent	(3,028,791)	32,310
Non-controlling interests (note 17)	(20,605)	-
	$ (3,049,396)	$ 32,310
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net loss		
Unrealized gain (loss) on translating financial statements of foreign operations	(2,019)	-
	$ (2,019)	$ -
Total comprehensive income (loss) for the year	**$ (3,051,415)**	**$ 32,310**
Equity holders of the parent	(3,030,810)	32,310
Non-controlling interests	(20,605)	-
Total comprehensive income (loss) for the year	$ (3,051,415)	$ 32,310
Net income (loss) per share attributable to equity holders of the parent (note 5)		
Basic and diluted loss per share from continuing operations (note 5)	($0.114)	($0.146)
Basic and diluted income per share from discontinued operations	$0.000	$0.147
Basic and diluted loss per share	($0.114)	$0.001
Weighted average number of shares outstanding for basic and diluted calculation	26,570,828	26,489,438

See accompanying notes to the consolidated financial statements

AVANTE CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2024 AND MARCH 31, 2023

	Share Capital	Contributed Surplus	Other Equity	Deficit	Accumulated Other Comprehensive Income	Subtotal	Non-controlling Interest	Total Equity
Balance at April 1, 2022	**$30,138,388**	**$1,643,982**	**$ -**	**($15,730,377)**	**$ -**	**$16,051,993**	**$ -**	**$16,051,993**
Income for the year	-	-	-	32,310	-	32,310	-	32,310
Share based payments	-	696,787	-	-	-	696,787	-	696,787
Balance at March 31, 2023	**$30,138,388**	**$2,340,769**	**$ -**	**($15,698,067)**	**$ -**	**$ 16,781,090**	**$ -**	**$16,781,090**
Balance at April 1, 2023	**$30,138,388**	**$2,340,769**	**$ -**	**($15,698,067)**	**$ -**	**$16,781,090**	**$ -**	**$16,781,090**
Loss for the year	-	-	-	(3,028,791)	-	(3,028,791)	(20,605)	(3,049,396)
Unrealized gain on translating financial statements of foreign operations	-	-	-	-	(2,019)	(2,019)		(2,019)
Share based payments	-	55,191	-	-	-	55,191	-	55,191
Equity component of put option (note 13)	-	-	(370,752)	-	-	(370,752)	-	(370,752)
Issuance of common shares (note 16)	94,973	-	-	-	-	94,973	-	94,973
Balance at March 31, 2024	**$30,233,361**	**$ 2,395,960**	**$ (370,752)**	**$ (18,726,858)**	**$ (2,019)**	**$ 13,529,692**	**$ (20,605)**	**$13,509,087**

See accompanying notes to the consolidated financial statements

AVANTE CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2024 AND
MARCH 31, 2023

	For the year ended	
	Mar 31, 2024	**Mar 31, 2023**
Operating activities		
Net income (loss) for the year	$ (3,049,396)	$ 32,310
Gain on disposal of capital assets	(80,096)	-
Share based payments	55,191	653,929
Interest on bank loans and leases	228,874	212,898
Depreciation on capital assets (note 10)	863,185	706,571
Amortization on intangible assets (note 12)	557,153	392,551
Amortization on capitalized commission (note 11)	2,728	9,007
Amortization of deferred financing	-	334,951
Provision for income tax	96,179	593,927
Capitalization of commissions	(2,537)	-
Loss on revaluation of put option liability (note 13)	587,431	-
	(741,288)	2,936,144
Net change in non-cash working capital:		
Accounts receivable	(1,030,602)	(1,899,322)
Inventories	(173,875)	7,353
Contract assets (note 6b)	196,481	82,640
Prepaid expenses	(382,440)	58,009
Current income tax	1,466	-
Accounts payable and accrued liabilities	1,117,700	(1,924,051)
Contract liabilities (note 6b)	248,849	(112,531)
	(22,421)	(3,787,902)
Cash used in continuing operations	(763,709)	(851,758)
Net cash flows attributable to discontinued operations	-	(2,906,222)
Net cash used in operating activities	(763,709)	(3,757,980)
Financing activities		
Proceeds from loans	500,000	500,000
Principal loan payments	(1,000,000)	(9,200,000)
Principal lease payments (note 15)	(665,902)	(519,442)
Interest on bank loans, and leases	(228,874)	(212,898)
Cash from (used in) continuing operations	(1,394,776)	(9,432,340)
Net cash flows attributable to discontinued operations	-	(71,471)
Net cash from (used in) financing activities	(1,394,776)	(9,503,811)
Investing activities		
Acquisition of subsidiary, net of cash (note 13)	(1,728,000)	-
Net proceeds from sale of LSI subsidiary (note 25)	-	23,733,248
Purchase of intangible assets (note 12)	-	(575,000)
Purchase of capital assets	(237,711)	(379,826)
Disposal of capital assets	77,520	309,419
Additions to leases	(34,781)	(28,444)
Cash from (used in) continuing operations	(1,922,972)	23,059,397
Net cash flows attributable to discontinued operations	-	(37,305)
Net cash from (used in) investing activities	(1,922,972)	23,022,092
Increase (decrease) in cash during the year	(4,081,457)	9,760,301
Cash and cash equivalents, beginning of year	10,114,383	354,082
Unrealized foreign exchange gain on cash and cash equivalents held in foreign currencies	(2,019)	-
Cash and cash equivalents, end of year	$ 6,030,907	$ 10,114,383

See accompanying notes to the consolidated financial statements

1. NATURE OF BUSINESS

Avante Corp., formerly Avante Logixx Inc. (the "Company") develops security technologies, products and solutions for personal and condominium protective services, monitoring and control applications, secure transportation and private investigations. All of these activities are conducted through the following subsidiaries: Avante Security Inc. ("Avante Security"), which is 100% owned, Avante International Inc., which is 100% owned, Avante Holding Corp., which is 100% owned, The TOYBOXX Inc. ("ToyBoxx"), which is 51% owned and North Star Support Group S.R.L. ("NSSG"), in which the Company acquired a 55% majority interest on October 1, 2023.

The Company's common shares are listed on the TSX Venture Exchange under the symbol XX.V (OTC: ALXXF).

Avante Security provides premium security services for residential and condominium customers in Toronto and Muskoka, Ontario through the use of advanced technology and a focus on client service. Avante Security's business provides a complete offering ranging from system design, sales, installations, and monitoring to services such as alarm response and patrols, personal protection, house staff training, and secure transportation. Avante Security has a specialized skillset in high-rise security integration, monitoring and electronic building management. It also provides consulting and installation of automation and security solutions for the high-end residential market. Avante Security's signature offerings are its Rapid Alarm Response services, and its Intelligent Perimeter Protection Video Analytics. Avante Security also provides extensive offerings, which include Closed Circuit Television ("CCTV"), access controls and security services for travelling executives. Avante Security uses its proprietary two-way wireless communication technology for security and in other market segments for various remote control and monitoring functions.

Avante Black, a division of Avante Security, offers highly specialized services that are bespoke to specific needs of the client for a specific purpose. Services offered include specialized security services providing 24 hour, 7 days a week, 365 days security, cyber monitoring, investigations and international secured transportation.

On October 1, 2023, Avante Corp., via its subsidiary Avante International Inc., acquired a 55% in North Star Support Group S.R.L. ("NSSG"), which is a risk management and security company. It primarily specializes in offering international secured transportation, investigation services, medical services, emergency SOS services and sophisticated cyber sentiment monitoring and sensitive investigations tailored for executive customers on a global scale.

In September 2023, Avante Corp., operating through its subsidiary Avante Holding Corp., formally established ToyBoxx, which commenced its auto storage services in December 2023. The service offers security for high-value vehicle owners in Toronto, Ontario.

Logixx Security provided security services for enterprise customers across Canada. Services include protective services (also known as guarding) as well as security system design, sales, installations, and monitoring and alarm response. The Company sold its entire ownership interest in Logixx Security on June 1, 2022 (Note 25).

The address of the Company's corporate office is 1959 Leslie Street, Toronto, Ontario, Canada. The Company is domiciled in Canada and was incorporated in Canada.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies described herein.

The consolidated financial statements were authorized for issue by the Board of Directors on July 30, 2024.

2. BASIS OF PRESENTATION (CONTINUED)

b) Basis of measurement

The consolidated financial statements of the Company are presented in Canadian dollars, which is the Company's presentation currency. NSSG, a subsidiary, uses the euro as its functional currency, while the Company and all other subsidiaries uses Canadian dollars as its functional currency. Transactions in foreign currencies are translated into the respective functional currencies at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Assets and liabilities of foreign operations are translated into the presentation currency at the spot exchange rate in effect as of the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rates for the reporting period. Any resulting translation differences from the above translation methods are recognized in other comprehensive income.

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and other entities that the Company controls (subsidiaries). Control exists when the Company is exposed or has the existing rights to variable returns and the current ability to direct activities that significantly affect the entities' returns. Consolidation of the subsidiaries begins on the date on which control is obtained and ends when control of the entity ceases to exist. The Company assesses control on an ongoing basis.

Non-controlling interests in subsidiaries are identified separately from the Company's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

The financial statements of the Company and subsidiaries are prepared as of the same dates and periods. The consolidated financial statements are prepared using uniform accounting policies by all companies in the Company. Transactions and balances between the Company and its consolidated entities have been eliminated on consolidation.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The Company's composition is made of the subsidiaries listed below.

	Ownership interest held at	
Name of entities	Mar 31, 2024	Mar 31, 2023
Avante Security Inc.	100%	100%
Avante International Inc.	100%	0%
Avante Holding Corp	100%	0%
North Star Support Group S.R.L.	55%	0%
THE TOYBOXX INC.	51%	0%

On October 1, 2023 Avante Corp., set up a wholly owned subsidiary, Avante International Inc., to acquire a 55% stake in NSSG, a risk management and security company (note 13). The comprehensive purchase cost amounted to $1,834,561, with payment structured as a blend of $1,728,000 in cash and the issuance of 154,301 common shares in the Company. NSSG is consolidated with effect from October 1, 2023.

In October 2023, Avante Corp., set up a wholly owned subsidiary, Avante Holding Corp and invested 51% in ToyBoxx. ToyBoxx is consolidated with effect from September 14, 2023 (note 17).

Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the consolidated statements of income and comprehensive income. In these financial statements, the financial results of Logixx Security are treated as discontinued operations along with assets and liabilities held for sale as of March 31, 2022, as the Company had executed a definitive agreement to sell Logixx Security to a third party on March 30, 2022 and this ultimately resulted in the sale of the Company's entire ownership interest in Logixx Security on June 1, 2022.

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognized for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognized for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognized.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and guaranteed investment certificates ("GICs") with financial institutions and other short-term, highly liquid investments with original maturities of three months or less and interest rates that are readily convertible to known amounts of cash and subject to an insignificant risk or change in value.

Inventories

Inventories are valued at the lower of cost and net realizable value with cost being determined on a first-in, first-out basis.

The cost of inventories comprises costs of purchase and costs incurred bringing the inventories to their present location. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated selling costs.

In determining inventory valuation, any obsolete or damaged inventory was written down to net realizable value.

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, Plant & Equipment

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

Depreciation is provided for using the following rates and methods:

Computer Equipment	- 30%, declining balance basis
Computer Software	- Period of useful life (3 years), straight line basis
Equipment, furniture, and fixtures	- 20%, declining balance basis
Leasehold improvements	- Period of the lease, straight line basis
Vehicles	- 30%, declining balance basis
Right-of-use-assets	- Period of the lease, straight line basis
Buildings	- 4%, declining balance basis
Uniforms	- Period of useful life (3 years), straight line basis

Intangible assets

Externally acquired intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. The cost of intangible assets acquired through business combinations is their fair value at the acquisition date. These intangible assets are amortized on a straight-line basis over their estimated useful lives and are tested for impairment whenever events or changes indicate that their carrying amount may not be recoverable. Useful lives, residual values and amortization methods for these intangible assets with finite useful lives are reviewed at least annually.

