

Trafco Group B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2024 (REVIEWED)

REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF TRAFCO GROUP B.S.C.

Introduction

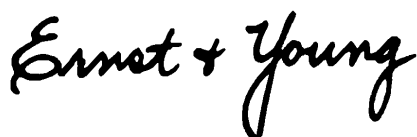
We have reviewed the accompanying interim condensed consolidated financial statements of Trafco Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 31 March 2024, comprising of the interim consolidated statement of financial position as at 31 March 2024 and the related interim consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 ('IAS 34') "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



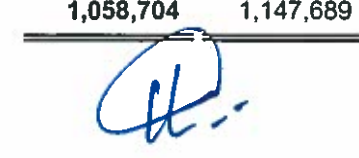


Auditor's Registration No. 45
12 May 2024
Manama, Kingdom of Bahrain

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 March 2024 (Reviewed)

	Notes	Three-month period ended	
		31 March	
		2024	2023
		BD	BD
Revenue from contracts with customers	4	12,509,077	12,069,817
Costs of revenue		(10,112,397)	(9,906,383)
GROSS PROFIT		2,396,680	2,163,434
Other operating income		48,255	54,167
Personnel costs		(1,172,059)	(1,047,294)
General and administration expenses		(264,374)	(274,892)
Selling and distribution expenses		(267,602)	(252,912)
Depreciation on property, plant and equipment		(99,716)	(101,325)
Depreciation on right-of-use assets		(53,491)	(49,436)
PROFIT FROM OPERATIONS		587,693	491,742
Finance costs		(95,123)	(110,517)
Finance costs on lease liabilities		(51,456)	(47,766)
Investment income	5	698,843	734,331
Foreign exchange gains - net		14,986	13,146
PROFIT OF THE GROUP FOR THE PERIOD		1,154,943	1,080,936
of which profit attributable to non-controlling interests		(196,867)	(200,753)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS OF TRAFCO GROUP B.S.C.		958,076	880,183
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	6	13	12
OTHER COMPREHENSIVE INCOME			
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>			
- Gains on disposals of investments at fair value through other comprehensive income		-	50,072
- Net change in fair value of investments at fair value through other comprehensive income		115,065	225,931
		115,065	276,003
<i>Items to be reclassified to profit or loss in subsequent periods:</i>			
- Foreign exchange differences on translation of foreign operations		(554)	4,258
Other comprehensive income for the period		114,511	280,261
TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE PERIOD		1,269,454	1,361,197
of which attributable to non-controlling interests		(210,750)	(213,508)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS OF TRAFCO GROUP B.S.C.		1,058,704	1,147,689
			
Ebrahim Mohamed Ali Zainal Chairman			
			
Yusuf Saleh Abdulla AlSaleh Vice Chairman			
			
Azzam Moutragi Group Chief Executive Officer			

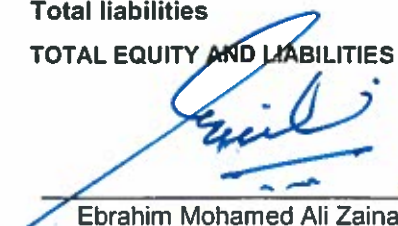
The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

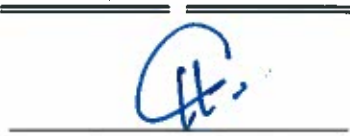
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024 (Reviewed)