Intangible assets are recognized on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques. The significant intangible assets recognized by the Company and their useful economic lives are as follows:

Trade name	- 1-10 years
Customer relationships	- 5-12 years
Order backlog	- 1-4 years

Goodwill and Indefinite Life Intangible Assets

Goodwill arising on business combinations is recognized as an asset at the date that control is acquired. Goodwill and indefinite life intangible assets are subsequently measured at cost less any accumulated impairment losses and are not amortized but are tested for impairment on an annual basis or more frequently if there are indicators of impairment as described in the Impairment of Non-Financial Assets accounting policy. The cost of goodwill is calculated as the excess of purchase price of the acquired business over the estimated fair value of the tangible and intangible assets acquired and liabilities assumed at the date of acquisition and is allocated to the cash generating unit (“CGU”) expected to benefit from the acquisition. A CGU is the smallest group of assets for which there are separate identifiable cash flows.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of Non-Financial Assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. Impairment testing of goodwill and indefinite life intangible assets is done at least annually at the March 31 year end or when there are indicators of impairment.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the CGU. Any impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income. As of March 31, 2024, the Company has two CGUs, Avante Security and NSSG. With the sale of Logixx Security on June 1, 2022, the Company had one CGU as of March 31, 2023.

An impairment loss of an asset is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss is limited to the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years, and its recoverable amount. The reversal of impairment loss of an asset is recognized in profit and loss.

Financial Instruments: Classification and Measurement

(a) *Classification*

Financial assets are classified by the Company in the following measurement categories: i) those to be measured at fair value through profit or loss (FVTPL), ii) those to be measured at fair value through other comprehensive income (FVOCI), and iii) those to be measured at amortized cost. Financial liabilities are measured at amortized cost unless designated to be measured at FVTPL. Classification depends on the contractual terms of the cash flows. Gains or losses for instruments measured at fair value are either recorded in profit or loss or other comprehensive income.

(b) *Measurement*

Financial instruments are measured at fair value on initial recognition as required, plus directly attributable transaction costs on the acquisition or issuance of financial assets and liabilities not measured at FVTPL. Transaction costs related to assets and liabilities measured at FVTPL are recorded in profit or loss at the time of acquisition or issuance. Trade receivables without a significant financing component are the exception and are initially measured at the transaction price.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of the subsequent accounting periods using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. All other financial assets are measured at their fair values at the end of accounting periods, with any changes recognized through profit and loss or other comprehensive income.

On initial recognition of a financial asset that is neither held for trading nor contingent on consideration recognized by an acquirer in a business combination, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income. This election is made on an investment-by-investment basis.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial Instruments: Classification and Measurement (Continued)

Summary of Financial Instruments Classification and Measurement:

Financial assets and liabilities	Classification	Measurement
Cash and cash equivalents	Amortized cost	Amortized cost
Accounts receivable	Amortized cost	Amortized cost
Bank indebtedness	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Obligations under lease	Amortized cost	Amortized cost
Long term notes receivable	Amortized cost	Amortized cost
Loan from officer	Amortized cost	Amortized cost
Dividend payable to NCI	Amortized cost	Amortized cost
Put option liability	Amortized cost	Amortized cost
Cash settled share-based payment liabilities	FVTPL	Fair value

Determination of fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The balance sheet carrying amounts for cash and cash equivalents, accounts receivables, accounts payables and accrued liabilities, bank indebtedness and obligations under lease approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value or disclosed at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

Revenue from Contracts with Customers

Under IFRS 15, revenue is to be recognized in a manner that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances. The standard also specifies the accounting for the incremental cost of obtaining a contract and the costs directly related to fulfilling a contract.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The Company considered the terms of the contract in determining the five steps of the framework to recognize revenue from contracts with customers. The five-step model framework implemented by the Company is: i) identify the contract with a customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company enters into contracts with customers for a) protective services, b) monitoring and managed services, c) electronic services, d) security devices and hardware, e) secured transportation, f) investigations, g) cyber monitoring and f) consulting.

Performance obligations for the majority of the contracts that the Company enters into are completed in less than twelve months, and as such, the Company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations as the original expected durations are one year or less.

Typically, the Company does not bundle distinct services within a single contract however in some instances contracts bundle distinct services, in which case each component of bundled goods and services are measured at their relative fair values, based on stand-alone selling prices. The performance obligations for contracts, whether installations, or installations and monitoring, or protective services and monitoring contracts, secured transport, investigations, cyber monitoring and consulting are distinct from one and another.

The Company also considered whether it acted as a principal or an agent under IFRS 15 guidelines and determined that in all cases the Company acted as a principal.

Accounting for revenue recognition

The Company recognizes revenue from long term contracts based on the stage of completion of the performance obligation delivered. Revenue from contracts is recognized over time as the customer controls the asset as it is created, the Company's performance creates and or enhances an asset in the customer's control, and the Company has an enforceable right to payment for performance completed to date.

Contract modifications will be accounted for as a separate contract with the customer, or it will be accounted for by modifying the accounting for the current contract with the customer. Modifications that are distinct from those delivered prior to the modification will be accounted for prospectively, if the modifications are not distinct, they will be accounted for retrospectively. Any modification to the Company's customer contracts are considered distinct and separate, and, therefore are accounted for prospectively or under a new and separate contract. In the current year, the Company did not have any contract modifications.

The Company does not accept returns, with the exception of defective parts / equipment installed, which are under warranty by the parts/ equipment manufacturer, usually for a period of one year. The Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. Therefore, the company does not adjust the transaction price.

Accounting for costs incurred in acquiring contracts

IFRS 15 requires the treatment of certain costs directly incurred in acquiring customer contracts (such as sales commissions) to be recognized as an asset and amortized into selling, general, and administrative expenses over time consistent with the pattern of transfer of the goods or services to which the asset relates. A significant portion of the Company's open contracts at the end of the period are to be completed within 12 months or less. In instances where the contract term is longer than 12 months, the Company recognizes an asset as capitalized commissions, and it is amortized into advertising and selling expenses over time.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Deferred Revenue

The Company's revenue recognition policy from its various sources is as follows:

(i) Revenue from protective services subscribers includes performance obligations such as executive security services, general guarding and travel advisory services, which are recognized over the term of the subscriber agreement as the services are provided. Performance obligations on secure transportation services are recognized over time. Contract liabilities (deferred revenue) result from subscribers that are billed in advance of the period in which such services are provided, on a monthly, quarterly, semi-annual or annual basis.

(ii) Revenue from electronic installation services includes the installation of security. The Company's contracts with customers require highly complex integration services which are not separately identifiable from other promises in the installation contracts and, therefore, are not distinct. As such, the entire contract is one performance obligation recognized over time using the percentage of completion basis, where milestones are clearly defined, and performance is tied to milestones reached and costs incurred compared to total estimated costs. A contract asset is recognized for unbilled amounts on these projects during construction.

(iii) Revenue from monitoring and managed services is a distinct performance obligation and recognized over the term of the subscriber agreement as the services are provided. Contract liabilities (deferred revenue) result from subscribers that are billed in advance of the period in which such services are provided, on a bi-monthly, quarterly, semi-annual or annual basis.

(iv) Revenue from the Company's subsidiary, NSSG, is divided into three streams. Operations revenue primarily include short-term international transport trips, where revenue is recognized over time over the term of the trip/mission. If a trip/mission extends over a period end, revenue is recognized on a per day basis. Intelligence revenue typically pertains to short term or monthly contracts to conduct intelligence research and reporting, where revenue is recognized over time over the contract term. In some cases a deposit is required from the customer that is non-refundable. Consulting projects may be short or longer term (spanning a couple of months) and the specific performance obligations are established on a contract by contract basis. Before the project is started, the Company estimates the hours required to complete the project and recognizes revenue over time based on the number of hours worked over the total estimate of hours to complete the project.

(v) Revenue from the Company's division, Avante Black, is divided into four revenue streams. Specialty Security Services provides 24 hour dedicated guard services to a dedicated site. The Company invoices the client at the beginning of each month for the number of hours in the month and recognizes that revenue over time in the period it occurs. For Cyber Monitoring, the Company monitors individuals and references to the individual on the web and dark web and provide a report at the end of the month. Revenue is earned and recognized in the period the service is performed. Investigations are usually short-term in nature and are billed when the mission is complete and revenue is recognized over time over the contract term. In certain circumstances the Company may charge the customer weekly in arrears if the mission is longer-term.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM is the person or persons who are responsible for allocating resources and assessing performance of the operating segments. The CODM for the Company has been identified as the Chief Executive Officer.

The factors used to identify the Company's reportable segments include a combination of how the businesses are managed, with separately accountable management teams, and the principal type of target customer (residential versus enterprise). Operating segments have not been aggregated as each division is a discrete reportable segment.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings/(loss) per Share

Basic earnings/(loss) per share is computed by dividing the net income/(loss) applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per common share is computed by dividing the net income/(loss) applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Potential common shares (options) are only included in the computation of diluted earnings per share when their conversion decreases earnings per share or increases loss per share.

Share-based Payment Transactions

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statements of Income (loss) and comprehensive income (loss) over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non- vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income/loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issue of shares. Amounts related to the issue of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

The Black-Scholes option pricing model used by the Company to determine fair values was developed for use in estimating the fair value of freely traded options that are fully transferable and have no vesting restrictions. This model requires the use of highly subjective assumptions, including future stock price volatility and expected time until exercise.

Cash-Settled Share-Based Payments

The Company has granted cash-settled share-based payments to its employees under various schemes.

For cash-settled share-based payments, the liability is measured based on the fair value of the equity instruments at each reporting date. This liability reflects the amount the company expects to pay to the employee or service provider in cash, determined using the fair value of the underlying equity instruments at the end of each reporting period.

The fair value of the liability is recognized as an expense in the consolidated statements of income (loss) and comprehensive income (loss) over the vesting period. The total expense recognized reflects the fair value of the liability at each reporting date and is updated to reflect any changes in the fair value of the liability due to fluctuations in the share price or changes in other relevant factors. The expense is recognized in accordance with the vesting conditions, similar to equity-settled transactions, but the amount recognized is subject to remeasurement at each reporting date.

For cash-settled share-based payment arrangements, the liability is remeasured at each reporting date based on the current fair value of the equity instruments. Any changes in the fair value of the liability between reporting dates are recognized as an adjustment to the expense. The cumulative expense recognized over the vesting period is based on the amount that is expected to be paid out in cash, considering the fair value of the equity instruments at each reporting date.

If the terms and conditions of a cash-settled share-based payment arrangement are modified, the increase in the fair value of the liability, measured immediately before and after the modification, is recognized as an expense over the remaining vesting period. This adjustment ensures that the expense recognized reflects the fair value changes resulting from the modification of the arrangement.

Upon settlement of a cash-settled share-based payment, the liability is settled in cash, and the amount paid is recorded as a reduction in the liability. Any excess amount paid over the fair value of the liability recognized is treated as an additional expense in the period in which the settlement occurs.

In summary, cash-settled share-based payments are recorded as a liability measured at fair value, with changes in fair value recognized as adjustments to expense. The liability is settled in cash, and modifications to the terms result in adjustments to the recognized expense to reflect changes in the fair value of the liability.

Performance Share Units

On November 25, 2020, the Company's Board of Directors established a performance share unit ("PSU") plan and all such awards under this plan were cancelled as of April 8, 2022. The share-based compensation liability was included in trade accounts payable and accrued liabilities in the consolidated statement of financial position and the related compensation expense was included within share-based payments on the consolidated statements of income (loss) and comprehensive income (loss).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Put Option and Accelerated Put Option

The Company holds a put option that combines two components, a regular put option and an accelerated put option, which together form a single unit referred to as the "Put Option". This option grants the non-controlling shareholder of NSSG, the right to sell a specific number of shares to the Company at a predetermined price, depending on whether it is exercised through the regular put option or accelerated put option (see Note 13 for details). The contractual obligation to purchase its own equity instruments for cash gives rise to a financial liability measured at the present value of the redemption amount, based on the most likely outcome of being exercised under the regular put option or accelerated put option. The liability is remeasured at each reporting date, with changes in the value of the liability recognized in the profit or loss. If the option expires unexercised, the Company will reinstate NCI as if nothing happened.

In the event that certain conditions are met, an accelerated put option may be triggered, allowing the third party to exercise the put option earlier than initially anticipated. The accounting treatment for the accelerated put option follows the same principles as the regular put option. The liability is measured at the present value of the accelerated redemption amount and is remeasured at each reporting date, with subsequent changes in fair value recognized in the profit or loss.

The put option was initially recognized as a liability upon acquiring control of NSSG, at which point the NCI of NSSG was considered acquired and derecognized, giving rise to an equity adjustment, included in equity component of put option on the statement of financial position.

Foreign Currency Translation

Foreign currency accounts are presented in Canadian dollars.

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the period-end date and the related translation differences are recognized in net income.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value are translated into Canadian dollars by using the exchange rate in effect at the date the fair value is determined, and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Provisions

The Company recognizes provisions when there is a present obligation as a result of a past event. Two conditions must be met: the outflow of resources with economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. This treatment is used for claims, present legal, or constructive obligations.

When all or part of an expense is expected to be reimbursed to the Company, the reimbursement is recognized as a separate asset when certain. The expense is recognized in the consolidated statements of income (loss) and comprehensive income (loss) net of any reimbursement.

Business Combinations

The Company applies the acquisition method in accounting for business combinations. The Company measures goodwill as the difference between the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, and the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Non-controlling interest and goodwill are recognized using the proportionate interest method.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Consideration transferred includes the fair value of the assets transferred (including cash), liabilities incurred by the Company on behalf of the acquiree, and any equity interests issued by the Company.

Consideration transferred may also include the fair value of any contingent consideration.

Transaction costs that the Company incurs in connection with a business combination, such as legal fees, due diligence fees, and other professional and consulting fees, are expensed in the period as incurred.

Functional and Presentation Currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

The assets and liabilities of the Company's foreign operations for which the Canadian dollar is not the functional currency are translated at the rate of exchange in effect at the balance sheet date. Revenue and expenses are translated at the average period exchange rates. The resulting unrealized exchange gain or loss is included in accumulated other comprehensive income within equity.

Revenues earned, expenses incurred and assets purchased in foreign currencies are translated into the functional currency at the prevailing exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

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. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Canadian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Canadian dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

Accounting standards effective in the year

IAS 1: Presentation of Financial Statements

In January 2020, IASB issued Classification of Liabilities as Current or Non-current, which amends IAS 1 - Presentation of Financial Statements. The narrow scope amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. It clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

It also introduces a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company adopted this amendment on April 1, 2023, with no material impact to the financial statements.

IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB issued narrow-scope amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"). The amendments to IAS 8 clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is

important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company adopted this amendment on April 1, 2023, with no material impact to the financial statements.

IAS 12: Income Taxes

In May 2021, the IASB issued targeted amendments to IAS 12 – Income Taxes to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The Company adopted this amendment on April 1, 2023, with no material impact to the financial statements.

Accounting standards issued but not yet effective in the year

Amendments to IAS21 - Lack of exchangeability

The IASB amended IAS 21 'The Effects of Changes in Foreign Exchange Rates' to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. These new requirements will apply from 2025, with early application permitted. At this time, management does not expect the amendments to have significant impact, if any, on its consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

There have been no material revisions to the nature and number of estimates and judgments made in prior periods. For assumptions made by Avante Corp. in the estimates made to calculate the recoverable amount of CGU's, refer to note 12.

Judgements

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the amounts reported in these consolidated financial statements are discussed below:

a) Expected credit losses for accounts receivable and contract assets

The Company has exercised judgement in quantifying the allowance for expected credit losses. While it is possible that certain accounts receivable considered good may turn doubtful at a later date, there are no indicators that they would at the present time. The Company analyzes accounts receivable for any accounts that may become uncollectable to determine the allowance. This assessment is based on discussions with clients for items that may be disputed.

At each reporting date, the Company shall measure the loss allowance on accounts receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that amounts may be credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

b) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may be materially different than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. Judgement is used to evaluate whether a deferred tax asset can be recovered based on the Company's assessment of existing tax laws, estimates of future profitability, and tax planning strategies.

c) Provision for impairment of inventories

The provision for impairment of inventories requires estimation and judgement to assess the lower of cost and net realizable value. The provision is assessed by taking into account recent sales, aging of inventories, historical costs and other factors that affect inventory obsolescence.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

d) Intangible assets and goodwill

Management is required to use judgement in determining the economic useful lives of identifiable intangible assets. Judgement is also required in identifying indicators of impairment and in identifying the Company's cash generating units ("CGUs").

The Company exercises judgement in the assessment of indefinite life for goodwill, considering its expected contribution to cash flows indefinitely and the insignificance of associated costs. The Company is committed to conducting annual impairment tests and promptly assessing impairment if events or changes in circumstances indicate the asset may be impaired.

Purchased intangibles are valued as at the acquisition date using established methodologies and amortized over their estimated useful economic lives, except in those cases where intangibles are determined to have indefinite lives, where there is no foreseeable limit over which these intangibles would generate net cash flows. These valuations and lives are based on management's best estimates of future performance and periods over which value from the intangible assets will be derived (note 12).

Judgement is also required in identifying indicators of impairment and in identifying the Company's cash generating units ("CGUs").

e) Revenue and contract assets

There is judgement in determining the timing of revenue recognition pertaining to electronic installation services, where the entire contract is one performance obligation and is recognized over time using the percentage of completion basis. Timing of revenue recognition may differ from when customers are invoiced, which could result in contract assets or contract liabilities being recognized.

f) Segment Reporting

The Company has exercised judgement in identifying its reportable segments and applying the related aggregation criteria required under IFRS 8. In the prior year, the Company had one reporting segment after the sale of Logixx Security on June 1, 2022. With the acquisition of NSSG on October 1, 2023, the Company now has two reportable segments consisting of Avante Security and NSSG.

g) Assessment of Control

The Company has exercised judgement in assessing control of its 55% acquisition of NSSG as required under IFRS 10. To have control over an investee the investor must have all the following; 1) Power over the investee; 2) Exposure, or rights to variable returns and 3) the ability to use its power over the investee to affect the amount of the investor's return. The Company assessed control by analyzing the substantive rights to direct the relevant activities of the investee. Management has concluded that it does control NSSG under IFRS 10.

h) Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year include accrued liabilities. These estimates are created based on management's assumptions, based on current circumstances, and management believes represent a reasonable basis upon which to estimate the future liability. With respect to put option valuation, acquired through business combinations, the Company determines fair values using such estimates as discount rates, EBITDA and outcome (normal vs. accelerated).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. With respect to goodwill impairment testing, the Company determines value in use and fair value less costs of disposal using such estimates as cash flows and discount rates. These estimates are reviewed periodically by management.

Share-based payments and derivative liabilities are determined by the Black-Scholes option pricing model, which is used by the Company to determine the fair value of stock options**.** Significant estimates are used in the calculation of the input variables in the Black-Scholes model, which include: risk free interest rate (based on government bonds), expected stock price volatility, expected life, and expected dividend yield.

5. EARNINGS (LOSS) PER SHARE

The following reflects the income (loss) and share data used in the basic and diluted earnings (loss) per share computations for the years ended:

	For the year ended	
	Mar 31, 2024	Mar 31, 2023
Basic and diluted loss per share from continuing operations	$ (0.114)	$ (0.146)
Basic and diluted earnings per share from discontinued operations	-	0.147
Basic and diluted earnings/(loss) per share	(0.114)	0.001
Net income (loss) attributable to equity holders of the parent - basic and fully diluted from continuing operations	(3,028,791)	(3,855,873)
Net income (loss) attributable to equity holders of the parent - basic and fully diluted from discontinued operations	-	3,888,183
Total net income/(loss) attributable to equity holders of the parent - basic and fully diluted	(3,028,791)	32,310
Weighted average number of shares outstanding for basic and diluted calculation	26,570,828	26,489,438

During the year, the Company issued 154,301 ordinary shares as part of the consideration for the acquisition of NSSG. These shares have been included in the diluted earnings per share calculation from the date of acquisition.

The table below provides a reconciliation of the weighted-average number of ordinary shares used in the calculation of basic and diluted earnings per share:

Date	Event	Number of Shares	Weighted Days	Weighted Shares
31-Mar-23	Opening balance	26,489,438	172	12,516,987
21-Sep-23	Effect of shares issued related to business combination	154,301		
31-Mar-24	Closing balance	26,643,739	192	14,053,840
Total Basic Weighted-Average Shares				**26,570,828**

Potential common shares are antidilutive when their conversion to common shares increases earnings per share or decreases loss per share from continuing operations. Antidilutive common shares are excluded from weighted average number of shares outstanding for the purposes of calculating the diluted earnings per share.

6. REVENUE RECOGNITION

a) Disaggregation of Revenue

Revenue is recognized in a manner that depicts the transfer of promised goods or services to the customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods and services. Standard 30-day payment terms apply to the majority of accounts receivable for the Company. Segment revenues by service type for the years ended March 31, 2024 and 2023 were as follows:

	For the year ended						
	Mar 31, 2024				Mar 31, 2023		
	Avante Security	NSSG	Elimination	Total	Avante Security	Elimination	Total
Protective Services	$ 8,748,448	$ -	$ -	$ 8,748,448	$ 9,045,893	$ -	$ 9,045,893
Monitoring and Managed Services	4,665,725	-	(1,582)	4,664,143	$ 4,138,438	-	4,138,438
Electronic Services	7,804,791	-	-	7,804,791	$ 6,776,954	(970)	6,775,984
Secured Transport	1,235,099	-	-	1,235,099	-	-	-
Investigations	559,658	-	-	559,658	-	-	-
Cyber security	187,634	-	-	187,634	-	-	-
Specialized Security	133,884	-	-	133,884	-	-	-
Auto storage	9,856	-	-	9,856	-	-	-
Operations	-	1,547,510	(241,502)	1,306,008	-	-	-
Investigations	-	145,525	(38,724)	106,801	-	-	-
Consulting	-	198,303	(4,840)	193,463	-	-	-
Total Revenue	**$ 23,345,095**	**$ 1,891,338**	**$ (286,648)**	**$ 24,949,785**	**$ 19,961,285**	**$ (970)**	**$ 19,960,315**

(b) Contract Assets and Liabilities

	Mar 31, 2024	Mar 31, 2023
Work-in-progress - contracts in process	$ 285,548	$ 482,029

Timing differences between invoicing, cash collection, and revenue recognition results in accounts receivable and also results in unbilled work-in-progress (contract assets), and deferred revenue (contract liabilities) on the consolidated statement of financial position. Amounts are billed in accordance with the terms of each customer contract, generally subsequent to the performance of obligations and related revenue recognition, resulting in accounts receivable with standard payment terms of 'Net 30 Days' for these types of contracts. For certain contracts, the Company receives customer payment prior to satisfying contracted obligations and recognizing revenue, resulting in deferred revenue (contract liabilities).

Contract liabilities balance at March 31, 2022	$ 2,252,203
Additions during the year	12,056,924
Recognized during the year	(12,169,455)
Contract liabilities balance at March 31, 2023 to be recognized in fiscal year 2024	2,139,672
Contract liabilities balance at March 31, 2023	$ 2,139,672
Additions during the year	12,984,719
Recognized during the year	(12,735,870)
Contract liabilities balance at March 31, 2024 to be recognized in fiscal year 2025	2,388,521
Contract liabilities balance at March 31, 2024 to be recognized after fiscal year 2025	-
Contract liabilities balance at March 31, 2024	**$ 2,388,521**

7. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

On March 30, 2022, the Company entered into a definitive share purchase agreement (the "SPA") with SSC Security Services Corp. ("SSC") pursuant to which SSC agreed to acquire all of the Company's ownership interest in Logixx Security. Under the terms of the SPA, the Company would receive $23,950,000 in cash including repayment of intercompany loans of $7,802,074 less reimbursement of SSC's costs related to a prior transaction agreement of $750,000 plus or minus closing working capital compared to an agreed minimum threshold. On June 1, 2022, the Company sold Logixx Security to SSC under the SPA and received $23,733,248, net of the expense reimbursement and estimated working capital surplus. On September 12, 2023 the Company received $144,000 from SSC for the working capital adjustment. In addition, the Company will receive the benefit of Logixx Security's collected accounts receivable since closing that was older than 90 days old as of closing (approximately $1.1 million), net of a 5% collection fee payable to SSC. The company is pursuing legal action against SSC for the payment of the collection of overdue receivables (note 8).

The estimated total amount due from SSC is included within non-trade receivables within "Accounts receivable" on the consolidated statements of financial position as at March 31, 2024 and consists of the unpaid portion of the cost of agreed transition services provided by the Company to SSC since the closing of the transaction and Logixx Security accounts receivable older than 90 days at closing (net of SSC's collection fee) that the Company anticipates will be collected by SSC in accordance with the SPA. SSC has not remitted its collection to date and thus the Company has commenced a lawsuit for payment.