	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD
ASSETS		
Non-current assets		
Property, plant and equipment	10,951,943	10,066,355
Right-of-use assets	3,399,518	3,169,339
Investments at fair value through other comprehensive income	16,132,457	15,960,759
	<u>30,483,918</u>	<u>29,196,453</u>
Current assets		
Inventories	11,002,373	11,030,116
Right of return assets	45,723	44,733
Trade and other receivables	13,433,228	10,676,652
Bank balances and cash	3,678,378	5,460,262
	<u>28,159,702</u>	<u>27,211,763</u>
TOTAL ASSETS	<u><u>58,643,620</u></u>	<u><u>56,408,216</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	8,067,505	8,067,505
Treasury shares	(1,706,644)	(1,706,644)
Share premium	3,386,502	3,386,502
Reserves	20,286,088	20,488,607
Equity attributable to shareholders of Trafco Group B.S.C.	<u>30,033,451</u>	<u>30,235,970</u>
Non-controlling interests	5,614,395	5,403,645
Total equity	<u><u>35,647,846</u></u>	<u><u>35,639,615</u></u>
Non-current liabilities		
Lease liabilities	3,130,285	3,009,350
Employees' end of service benefits	1,586,411	1,550,553
Term loans	2,156,321	2,369,475
Retentions payable	96,610	56,875
Government grant	37,298	37,298
	<u>7,006,925</u>	<u>7,023,551</u>
Current liabilities		
Trade and other payables	10,233,505	8,157,241
Import loans	3,851,251	3,416,930
Bank overdrafts	-	422,152
Lease liabilities	496,371	472,337
Contract and refund liabilities	460,077	372,338
Term loans	847,368	843,510
Retentions payable	96,610	56,875
Government grant	3,667	3,667
	<u>15,988,849</u>	<u>13,745,050</u>
Total liabilities	<u><u>22,995,774</u></u>	<u><u>20,768,601</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>58,643,620</u></u>	<u><u>56,408,216</u></u>


Ebrahim Mohamed Ali Zainal
Chairman


Yusuf Saleh Abdulla AlSaleh
Vice Chairman


Azzam Moutragi
Group Chief Executive Officer

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2024 (Reviewed)

	<i>Three-month period ended</i>	
	<i>31 March</i>	
	2024	2023
	BD	BD
OPERATING ACTIVITIES		
Profit of the Group for the period	1,154,943	1,080,936
Adjustments for:		
Investment income	(698,843)	(734,331)
Depreciation of property, plant and equipment	246,468	244,516
Depreciation of right-of-use assets	104,983	99,401
Finance costs on lease liabilities	51,456	47,766
Other finance costs	95,123	110,517
Provision for employees' end of service benefits	59,305	46,439
Provision for slow moving and obsolete of inventories	16,335	17,587
Allowance for expected credit losses	38,222	32,200
Operating profit before changes in working capital	1,067,992	945,031
Working capital changes:		
Inventories	11,408	(196,592)
Right of return assets	(990)	(2,314)
Trade and other receivables	(2,440,868)	(1,547,144)
Trade and other payables	924,930	(103,591)
Retention payable	79,470	-
Contract and refund liabilities	87,739	56,087
Net cash used in operations	(270,319)	(848,523)
Directors' remuneration paid	(119,925)	(102,500)
Employees' end of service benefits paid	(23,447)	(18,811)
Net cash flows used in operating activities	(413,691)	(969,834)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,132,056)	(107,912)
Purchase of investments at fair value through other comprehensive income	(56,631)	(22,208)
Proceeds from disposals of investments at fair value through other comprehensive income	-	73,687
Dividends and interest received	344,913	325,189
Net cash flows (used in)/from investing activities	(843,774)	268,756
FINANCING ACTIVITIES		
Import loans availed	2,964,527	3,744,187
Repayment of import loan	(2,530,206)	(3,261,862)
Finance costs paid	(85,087)	(103,020)
Term loan availed	-	1,300,000
Repayment of term loan	(209,296)	(136,171)
Payment of principal portion of lease liabilities	(190,195)	(177,013)
Finance costs paid on lease liabilities	(51,456)	(47,766)
Net cash flows (used in)/from financing activities	(101,713)	1,318,355

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the period ended 31 March 2024 (Reviewed)

	<i>Three-month period ended</i>	
	<i>31 March</i>	
	2024	2023
	BD	BD
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,359,178)	617,277
Foreign currency translation adjustments - net	(554)	4,258
Cash and cash equivalents at 1 January	5,038,110	3,142,708
CASH AND CASH EQUIVALENTS AT 31 MARCH (A)	3,678,378	3,764,243
(A) Cash and cash equivalents comprise of following amounts:		
Cash, bank balances and short-term deposits	3,678,378	4,406,259
Less: Bank overdrafts	-	(642,016)
	3,678,378	3,764,243

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2024 (Reviewed)