8. ACCOUNTS RECEIVABLE

The accounts receivable on the financial statements are net of allowance for expected credit losses of $232,050 as at March 31, 2024 (March 31, 2023: $160,716). Changes in the allowance for expected credit losses during the year were as follows:

	Mar 31, 2024	Mar 31, 2023
Allowance for expected credit losses - opening balance	$ 160,716	$ 115,958
Net increase during the year	71,334	44,758
Allowance for expected credit losses - closing balance	$ 232,050	$ 160,716

8. ACCOUNTS RECEIVABLE (CONTINUED)

As at March 31, 2024 and March 31, 2023, the aging of the Company's accounts receivables was as follows:

	Balance Due	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days
Trade receivables	$4,481,098	$1,843,636	$489,851	$193,805	$1,953,806
Unbilled trade receivables	531,526	486,037	-	7,451	38,038
Non-trade receivables	693,946	693,946	-	-	-
Allowance for expected credit losses	(160,716)	-	-	-	(160,716)
Current portion vendor take back loan	55,625	55,625	-	-	-
Balance at March 31, 2023	**$5,601,479**	**$3,079,244**	**$489,851**	**$201,256**	**$1,831,128**
Trade receivables	6,436,087	$2,642,931	$524,396	$442,844	$2,825,916
Unbilled trade receivables	335,827	317,172	-	-	18,655
Non-trade receivables	852,592	852,592	-	-	-
Allowance for expected credit losses	(232,050)	-	-	-	(232,050)
Balance at March 31, 2024	**$7,392,456**	**$3,812,695**	**$524,396**	**$442,844**	**$2,612,521**

The consolidated entity has recognized a loss of $154,043 at March 31, 2024 (March 31, 2023: $63,000 from continued operations and $10,000 from discontinued operations) in profit or loss in respect of the expected credit losses for the year. As at March 31, 2024, there was $2,844,571 (March 31, 2023: $1,991,844) of accounts receivable outstanding for over 90 days of which management did not consider $2,612,521 (March 31, 2023: $1,831,128) impaired. As of March 31, 2024, non-trade receivables include the estimated amount due from SSC in respect of the Company's sale of Logixx Security (note 7) and GIC interest unpaid.

9. INVENTORIES

	Mar 31, 2024	Mar 31, 2023
Inventory	$ 1,103,250	$ 929,375

All inventory is considered finished goods. Inventory expensed to cost of sales during the year ended March 31, 2024, amounted to $2,943,393 continuing operations respectively and $nil discontinued operations (March 31, 2023: $2,418,152 continuing operations and $135,450 discontinued operations).

10. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Equipment, furniture and fixtures	Leasehold improvements	Computer software	Right-of-use asset	Vehicles	Uniforms	Buildings	Tota
	$	$	$	$	$	$	$	$	$
Cost									
Balance at March 31, 2023	**$ 486,256**	**$ 677,052**	**$ 723,044**	**$ 345,418**	**$ 1,636,640**	**$ 59,014**	**$ 115,043**	**$ 473,300**	**$ 4,515,767**
Acquired through business acquisition	-	61,643	-	-	385,654				447,297
Additions	33,247	58,478	94,738	-	539,290	22,162	28,100	-	776,015
Disposals	-	-	-	-	(503,511)	-	-	-	(503,511)
Foreign exchange gain (loss)		986			8,055				9,041
Balance at March 31, 2024	**519,503**	**798,159**	**817,782**	**345,418**	**2,066,128**	**81,176**	**143,143**	**473,300**	**5,244,609**
Accumulated depreciation									
Balance at March 31, 2023	**380,082**	**434,051**	**723,044**	**326,370**	**59,524**	**22,163**	**44,236**	**83,617**	**2,073,087**
Acquired through business acquisition	-	11,360		-	239,094	-	-	-	250,454
Depreciation	29,439	73,194	8,595	19,048	670,189	14,379	29,409	18,932	863,185
Disposals	-	-	-	-	(272,177)	-	-	-	(272,177)
Foreign exchange gain (loss)		(293)			(5,402)				(5,695)
Balance at March 31, 2024	**409,521**	**518,312**	**731,639**	**345,418**	**691,228**	**36,542**	**73,645**	**102,549**	**2,908,854**
Carrying Amounts									
Balance at March 31, 2023	**106,174**	**243,001**	**-**	**19,048**	**1,577,116**	**36,851**	**70,807**	**389,683**	**2,442,680**
Balance at March 31, 2024	**$ 109,982**	**$ 279,847**	**$ 86,143**	**$ -**	**$ 1,374,900**	**$ 44,634**	**$ 69,498**	**$ 370,751**	**$ 2,335,755**

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computer equipment	Equipment, furniture and fixtures	Leasehold improvements	Computer software	Right-of-use asset	Vehicles	Uniforms	Buildings	Total
	$	$	$	$	$	$	$	$	$
Cost									
Balance at March 31, 2022	$ 482,056	$ 634,310	$ 737,145	$ 345,418	$ 1,622,744	$ -	$ 68,881	$ 473,300	$ 4,363,854
Additions from continuing operations	30,842	50,992	10,651	-	1,566,943	241,179	46,162	-	1,946,769
Disposals from continuing operations	(26,642)	(8,250)	(24,752)	-	(1,553,047)	(182,165)	-	-	(1,794,856)
Balance at March 31, 2023	**486,256**	**677,052**	**723,044**	**345,418**	**1,636,640**	**59,014**	**115,043**	**473,300**	**4,515,767**
Accumulated depreciation									
Balance at March 31, 2022	**333,622**	**388,348**	**738,497**	**282,302**	**803,770**	**-**	**14,937**	**64,685**	**2,626,161**
Depreciation from continuing operations for the year	46,460	49,056	(706)	44,068	511,043	8,419	29,299	18,932	706,571
Disposals from continuing operations for the year	-	(3,353)	(14,747)	-	(1,255,289)	13,744	-	-	(1,259,645)
Balance at March 31, 2023	**380,082**	**434,051**	**723,044**	**326,370**	**59,524**	**22,163**	**44,236**	**83,617**	**2,073,087**
Carrying Amounts									
Balance at March 31, 2022	**148,434**	**245,962**	**(1,352)**	**63,116**	**818,974**	**-**	**53,944**	**408,615**	**1,737,693**
Balance at March 31, 2023	$ 106,174	$ 243,001	$ -	$ 19,048	$ 1,577,116	$ 36,851	$ 70,807	$ 389,683	$ 2,442,680

The Foreign Exchange line reflects adjustments related to the translation of NSSG's PPE from its functional currency into the presentation currency. As of March 31, 2024, the effect of currency fluctuations led to an increase of $9,041 in the cost of PPE and $(5,695) in accumulated depreciation.

Depreciation expense included in the consolidated statement of loss and comprehensive loss is $863,185 (March 31, 2023: $706,571) for the year ended March 31, 2024.

The Company carries two categories of right-of-use assets: vehicles and property. At March 31, 2024 the carrying amount of vehicles under lease was $593,813 (March 31, 2023: $798,350), with $445,228 of depreciation included in continuing operations for the year ended March 31, 2024 (year ended March 31, 2023: $385,388).

The right-of-use asset property had a carrying amount of $781,087 at March 31, 2024 (March 31, 2023: $778,765). Depreciation in the amount of $224,961 is included in continuing operations for the year ended March 31, 2024 (year ended March 31, 2023: $125,655).

All assets of the Company, including its Accounts Receivables, Inventories and Property, Plant and Equipment, have been pledged as general security against the senior secured credit facilities established with the Company's bank (Note 14). Gains and losses on disposals are booked in the miscellaneous (income) expense line on the consolidated statement of income and comprehensive income.

11. CAPITALIZED COMMISSION

Commissions on long-term contracts (12 months in length or longer) are capitalized at the initiation of the contract and amortized over the length of the contract as revenue is recognized. The unamortized amount of commission on long-term contracts as of March 31, 2024 was $4,164 (March 31, 2023: $4,355), with $2,728 amortized in the year ended March 31, 2024 (March 31, 2023: $9,007).

12. GOODWILL AND INTANGIBLE ASSETS

A. INTANGIBLE ASSETS

	Trade Name	Customer relationships	Order backlog	Total
	$	$	$	$
Cost				
Balance at March 31, 2023	$80,873	$4,755,673	$262,000	$5,098,546
Acquired through NSSG business combination	579,153	606,407	-	1,185,560
Balance at March 31, 2024	**660,026**	**5,362,080**	**262,000**	**6,284,106**
Amortization				
Balance at March 31, 2023	$80,873	$2,895,383	$262,000	$3,238,256
Amortization	55,157	501,996	-	557,153
Balance at March 31, 2024	**136,030**	**3,397,379**	**262,000**	**3,795,409**
Carrying amounts				
Balance at March 31, 2023	**$ -**	**$ 1,860,290**	**$ -**	**$ 1,860,290**
Balance at March 31, 2024	**$ 523,996**	**$ 1,964,701**	**$ -**	**$ 2,488,697**

	Trade Name	Customer relationships	Order backlog	Total
	$	$	$	$
Cost				
Balance at March 31, 2022	80,873	$4,180,673	$262,000	4,523,546
Acquisitions	-	575,000	-	575,000
Balance at March 31, 2023	**80,873**	**4,755,673**	**262,000**	**5,098,546**
Amortization				
Balance at March 31, 2022	80,873	$2,502,832	$262,000	2,845,705
Amortization	-	392,551	-	392,551
Balance at March 31, 2023	**80,873**	**2,895,383**	**262,000**	**3,238,256**
Carrying amounts				
Balance at March 31, 2022	**-**	**$ 1,677,841**	**$ -**	**$ 1,677,841**
Balance at March 31, 2023	**$ -**	**$ 1,860,290**	**$ -**	**$ 1,860,290**

On December 1, 2022 the Company acquired the customer list of C & B Alarms Ltd ("C&B Alarms") pursuant to an Asset Purchase Agreement between the Company and C & B Alarms Ltd. ("C&B") in the Muskoka region. The total purchase price was $575,000, $431,250 was paid in cash, the Company held back $143,750 of the purchase price against certain representations and warranties. The full amount of the acquisition was allocated to the intangible asset Customer Relationships on the consolidated statement of financial position as of March 31, 2023.

On October 1, 2023, Avante Corp., acquired a controlling interest of 55% in NSSG, an international risk management and security company. The comprehensive purchase cost amounted to $1,834,561, with payment structured as a blend of $1,728,000 in cash and the issuance of 154,301 common shares in the Company. NSSG is consolidated with effect from October 1, 2023. As a result of the acquisition of NSSG, the Company recorded $1,185,560 of identifiable intangible assets. These intangible assets are primarily related to customer relationships and trade name, with useful lives ranging from 5.25 to 9.25 years.

Intangible amortization expensed in the consolidated statement of loss and comprehensive loss for fiscal year 2024 is $ 557,153 (March 31, 2023: $392,551). The consolidated statement of loss and comprehensive loss for fiscal year 2024 did not contain any amortization expenses from discontinued operations. Amortization expenses from discontinued operations for fiscal year 2023 were accounted for in net income from discontinued operations (Note 24).

12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

B. GOODWILL

Balance at March 31, 2022	**$ 2,971,997**
Balance at March 31, 2023	**$ 2,971,997**
Acquisition of a subsidiary	**$ 1,529,320**
Balance at March 31, 2024	**$ 4,501,317**

The above intangible assets and goodwill were acquired upon the acquisitions of the businesses of INTO Electronics Inc. at August 22, 2014, LVS Inc. at April 1, 2015, Architronics Limited ("Architronics") at March 1, 2017 and Watermark Security Inc. at August 1, 2018 as well as the acquisition of the business of NSSG at October 1, 2023. The goodwill recognized on NSSG acquisition is primarily attributed to the anticipated synergy in services, global expansion through leveraging respective networks, innovation and expertise in technology, and enhanced operational efficiency.

The key assumptions used to calculate the fair value of these intangible assets include discount rates, growth rates and margins. The cost of goodwill is calculated as the excess of purchase price of the acquired business over the estimated fair value of the tangible and intangible assets acquired and liabilities assumed at the date of acquisition and is allocated to the cash generating unit ("CGU") expected to benefit from the acquisition. A CGU is the smallest group of assets for which there are separate identifiable cash flows. With the sale of Logixx Security on June 1, 2022, the Company had one CGU consisting of Avante Security at March 31, 2023 and has two CGUs at March 31, 2024, consisting of Avante Security and NSSG.

Amortization

The amortization of tradenames, customer relationships, order backlog and non-compete agreement is included in amortization on intangible assets on the consolidated statements of income and comprehensive income.

Impairment testing for cash generating units with goodwill

For purposes of impairment testing, goodwill has been allocated to cash generating units ("CGUs") as follows:

	2024	2023
Avante Security Inc.	$ 2,971,997	$ 2,971,997
NSSG	$ 1,529,320	-

The recoverable amounts of the Avante Security CGU and NSSG CGU were based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGUs. In all cases, the recoverable amount was determined to exceed the carrying amount of the CGU and there was no impairment.

The key assumptions used in the estimation of value in use were as follows:

Avante Security Inc.

	March 31, 2024	March 31, 2023
Pre-tax discount rate	21.53%	21.51%
Terminal value growth rate	2.5%	2.5%
Budgeted revenue growth rate (average)	5.0%	3.5%
Gross margin	40.15%	40.0%
EBITDA margin (average)	8.8%	6.9%
Cash flow period	5 years	5 years

12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

NSSG

	March 31, 2024
Pre-tax discount rate	23.6%
Terminal value growth rate	2.0%
Budgeted revenue growth rate (average)	25.8%
Gross margin	42.2%
EBITDA margin (average)	18.9%
Cash flow period	5 years

Avante Security

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was based on management's estimate of the long-term annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA margin was estimated taking into account the revenue history of the past 2 years and estimated sales volume over the next five years.

NSSG

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was based on management's estimate of the long-term annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was estimated considering the revenue history of the past year and estimated sales volume over the next five years.

In respect of the recoverable amounts as of March 31, 2024 and March 31, 2023, budgeted EBITDA margin was estimated taking into account the revenue history of the past five years and estimated sales volume over the next five years. The Company has made a number of assumptions around future gross margin, inflation, weighted average cost of capital, Capex, and sales growth rates. The Company believes that the assumptions are accurate based on management's assessment at this time.

13. BUSINESS ACQUISITIONS

The Company accounts for business combinations using the acquisition method, in accordance with IFRS 3, Business Combinations. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired.

In determining the purchase price allocation, the Company considers, among other factors, the intended future use of acquired assets, analysis of historical financial performance, and estimates of future performance of the acquiree. Any goodwill that arises generally reflects expected revenue and cost synergies from combining the acquiree with the Company's existing businesses.

The Company aims to finalize the measurement of the fair values of the assets acquired and liabilities assumed within twelve months following the date of acquisition, as it obtains the information necessary to complete the measurement process.

Unless specified otherwise, the fair values presented in the purchase price allocation tables below are provisional. Any changes resulting from facts and circumstances that existed as of the date of acquisition will result in retrospective adjustments to the provisional amounts, recognized at the acquisition date.

Acquisition-related costs are recognized as incurred, in profit or loss, within selling, general and administration.

13. BUSINESS ACQUISITIONS (CONTINUED)

Acquisition of Veridin Systems Canada Inc. and Intelligarde International Inc., subsequently sold to SSC

Veridin Systems Canada Inc. was acquired by the Company on September 17, 2018 and integrated with Logixx Security and sold to SSC on June 1, 2022. Within an escrow account, the Company held back $94,923 of the purchase price against certain representations and warranties. The parties are engaged in litigation processes to settle the amounts owing between the parties.

Intelligarde International Inc. was acquired by the Company on November 30, 2018 and integrated with Logixx Security and sold to SSC on June 1, 2022. The Company held back $712,500 of the purchase price. The amount in the escrow account as of April 19, 2024 was $549,299. Subsequent to year-end, the Company reached a settlement with the seller where the Company received $250,000 (note 27).

Acquisition of NSSG

On October 1, 2023 Avante Corp., via its subsidiary Avante International Inc., acquired a controlling interest of 55% in NSSG, an international risk management and security company. The comprehensive purchase cost amounted to $1,834,561, with payment structured as a blend of $1,728,000 in cash and the issuance of 154,301 common shares in the Company. NSSG is consolidated with effect from October 1, 2023.

The acquisition was undertaken to strengthen the Group's presence in the global security market by utilizing NSSG's worldwide client base for cross-selling its services and technology to NSSG's Fortune 500 clients.

As part of the transaction, Avante Corp. entered into a shareholder’s agreement with respect to NSSG and a loan agreement with NSSG. Pursuant to the loan agreement, the Company will, indirectly through the Purchaser, advance to NSSG a loan in principal amount of up to EUR 1,000,000 for a term of 4 years, bearing interest at a rate equal to the Bank of Canada Prime Rate plus 1%, and repayable in 8 quarterly equal repayments starting on the date that is 24 months after the date of each drawdown under the loan. This first draw of EUR 500,000 was executed on September 25, 2023.

Upon the acquisition of NSSG, Mrs. Grigore, the former owner of NSSG, was granted a put option exercisable at any time after the expiration of the Lock-up period, which is four years from the acquisition date. This put option obligates the Company to purchase all equity interests held by Mrs. Grigore in the share capital of NSSG at a price calculated based on the following formula:

[the quota of shares held by Mrs. Grigore at the date of the put option right]% x [4 x EBITDA – the Net Debt].

The liability for the put option at the acquisition date was measured at the present value of the redemption price, determined to be $620,419. The discount rate applied in the valuation of the put option was 18%. For the year ended December 31, 2026, NSSG’s EBITDA was projected to be $0.9 million, based on historical performance and growth expectations. Following is the reconciliation of put option liability at acquisition and March 31, 2024:

Date			Amount
21.09.2023	Put option value at acquisiton	$	620,419
	Loss on revaluation		649,143
31.03.2024	Put option value at year-end		1,269,562

As of March 31, 2024, the fair value of the put option was revalued to $1,269,562. The discount rate applied in the valuation of the put option was 19%. For the year ended December 31, 2026, NSSG’s EBITDA was projected to be $1.5 million. The change in value in the amount of $(649,143) was recognized in profit and loss. There is an accelerated put option that can be exercised if specific protective minority rights are breached during the four year lock-up period from acquisition date. In case the put option right is exercised by Mrs. Grigore following the occurrence of an acceleration event, the put price will be calculated as follows:

[the quota of shares held by Mrs. Grigore at the date of the put option right]% x [6 x EBITDA – the Net Debt].

13. BUSINESS ACQUISITIONS (CONTINUED)

The following table summarizes the fair values of the assets acquired and liabilities assumed, and the purchase price allocation.

Purchase consideration:	
- Cash	$ 1,728,000
- Common shares (154,301)	106,561
Total purchase consideration	**1,834,561**
NCI at 45% of identifiable net assets	**249,667**
Fair values of the assets acquired and liabilities assumed	**2,084,228**

	Provisional allocation at acquisition	Adjustments	Final
Cash and cash equivalents	45,325	716,374	761,699
Accounts receivable (note 8)	960,145	(463,953)	496,192
Prepaid expenses	-	18,638	18,638
Property, plant & equipment (note 10)	23,305	168,541	191,846
Loan from officer (note 22)	-	(89,670)	(89,670)
Accounts payable and accrued liabilities	(64,447)	(291,164)	(355,611)
Dividend payable to non-controlling shareholder of NSSG	-	(651,687)	(651,687)
Current Obligations under lease (note 15)	-	(100,361)	(100,361)
Long term Obligations under lease (note 15)	-	(47,252)	(47,252)
Loan payable to Avante	(651,687)	(18,321)	(670,008)
Intangible assets (note 12)	1,157,000	28,560	1,185,560
Deferred tax liability	-	(184,438)	(184,438)
Fair value of identifiable net assets acquired	**1,469,641**	**(914,733)**	**554,908**
Goodwill	**$ 1,026,258**	**$ 503,062**	**$ 1,529,320**

The fair value of the ordinary shares issued was based on the listed share price of the Company at September 21, 2023 of $0.69 per share.

As permitted under IFRS 3, a provisional estimate of the purchase price allocation and fair values of tangible and intangible assets as well as goodwill was initially performed. The final allocation was completed during the fourth quarter of 2024.

The customer relationships were valued using the multi-period excess earnings method, the tradename was valued using the relief from royalty method, and the workforce (included in goodwill) was valued using the replacement cost approach.

Upon initial recognition of the put option, the NCI related to the shares subject to the put option was derecognized. The difference between the value of the liability and the carrying amount of the NCI was adjusted within equity component of put option within shareholder's equity.

During the year ended March 31, 2024, the Company incurred acquisition and related costs totaling $85,138, all of which were fully expensed as incurred. These costs have been included in reorganization and acquisition costs (note 23).

The goodwill is attributable to the workforce and the future cash flows of the acquired business. Intangible assets acquired comprise the following:

Intangible assets	**Acquisition date fair value**	**Accumulated amortization**	**Net book value**	**Useful life**
Customer relationships	606,407	32,779	573,628	9.25 years
Trade Name	579,153	55,157	523,996	5.25 years
Total	**$ 1,185,560**	**$ 87,936**	**$ 1,097,624**	

13. BUSINESS ACQUISITIONS (CONTINUED)

None of the goodwill recognized is expected to be deductible for tax purposes.
For the six months ended March 31, 2024, NSSG contributed revenue of $1,891,338 and loss of $(326,877) to the Company's results. If the acquisition had occurred on April 1, 2023, the consolidated revenue would have been $3,511,937 and consolidated loss for the year would have been $(283,799). In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on April 1, 2023.

14. BANK INDEBTEDNESS

On June 30, 2021, the Company entered into a senior secured credit agreement with a bank that fully replaced the Company's senior secured banking arrangements and mortgage provided by its former bank. On June 1, 2022, the Company replaced that with a new credit agreement. The June 30, 2021 credit agreement provided an $8,000,000 revolving credit facility ("Facility A"), a $10,000,000 non-revolving term loan facility ("Facility B") and a $3,000,000 delayed-draw non-revolving term loan credit facility ("Facility C"), each with a three-year maturity date ending May 19, 2024. The Company had the ability to draw upon Facility A that was subject to a borrowing base consisting of eligible cash, accounts receivable, and inventory. The Company was permitted to draw upon Facility B in two tranches; Tranche 1 had a limit of $6,000,000 and Tranche 2 had a limit of $4,000,000. The ability to draw on Tranche 2 expired on July 31, 2021 reducing the available limit to zero. Facility C was available until December 31, 2022, to fund delayed purchase price payments or other funding requirements applicable to future permitted acquisitions. Repayment of drawings under the term loan and delayed-draw credit facilities occurred at the rate of 2.50% per quarter with the remaining balance due on the maturity date.

The Company incurred deferred financing fees of $452,417 in connection with the June 30, 2021 credit agreement and the prior credit facilities also had applicable deferred financing fees. The remainder of these costs in the amount of $295,795 were written-off in the year ended March 31, 2023.

On June 1, 2022, the Company applied proceeds from the sale of Logixx Security on June 1, 2022 to permanently repay the credit facilities pursuant to the June 30, 2021 Credit Agreement. As of June 1, 2022, the Company entered into amended credit facilities with the same bank consisting of a $2 million revolving credit facility, together with credit card facilities for each of Avante Corp. and Avante Security, supported by a first fixed security interest in favour of the bank over all assets of Avante Corp. and Avante Security. Such credit arrangements are provided by the bank on a demand basis, and the revolver is subject to a borrowing base consisting of 75% of eligible accounts receivable and 50% of inventory, minus priority payables. The provision of the credit facilities is subject to a minimum consolidated current ratio of 1.20 as of March 31, 2023, and thereafter, and the Company was in compliance with that covenant as of March 31, 2024. The agreement further stipulates that the advances cannot exceed 75% of accounts receivable and 50% of inventory less priority payables; Avante corp. is in compliance with these requirements as of March 31, 2024. Drawings under the revolver are permitted by way of letters of credit (at 2.00% per annum), prime rate advances (at the bank's prime rate plus 0.50%) and bankers' acceptances (stamping fee of 2.00%).

As of March 31, 2023, the current portion of the line of credit was $500,000, with no long-term portion outstanding. As of March 31, 2024, there were no drawings on the line of credit. The Company must maintain a current asset to current liability ratio of at least 1.20:1.00 at all times, as calculated on a quarterly basis. The Company was onside with covenants throughout the year and as at March 31, 2024. The borrowing base of the line of credit is 75% of accounts receivable, excluding items aged greater than ninety days, plus 50% of inventory less priority payables which consist of accrued payments such as salaries, commissions and HST payable. The Company borrowing base must exceed the amount borrowed on the line of credit.

14. BANK INDEBTEDNESS (CONTINUED)

On July 7, 2022, the Company executed an unsecured Loan Agreement with affiliates of Fairfax Financial Holdings Limited ("Fairfax"), who collectively own 19.88% of the Company's common shares. This note should be read in conjunction with the related-party transactions Note 22 to fully understand the nature and impact of the Loan Agreement with Fairfax affiliates.

Interest on bank loans expensed in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2024 is $60,157 (March 2023: $51,741).

15. OBLIGATIONS UNDER LEASE

The Company's lease payments are discounted using the interest rate implicit in the lease, or if that cannot be determined, the Company's incremental borrowing rate. Vehicle lease and property lease liabilities as of the respective period ends were as follows:

	Vehicle lease liability	Property lease liability	Total liability
Balance at March 31, 2022	**$ 595,685**	**$ 245,062**	**$ 840,747**
Additions during the year	732,879	805,620	1,538,499
Disposals during the year	(208,455)	(17,337)	(225,792)
Principal payments	(322,350)	(197,092)	(519,442)
Balance at March 31, 2023	**$ 797,759**	**$ 836,253**	**$ 1,634,012**
Current obligations under lease	381,206	188,586	569,792
Long-term obligations under lease	416,553	647,667	1,064,220
Balance at March 31, 2023	**$ 797,759**	**$ 836,253**	**$ 1,634,012**
Additions from acquisition of NSSG	63,098	84,515	147,613
Additions during the year	355,062	149,448	504,510
Disposals during the year	(240,085)	-	(240,085)
Principal payments	(418,780)	(247,122)	(665,902)
Balance at March 31, 2024	**$ 557,054**	**$ 823,094**	**$ 1,380,148**
Current obligations under lease	320,530	241,522	562,052
Long-term obligations under lease	236,524	581,572	818,096
Balance at March 31, 2024	**$ 557,054**	**$ 823,094**	**$ 1,380,148**

The Company leased certain vehicles with a value of $557,054 (March 31, 2023: $797,759), at an effective annual rate of interest of 19.19% (March 31, 2023: 12.06%). The payment terms include blended monthly payments of $60,939 plus applicable taxes (March 31, 2023: $73,228) for 12 to 36 months ending between

[a] Share capital issued and outstanding

Unlimited common shares	Number of Shares	Amount
Balance at March 31, 2022	26,489,438	$ 30,138,388
Balance at March 31, 2023	26,489,438	$ 30,138,388
Issue of shares on acquisition of NSSG (note 13)	154,301	106,561
Share issue costs	-	(11,588)
Balance at March 31, 2024	26,643,739	$ 30,233,361

15. OBLIGATIONS UNDER LEASE (CONTINUED)

April 2024 and July 2027, with an aggregate buy out obligation of $nil as of March 31, 2024 (March 31, 2023: $78,700). Interest expense from these leases, included in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2024 was $112,588 (March 31, 2023: $109,895 from continuing operations and $10,398 from discontinued operations).

Various office properties with a value of $823,094 (March 31, 2023: $836,253), are leased with blended monthly payments of $25,796 plus applicable taxes (March 31, 2023: $21,796). An incremental borrowing rate of 6.72% is used. The property leases end in January 2028. Interest expense from these leases, included in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2024 was $53,145 (March 31, 2023: $16,214 from continuing operations and $558 from discontinued operations).

16. SHAREHOLDERS' EQUITY

During the year ended March 31, 2024, the company issued 154,301 new common shares of Avante Corp. valued at $0.69. The shares were issued to the vendors of NSSG to fund the acquisition, which closed on October 1, 2023 (note 13). Filing and legal costs related to the share issuance were $11,588.

[b] Share options

The Company has an incentive Share Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant at terms of up to ten years. No amounts are paid or payable by the recipient on receipt of the option.

Options for Directors vest when granted, while vesting of options for non-directors is as follows: 33.33% on the first anniversary; 33.33% on the second anniversary; and the remainder on the third anniversary following the grant date. For the chairman of the Board vesting of the options is as follows: 25% of the option will vest on the first anniversary; 25% on the second anniversary; 25% on the third anniversary; and the remainder on the fourth anniversary following the grant date.

On September 29, 2015, the shareholders of the Company approved an amendment to the stock option plan whereby it reverted to a 10% rolling stock option plan. This plan is approved annually by the shareholders of the Company and was again approved by the shareholders on October 24, 2023. Accordingly, the Company has a total of 1,199,374 options available to be issued as at March 31, 2024, with the maximum term remaining at 10 years (March 31, 2023: 1,165,610).

	Number of Options	Weighted Average Exercise Price
Balance at March 31, 2022	**1,293,333**	**$1.98**
Options forfeited during the year	(1,330,000)	$1.79
Options expired during the year	(30,000)	$1.30
Option granted during the year	1,550,000	$0.93
Balance at March 31, 2023	**1,483,333**	**$1.05**
Option granted during the year	115,000	$0.88
Options expired during the year	(133,333)	$2.22
Balance at March 31, 2024	**1,465,000**	**$0.93**

16. SHAREHOLDERS' EQUITY (CONTINUED)

During the year ended March 31, 2024, 115,000 share options were issued to a member of the board of directors and an employee and the strike price was $0.88, 133,333 share options were expired and the strike price was $2.22, no share options were forfeited. During the year ended March 31, 2023, 1,550,000 share options were issued to members of the board of directors, including the Chief Executive Officer, the Chief Financial Officer and the strike prices were $0.77 for 200,000 options, $0.88 for 500,000 options, $0.97 for 200,000 options, $1.07 for 200,000 options, $1.18 for 200,000 options and $0.80 for 250,000 options. During the year ended March 31, 2023, 1,330,000 share options were forfeited and 30,000 share options expired.

None of the outstanding options were exercised in the year ended March 31, 2024, or during the year ended March 31, 2023. All options were granted at an exercise price greater than or equal to the ending trading price on the day prior to the grant that is considered fair value.

Using the Black-Scholes pricing model, the Company recognized $nil for forfeited options for the year ended March 31, 2024 (March 31, 2023: $468,298 net of $nil for forfeited options).

In calculating the share-based compensation expense, the Company used the assumptions as listed below as at the date of grants:

	2024	2023
Risk-free interest rate	3-90% - 3.92%	1% - 3.62%
Expected volatility	63.08% - 63.72%	51.05% - 92.11%
Expected time until exercise	5 years	5 years
Expected dividend yield	NIL	NIL
Expected forfeiture	0-20%	0-5%
Share price	$0.88	$0.77 - $1.18

The expected price volatility is based on the historic volatility (based on the expected life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The following table summarizes stock options vested and outstanding at March 31, 2024:

Grant Date	Number of Options Outstanding	Remaining Years	Number of Options Vested	Exercise Price	Expiry Date
2022-04-28	200,000	3.08	200,000	0.88	2027-04-28
2022-04-28	200,000	3.08	-	0.97	2027-04-28
2022-04-28	200,000	3.08	83,333	1.07	2027-04-28
2022-04-28	200,000	3.08	166,666	1.18	2027-04-28
2022-04-28	100,000	3.08	100,000	0.88	2027-04-28
2022-09-26	250,000	3.49	83,333	0.80	2027-09-26
2022-10-11	200,000	3.53	200,000	0.77	2027-09-26
2023-08-29	100,000	4.42	100,000	0.88	2028-08-29
2023-07-31	15,000	4.34	-	0.88	2028-07-31
	1,465,000	3.31	933,332		

1. Expiry date extended in accordance with the share option plan.

17. NON-CONTROLLING INTERESTS

NSSG

On October 1, 2023, the Company acquired control of North Star Support Group S.R.L. ("NSSG") upon achieving economic and voting interests of 55%. As a result, effective October 1, 2023, the Company commenced consolidating the entity. The transaction has been accounted for as a business combination in accordance with IFRS 3, Business Combinations.

Following the acquisition of NSSG, Mrs. Grigore, the former owner, was granted a put option (note 13). At the initial recognition of this put option, the NCI related to the shares subject to the option was eliminated. The difference between the present value of expected redemption amount and the carrying amount of the NCI was adjusted within equity.

ToyBoxx

In September 2023, Avante Corp., operating through its subsidiary Avante Holding Corp., formally established ToyBoxx, which commenced its services in December 2023. The following table summarizes the financial information related to ToyBoxx, before any intra-group eliminations:

As at (and for the year ended)	Mar 31, 2024
Current assets	9,956
Non-current assets	240,735
Current liabilities	(215,527)
Non-current liabilities	(77,114)
Net assets (100%)	**(41,950)**
Revenue	9,856
Net income (loss)	(42,050)
Other comprehensive income	0
Total comprehensive income (loss) (100%)	**(42,050)**
Net income (loss) allocated to NCI (49%)	**(20,605)**
Cash flows from operating activities	163,369
Cash flows from investment activities	(31,749)
Cash flows from financing activities (dividends to NCI: nil)	(131,520)
Net increase (decrease) in cash and cash equivalents	100

18. PERFORMANCE SHARE UNITS

On November 25, 2020, the Company's Board of Directors established a performance share unit ("**PSU**") compensation program, which as of April 8, 2022 was terminated. That program provided for a cash payment to eligible participants equal to the number of PSUs granted multiplied by the Company's volume weighted average share price ("**VWAP**") in effect during the thirty days prior to a future valuation date scaled downwards for vesting criteria linked to that VWAP in effect during the thirty days prior to the valuation date.

On November 25, 2020, the Company announced that the Chief Executive Officer was awarded 200,000 performance stock units payable on March 31, 2023 at the Corporation's 30-day volume weighted share price in effect on that date, scaled downward to 0% payout if that VWAP was less than $3.39 per share, 50% payout if great than or equal to $3.39 per share, 75% payout if greater than or equal to $3.75 per share or 100% payout if greater than or equal to $4.00 per share. Such award, if any, would have been settled in cash within 150 days following March 31, 2023.

18. PERFORMANCE SHARE UNITS (CONTINUED)

In each fiscal year end thereafter, the Company used Monte-Carlo simulation valuation techniques to estimate the potential future value that might exist as of March 31, 2023 in respect of issued but unvested PSU grants. Such estimate was then discounted based on the risk-free interest rate as of the valuation date. Other assumptions included in the fair value of the unvested PSU grants included:

- The Company's share price on the valuation date;
- The remaining number of trading days from the valuation date until the vesting date of March 31, 2023;
- The average expected annual return on the Company's shares as of the valuation date; and
- The expected volatility of the price of the Company's common shares as of the valuation date.

The present value of such estimated potential liability was recalculated by the Company every fiscal quarter end. Within accounts payable and accrued liabilities on the consolidated statement of financial position, the Company reflected the net present value of the potential obligation, prorated by the number of months that have elapsed since the date of grant versus the total number of months from the PSU grant date to the maturity date. The difference between the statement of financial position liability amounts at the balance sheet date versus the fiscal period's opening liability was reflected as an expense, or recovery, within share based payments on the consolidated statements of income (loss) and comprehensive income (loss).

At March 31, 2022, the present value of the estimated potential liability was $42,857. However, the PSU's had no value following the departure in April 2022 of the one executive benefiting from the PSU grant. No expense or recovery is reflected in profit or loss in the year ended March 31, 2024 (year ended March 31, 2023: a recovery of $42,857).

19. INCOME TAXES

In prior annual fiscal years, the Company incurred non-capital losses for income tax purposes. Those losses are available to the Company to reduce the current portion of income taxes payable, if any. Income tax expense is recognized based on management's estimate of tax rates of 26.5% expected to be in effect for the Company's full financial year.

The reconciliation of Income taxes computed at the Canadian statutory tax rates to income tax expense was as follows:

	March 31, 2024 $	March 31, 2023 $
Loss before income taxes	(3,136,189)	(3,261,946)
Income tax rate	26.5%	26.5%
Expected income tax recovery based on statutory rate	(831,090)	(864,000)
Adjustment to expected income tax recovery:		
Change in statutory foreign tax, foreign exchange rates and other	24,759	-
Permanent differences	249,777	262,000
Impact of flow through share	-	-
Adjustment to prior years provision versus statutory returns	(213,818)	(21,073)
Non-capital losses applied	-	-
Change in unrecognized deductible temporary differences	683,579	1,217,000
Total Income Tax Expense/(Recovery)	(86,793)	593,927
Deferred Income Tax Expense/(Recovery)	(88,259)	593,927
Current Income Tax Expense/(Recovery)	1,466	-

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

19. INCOME TAXES (CONTINUED)

Significant components of the Company's deferred tax assets and liabilities are as follows:

	March 31, 2024 $	March 31, 2023 $
Deferred Tax Assets		
Non-capital losses available for future period	2,053,640	1,915,447
Capital losses available for future period	251,118	243,446
Property, Plant and Equipment	254,511	35,413
Lease Liability	347,365	511,517
Share issue costs	63,686	99,827
SR&ED tax credits	411,919	419,291
Reserves	362,660	42,590
Others	1,325	-
	3,746,224	3,267,530
Unrecognized deferred tax assets	(2,771,603)	(2,336,080)
Assets used against liabilities	(538,990)	(211,571)
Net deferred tax assets	435,632	719,878
Deferred Tax Liabilities:		
Property, Plant and Equipment	(7,274)	(211,571)
Intangible Assets	(337,545)	(332,024)
Right of Use Assests	(338,128)	-
Asset used against liabilities	538,990	211,571
Deferred Income Tax Liabilities	(143,957)	(332,024)

When assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of taxable income during the periods in which those temporary differences become deductible. The amount of the tax asset considered realizable could change materially in the near term, based on deferred taxable income during the carry forward period.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	March 31, 2024 $
Temporary Differences	
Non-capital losses available for future period	7,634,000
Capital losses available for future period	1,895,000
Property, Plant and Equipment	543,000
Intangible assets	-
Lease Liability	6,000
Share issue costs	240,000
SR&ED tax credits	-
Investments	-
Reserves	1,084,000
Others	5,000
	11,407,000

19. INCOME TAXES (CONTINUED)

As at March 31, 2024, the Company has operating losses for income tax purposes in the amount of $7,634,029 which may be carried forward to reduce taxable income of future years (March 31, 2023: $7,228,100).

The losses expire as follows:

Expiry	Total
2034	19,029
2035	92,531
2036	83,822
2037	84,256
2038	84,009
2039	144,706
2040	1,188,261
2041	-
2042	674,251
2043	3,910,760
2044	1,352,404
	$ 7,634,029

Tax credits recoverable at March 31, 2024 represents Scientific Research & Experimental Development ("SR&ED") tax credits received by the Company in fiscal years 2009, 2010, and 2011.

For the year ending March 31, 2024, the Company recognized a deferred income tax recovery of $88,259, and current income tax expense of $1,466 (March 31, 2023: recovery of $593,927 continuing operations and recovery of $nil from discontinued operations, and current income tax expense of $nil from continuing operations). The deferred tax assets are attributable to previously unused non-capital tax loss carry forwards that it estimates will be used against taxable income for the year ended March 31, 2025 and future taxable periods.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

[a] Risk management

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The Board of Directors receive quarterly reports from the Company's management, through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are primarily comprised of two types of risk: foreign currency risk and interest rate risk.

Foreign Currency Risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results.

The Company is exposed to foreign currency risk on revenue and expenses where it invoices or procures in a foreign currency. It is also exposed to foreign currency risk on cash and cash equivalents, trade receivables, trade payables and loans payable denominated in foreign currencies, principally in US dollars, GBP and RON. The company does not employ any hedging strategies or use derivative instruments to mitigate this risk.
The following table presents the potential impact on all financial instruments that are denominated in currencies, other than functional currencies. The following table analyzes a 10% change in the USD, GBP, and RON exchange rates:

Avante Corp. excluding foreign subsidiary

	Translated to CAD functional currency
	USD
Total currency (foreign)	95,981
10% sensitivity	9,598
Translated to CAD	13,478

Foreign subsidiary

	Translated to EUR functional currency		
	RON	USD	GBP
Total currency (foreign)	(632,667)	(119,780)	28,551
10% sensitivity	(63,267)	(11,978)	2,855
Translated to CAD	(92,319)	(17,478)	4,166

Financial instruments held by NSSG are denominated in the NSSG functional currency of Euros, and the effect of foreign exchange rate movements on the Company's share of these financial instruments is included in accumulated other comprehensive income in the consolidated balance sheet.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

As at March 31, 2024 the following exchange rates were used:

	Spot rate at March 31, 2024
RON to EUR	0.2011
RON to USD	0.2170
RON to GBP	0.1720
USD to EUR	0.9250
GBP to EUR	1.1695
EUR to CAD	1.4592

Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has an available revolving credit facility limit, provided on a demand basis, from its bank of $2,000,000 (as of June 1, 2022) and an unsecured term loan facility from its largest shareholder of $10,000,000 (as of July 7, 2022) but neither credit arrangement was utilized as of March 31, 2024.

At March 31, 2023, the Company had a revolving credit facility and bank loans subject to floating interest rates amounting to $500,000, a 1% change in interest rates would be a $5,000 impact to the Company's net income (loss) for the period and total comprehensive income (loss) for the period.

Prior to the sale of Logixx Security on June 1, 2022, the Company had bank loans subject to floating interest rates amounting to $9,350,000 as of March 31, 2022. At that time, a 1% change in interest rates would have impacted interest costs by $93,500 to the Company's net income for the period and total comprehensive income for the fiscal year ended March 31, 2022. That interest rate risk was offset by the potential changes in the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions at that time. During late June 2022 the Company began investing surplus funds in one-year, cashable guaranteed investment certificates issued by its bank at fixed interest rates, so interest rate risk to rising market interest rates now exists in respect of such investments offset by the Company's ability to cash the guaranteed investment certificate and reinvest the proceeds following the initial one month non-redeemable period.

As of March 31, 2024, the loan balance has been fully settled, and the outstanding amount is $nil.

During late June 2022 the Company began investing surplus funds in one-year, cashable guaranteed investment certificates issued by its bank at fixed interest rates, so interest rate risk to rising market interest rates now exists in respect of such investments offset by the Company's ability to cash the guaranteed investment certificate and reinvest the proceeds following the initial one month non-redeemable period.

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For credit risk on accounts receivable see Note 8. Financial instruments, which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents, guaranteed investment certificates, accounts receivables, and amounts due from the purchasers of Logixx Security. The carrying amounts of financial assets represent the maximum credit exposure. The Company has gross credit exposure at March 31, 2024 relating to cash of $nil (March 31, 2023: $500,000) and guaranteed investment certificates of $3,744,974 (March 31, 2023: $9,164,850). All cash and guaranteed investment certificates are held in or with Canadian banks and Romanian banks which have credit ratings of A+ and Aa2 from rating agencies Standard & Poor's and Moody's respectively.

The Company has performed a sensitivity analysis on changes in the credit risk associated with these banks and considers this risk to be minimal for all cash assets based on changes that are reasonably possible at the reporting date.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The company has settled the outstanding balance with City Wide Locksmith's. The original vendor take back was for $450,000 originating on October 31, 2020. CWL made annual payments in accordance to the parameters set out in the VTB. Interest charges ranged between 3-4%. CWL cleared the remaining balance on June 15, 2023. The Company extended a 10% discount on the remaining balance for the accelerated payment for a net amount received of $322,350.

For credit risk on accounts receivable see Note 8.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of approximately 90 days. To achieve this objective, the Company prepares annual financial budgets and updates short-term liquidity requirements at least monthly based on revised estimates. Further, the Company utilizes delegated authorizations for varying expenditure levels and types to further manage expenditure. The Company also monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

The following table sets out the Company's contractual maturities (representing undiscounted contractual cash flows including interest) of financial liabilities:

	Up to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Contractual amount	Carrying amount	
At March 31, 2023	**$ 4,908,066**	**$ 520,181**	**$ 419,054**	**$ 877,892**	**$ -**	**$ 6,725,193**	**$ 6,330,544**	
Accounts payable and accrued liabilities	4,153,436	417,354	-	-	-	4,570,790	4,570,790	
Obligations under lease	166,108	440,540	427,959	415,450	-	1,450,057	1,380,149	
At March 31, 2024	**$ 4,319,544**	**$ 857,894**	**$ 427,959**	**$ 415,450**	**$ -**	**$ 6,020,847**	**$ 5,950,939**	

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Contractual amounts reflect undiscounted principal payments and future interest payments. Carrying amount excludes interest, is discounted, includes any residual value.

The Company maintains a robust liquidity position to meet its current and future obligations, including potential obligations arising from the exercise of the put option or accelerated put option by NCI amounting to $1,269,562.

As of March 31, 2024, the Company holds cash and cash equivalents totaling $6,030,907. Additionally, the Company has access to undrawn credit facilities amounting to $12,000,000.

Based on the current liquidity position, available credit facilities, and ongoing financial planning, management is confident that the Company can meet any obligations arising from the exercise of the put option or accelerated put option by NCI.

The working capital as at March 31, 2024 was $6,521,936 compared to $9,913,951 at March 31, 2023.

d) Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the Black-Scholes option pricing model. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The balance sheet carrying amounts for cash and cash equivalents, accounts receivable, notes receivable, accounts payable and accrued liabilities, bank indebtedness and vehicle loans and finance leases, and the prior year end's derivative liabilities approximate fair value due to their short-term nature.

e) Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value or disclosed at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The PSU liability that existed prior to its cancellation in April 2022 were considered level 2.

21. CAPITAL MANAGEMENT

The Company defines its cash, guaranteed investment certificates, common shares and stock options as capital. The Company's objectives when maintaining capital are:

a. To preserve the ability to ensure business continuity thereby creating a return for the shareholders, investors and other interested parties.

b. To ensure adequate return for the shareholders by pricing of services that is adjusted to the level of risk in the business activity.

To support business activity and maximize shareholder value, the Company takes into consideration various factors, including the growth of the business-related infrastructure and the up-front cost of developing new services. The Company's officers and senior management are responsible for managing the capital and do so through monthly meetings and regular review of financial information. The Board of Directors is responsible for overseeing this process.

The Company manages capital with the objective of maintaining adequate capital resources through the optimization of the cash flows from operations and capital transactions. As of June 1, 2022 and July 7, 2022, the Company's new senior secured credit facility provided on a demand basis and its new unsecured term loan facility, respectively, are both subject to financial covenants, draw conditions and other terms that must be complied with in order for such sources of financing to be used by the Company (Note 14). The Company has complied with all the terms of both facilities as at March 31, 2024 and March 31, 2023.

22. RELATED PARTY TRANSACTIONS

In prior years, the Company had established relationships with several entities that were considered related parties. specifically RSPNDR, Xpresscheck, Resilience Capital Inc., and Illyria Inc. However, as of the current reporting period, these entities are no longer classified as related parties.

The Company entered into a contract effective May 1, 2018 with a private company controlled by a significant shareholder (and subsequent to March 30, 2022 an officer) to provide consulting services for the Company. The Company incurred $24,058 of expense in the year ended March 31, 2024 (March 31, 2023: $67,624). The balance outstanding payable by the Company at March 31, 2024, is $27,186 (March 31, 2023: $nil).

During the year ended March 31, 2024, the Company entered into a consulting agreement with a family member of a significant shareholder and an officer of the Company. Under the terms of the agreement, the family member provided strategic consulting services to the Company on a contract basis. The total amount paid to the family member for services rendered during the fiscal year was $29,466. The terms of the agreement were negotiated at arm's length and were comparable to those that would be provided to unrelated third parties.

On July 7, 2022, the Company executed an unsecured Loan Agreement with affiliates of Fairfax Financial Holdings Limited that also collectively own 19.88% of the Company's common shares. Pursuant to the Loan Agreement, the Company is permitted to draw, on a non-revolving basis, up to $10 million of loans until July 7, 2027 for terms to maturity ending on July 7, 2027, at an interest rate of 5.0% that can be paid by the Company in cash or in kind. A standby fee of 0.5% per annum is charged by Fairfax on the unused portion of the term loan facility, and the fee is recorded within the interest expense on the consolidated statement of income (loss) and comprehensive income (loss) in the amount of $50,000 (March 31, 2023: $36,575).

The Loan Agreement ranks junior to the senior secured credit facilities provided by the Company's bank, but are guaranteed on an unsecured basis by all subsidiaries of the Company.

22. RELATED PARTY TRANSACTIONS (CONTINUED)

Pursuant to the Loan Agreement, the Company's consolidated senior indebtedness (excluding drawings under the Term Loan and net of permitted cash balances) shall not exceed 3.5 times Adjusted EBITDA (as defined in the Loan Agreement) on a rolling four quarter basis. In addition, further drawings under the Loan Agreement are conditional on the Company's existing Chief Executive Officer being involved in the day-to-day operations of the Company. To date, there have not been any drawings advanced under the Loan Agreement.

Interest on bank loans expensed in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2024 is $60,157 (March 31, 2023: $51,741).

Remuneration of Directors and Officers was as follows:

	For the year ended	
Directors and Officers Remuneration	**31-Mar-24**	**31-Mar-23**
Salaries, short term employee benefits	$612,772	$563,498
Bonus (short-term and long-term)	1,784,875	375,000
Termination benefits	-	1,040,000
Director fees	200,000	190,011
Share based payments	48,863	670,096
	$2,646,510	$2,838,605

On April 8, 2022, the Company offered a long-term incentive plan to a director and officer of the Corporation. Under this plan, 1 million shares were to be granted on April 1, 2027, and an additional 1 million shares were to be granted upon the announcement of the Company's earnings per share for the fiscal year 2027, contingent on meeting certain performance targets.

The Company accrued $175,000 as a stock-based compensation expense for the period ended March 31, 2023, which was recorded within contributed surplus. However, the entire incentive plan has been cancelled, and the accrued expenses have been reversed in the year ended March 31, 2024.

The officers of the Company receive the short-term compensation based on achieving targeted free cash flow as determined by the Compensation committee on an annual basis.

The officers of the Company are eligible for long-term incentive payments, structured as cash-settled share-based payments, contingent upon specific criteria. At the reporting date, the fair value of the outstanding liability for cash-settled share-based payments was $1,209,875.

The total expense recognized for the period arising from cash-settled share-based payments was $1,209,875, which is included in employee benefits expense. This amount reflects the fair value of the share-based payments remeasured at the reporting date.

One officer is entitled to receive the incentive payment based on the earlier of:

- The date the officer's employment is terminated, however such termination is caused, or
- August 2028.

The other officer is entitled to receive the incentive payment based on the earlier of:

- The involuntary termination of either the first officer or himself, or
- August 2028.

Directors are eligible for an annual allowance of $5,000 towards security services from the Company.

23. REORGANIZATION AND ACQUISITION COSTS

The Company incurred reorganization and acquisition costs in the amount of $231,211 for the year ended March 31, 2024 (March 31, 2023: $2,560,292 continuing operations, $22,636 discontinued operations). During the year ended March 31, 2024, these costs incurred $227,586 consulting fees, $85,138 acquisition costs, $51,821 legal and consulting and $133,293 reversal of legal fees accrual for previous periods. During the year ended March 31, 2023, these costs included $443,610 of bank and legal fees related to the terminated credit agreement, $2,116,682 of professional fees paid to consultants, financial and legal advisors, fees related to business amalgamations, rebranding and reorganization expenses including severance expenses.

24. SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Company's other components. The operating results of all operating segments are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assessing their performance. The Company's chief operating decision maker is the Chief Executive Officer. Prior to June 1, 2022, the Company operated in one reportable segment described below and accounted for intersegment sales as if they were to external customers.

With the sale of Logixx Security on June 1, 2022, Logixx Security is treated as a discontinued operation. Logixx Security provides security services for enterprise customers across Canada. Services include protective services (also known as guarding) as well as security system design, sales, installations, and monitoring and alarm response.

Avante Security provides premium security services for residential customers in Toronto and Muskoka, Ontario through the use of advanced technology and a focus on client service. Avante Security's business provides a complete offering ranging from system design, sales, installations, and monitoring to services such as alarm response and patrols, personal protection, house staff training, and secure transportation.

NSSG is a risk management and security firm that primarily specializes in international secure transportation, investigation services, and advanced cyber sentiment monitoring, as well as providing sensitive investigations tailored for executive clients on a global scale. NSSG also offers risk management, crisis management, remote medicine, due diligence, and travel risk management services. Operating from Romania, the company serves clients in Saudi Arabia, Italy, Israel, the United Kingdom, and a worldwide clientele.

The Company's revenue by geographic region for the year ended March 31, 2024 was as follows:

Region	Revenue
Canada	$ 21,751,011
USA	1,027,633
Israel	548,499
Egypt	626,317
Italy	371,777
Kuwait	207,877
UK	94,121
Other	322,550
Total	**$ 24,949,785**

24. SEGMENT REPORTING (CONTINUED)

Segment statements of loss and comprehensive loss for the year ended March 31, 2024 are included below:

	For the year ended March 31, 2024				
	Avante Security (ASI + TOYBOXX 51%)	**NSSG**	**Corporate**	**Intersegment eliminations**	**Total**
Revenues	$ 23,345,095	$ 1,891,338	$ -	$ (286,648)	$ 24,949,785
Cost of sales	13,972,854	948,169	-	(286,648)	14,634,375
Gross profit	9,372,241	943,169	-	-	10,315,410
Operating expenses					
Salaries, benefits and commissions	2,634,184	664,419	2,862,435	-	6,161,038
Administration	4,435,187	521,227	(138,629)	-	4,817,785
Depreciation on capital assets	746,172	67,372	49,641	-	863,185
Amortization on intangible assets	-	-	557,153	-	557,153
Merchant transaction fees and bank charges	398,285	6,784	17,308	-	422,377
Share based payments	-	-	55,191	-	55,191
	8,213,828	1,259,802	3,403,099	-	12,876,729
Income (loss) before other income and expenses	1,158,413	(316,633)	(3,403,099)	-	(2,561,319)
Other (income) expenses					
Miscellaneous (income) expense	(98,592)	10,883	(451,209)	-	(538,918)
Interest expense	550,036	36,730	(354,189)	-	232,577
Foreign exchange (gain) loss	15,313	1,644	(16,100)	-	857
Loss in fair value of put option (note 13)	-	-	649,143	-	649,143
Total other (income) expenses	466,757	49,257	(172,355)	-	343,659
Income (loss) before reorganization, and acquisition costs	691,656	(365,890)	(3,230,744)	-	(2,904,978)
Reorganization and acquisition costs	(111,242)	-	342,453	-	231,211
Income (loss) before income taxes	**802,898**	**(365,890)**	**(3,573,197)**	**-**	**(3,136,189)**
Provision for income taxes					
Income tax expense to the prior year (recovery)		1,466			1,466
Deferred income tax expense (recovery)	(47,778)	(40,481)	-	-	(88,259)
	(47,778)	(39,015)	-	-	(86,793)
Net income (loss) for the year	**$ 850,676**	**$ (326,875)**	**$ (3,573,197)**	**$ -**	**$ (3,049,396)**
Other comprehensive income(loss) from continuing operations:					
Unrealized gain (loss) on translating financial statements of foreign operation	-	-	(2,019)	-	(2,019)
Total comprehensive income(loss) from continuing operations for the year	**$ 850,676**	**$ (326,875)**	**$ (3,575,216)**	**$ -**	**$ (3,051,415)**

24. SEGMENT REPORTING (CONTINUED)

Segment statements of income (loss) and comprehensive income (loss) for the comparative year ended March 31, 2023 are included below:

	For the year ended March 31, 2023			
	Avante Security	Corporate	Intersegment eliminations	Total
Revenues	$ 19,961,285	$ -	$ (970)	$ 19,960,315
Cost of sales	11,913,494		(75,604)	11,837,890
Gross profit	8,047,791	-	74,634	8,122,425
Operating expenses				-
Salaries, benefits and commissions	1,915,002	1,693,016	-	3,608,018
Administration	2,862,118	383,449	-	3,245,567
Depreciation on capital assets	641,106	65,465	-	706,571
Amortization on intangible assets		392,551	-	392,551
Merchant transaction fees and bank charges	308,054	26,647	-	334,701
Share based payments	-	653,929	-	653,929
	5,726,280	3,215,057	-	8,941,337
Income (loss) before other income and expenses	2,321,511	(3,215,057)	74,634	(818,912)
Other (income) expenses				-
Miscellaneous (income) expense	(45,149)	(292,373)	-	(337,522)
Interest expense	115,101	97,797	-	212,898
Foreign exchange (gain) loss	7,360	6	-	7,366
Loss in fair value of derivative liability	-	-	-	-
Total Other (income) expenses	77,312	(194,570)	-	(117,258)
				-
Income (loss) before reorganization, and acquisition costs	2,244,199	(3,020,487)	74,634	(701,654)
				-
Reorganization and acquisition costs	174,286	2,386,006	-	2,560,292
				-
Income (loss) before income taxes	2,069,913	(5,406,493)	74,634	(3,261,946)
Provision for income taxes				-
Current income tax expense (recovery)	-	-	-	-
Deferred income tax expense (recovery)	28,674	565,253	-	593,927
	28,674	565,253	-	593,927
Net Income (loss) for the year from continuing Operations	**$ 2,041,239**	**$ (5,971,746)**	**$ 74,634**	**$ (3,855,873)**
Total comprehensive income (loss) from continuing operations	**$ 2,041,239**	**$ (5,971,746)**	**$ 74,634**	**$ (3,855,873)**

24. SEGMENT REPORTING (CONTINUED)

Segment assets and liabilities as at March 31, 2024 and March 31, 2023 are as follows:

Segment assets are as follow:	Avante Security	NSSG	Corporate	Total
As at March 31, 2023	$6,729,083	$ -	$18,854,247	$25,583,330
As at March 31, 2024	$15,987,882	$3,812,279	$5,369,401	$25,169,562
Segment liabilities are as follow:				
As at March 31, 2023	$5,851,933	$ -	$2,950,307	$8,802,240
As at March 31, 2024	$6,107,380	$1,404,960	$4,148,135	$11,660,475

25. DISCONTINUED OPERATIONS

Logixx Security:

On March 30, 2022, the Company entered into a definitive share purchase agreement (the "SPA") with SSC Security Services Corp. ("SSC") pursuant to which SSC agreed to acquire all of the Company's ownership interest in Logixx Security. Under the terms of the SPA, the Company would receive $23,950,000 in cash including repayment of intercompany loans of $7,802,074 less reimbursement of SSC's costs related to a prior transaction agreement of $750,000 plus or minus closing working capital compared to an agreed minimum threshold. On June 1, 2022, the Company sold Logixx Security to SSC under the SPA and received $23,733,248, net of the expense reimbursement and estimated working capital surplus. In addition, after approximately 90 days following the closing date, the Company will receive the benefit of Logixx Security's collected accounts receivable since closing that was older than 90 days old as of closing, net of a 5% collection fee payable to SSC, and the parties will settle any surplus or deficiency between the closing working capital balance estimated before closing versus the final closing working capital amount.

Gross cash proceeds of sale	$	23,733,248
Estimated working capital adjustment		1,254,764
Total consideration		24,988,012
Less:		
Intercompany loans payment		7,802,075
Transaction costs		199,416
Net proceeds of sale		**16,986,521**
Assets		
Total current assets		17,979,906
Total non-current assets		12,141,531
Total assets		**30,121,437**
Liabilities		
Total current liabilities		15,559,895
Total non-current liabilities		1,233,822
Total liabilities		**16,793,717**
Total net assets		13,327,720
Gain on disposal, before tax	**$**	**3,658,801**
Gain on disposal, after tax	**$**	**3,658,801**

The gain or loss on the sale of Logixx Security will be finalized when the purchaser and the Company determine the final post closing adjustments to the purchase price. Based on information available at this time, the Company does not expect the gain on disposal to be subject to tax.

26. CONTINGENCIES

From time to time, the Company may become liable for legal, contractual and other claims by various parties, including customers, suppliers, former employees and vendors of businesses acquired by the Company. Depending on the nature or duration of any potential proceedings or claims, the Company may incur substantial costs and expenses, be required to devote significant management time and resources to the matters and suffer adverse judgements or outcomes in respect of these claims, although it is difficult to predict final outcomes with any degree of certainty. Except as disclosed from time to time in the Company's consolidated financial statements, the Company does not believe that any of the claims to which the Company is currently a party will have a material adverse effect on the Company's profitability or financial condition; however, the Company cannot provide any assurance to that effect.

27. SUBSEQUENT EVENTS

1) On May 7, 2024, the Company agreed to settle with sellers of Intelligarde International Inc. for the holdback related to the acquisition. The total amount of the holdback, held in escrow, was $549,299. The Company received $250,000.

2) On June 24, 2024, the Company calculated that terms of the holdback for the C&B Alarms Inc. asset purchase were not achieved and as a result, the holdback is not expected to be paid.