	<i>Attributable to the shareholders of Trafco Group B.S.C.</i>													<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>Reserves</i>											<i>Shareholders' equity</i>			
	<i>Share capital</i>	<i>Treasury shares</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Fair value reserve</i>	<i>Foreign currency reserve</i>	<i>Retained earnings - distributable</i>	<i>Retained earnings non-distributable</i>	<i>Proposed appropriations</i>	<i>Total reserves</i>		<i>Shareholders' equity</i>		
<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>		
Balance at 1 January 2024	8,067,505	(1,706,644)	3,386,502	4,033,753	1,615,000	8,483,180	(49,259)	4,597,974	496,736	1,311,223	20,488,607	30,235,970	5,403,645	35,639,615	
Profit for the period	-	-	-	-	-	-	-	958,076	-	-	958,076	958,076	196,867	1,154,943	
Other comprehensive income for the period	-	-	-	-	-	100,911	(283)	-	-	-	100,628	100,628	13,883	114,511	
Total comprehensive income for the period	-	-	-	-	-	100,911	(283)	958,076	-	-	1,058,704	1,058,704	210,750	1,269,454	
Dividends (note 9)	-	-	-	-	-	-	-	-	-	(1,261,223)	(1,261,223)	(1,261,223)	-	(1,261,223)	
Transfer to general reserve	-	-	-	-	50,000	-	-	-	-	(50,000)	-	-	-	-	
Balance at 31 March 2024	8,067,505	(1,706,644)	3,386,502	4,033,753	1,665,000	8,584,091	(49,542)	5,556,050	496,736	-	20,286,088	30,033,451	5,614,395	35,647,846	

	<i>Attributable to the shareholders of Trafco Group B.S.C.</i>													<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>Reserves</i>											<i>Shareholders' equity</i>			
	<i>Share capital</i>	<i>Treasury shares</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Fair value reserve</i>	<i>Foreign currency reserve</i>	<i>Retained earnings - distributable</i>	<i>Retained earnings non-distributable</i>	<i>Proposed appropriations</i>	<i>Total reserves</i>		<i>Shareholders' equity</i>		
<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	
Balance at 1 January 2023	8,067,505	(1,706,644)	3,386,502	4,033,753	1,565,000	7,339,975	(38,048)	4,047,633	496,736	1,162,844	18,607,893	28,355,256	4,919,438	33,274,694	
Profit for the period	-	-	-	-	-	-	-	880,183	-	-	880,183	880,183	200,753	1,080,936	
Other comprehensive income for the period	-	-	-	-	-	265,334	2,172	-	-	-	267,506	267,506	12,755	280,261	
Total comprehensive income for the period	-	-	-	-	-	265,334	2,172	880,183	-	-	1,147,689	1,147,689	213,508	1,361,197	
Dividends (note 9)	-	-	-	-	-	-	-	-	-	(1,112,844)	(1,112,844)	(1,112,844)	-	(1,112,844)	
Transfer to general reserve	-	-	-	-	50,000	-	-	-	-	(50,000)	-	-	-	-	
Gain on disposal of investments at fair value through other comprehensive income	-	-	-	-	-	(50,072)	-	50,072	-	-	-	-	-	-	
Balance at 31 March 2023	8,067,505	(1,706,644)	3,386,502	4,033,753	1,615,000	7,555,237	(35,876)	4,977,888	496,736	-	18,642,738	28,390,101	5,132,946	33,523,047	

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Trafco Group B.S.C. ('the Company' or 'Trafco') is a public joint stock company, the shares of which are listed and publicly traded on Bahrain Bourse. The Company was incorporated in the Kingdom of Bahrain by Amiri Decree No. 10 of November 1977. The Company operates in accordance with the provisions of the Bahrain Commercial Companies Law under commercial registration (CR) number 8500 issued by the Ministry of Industry and Commerce. The Company's registered office is situated at Building 117, Road 42, Block 343, Mina Salman Industrial Area, Kingdom of Bahrain. The Company's principal activity is trading in food products.

The Group comprises of the Company and its subsidiaries. The details of Company's subsidiaries and an associate are disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 12 May 2024.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the three months period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

New and amended standards and interpretations adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the new and amended standards and interpretations effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendment applies for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- *IAS 7 and IFRS 7 - Supplier Finance Arrangements*
- *IFRS 16 - Lease liability in a sale and leaseback*
- *IAS 1 - Classification of liabilities as current and non-current*

3 MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant accounting judgements and estimates used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Reviewed)

4 REVENUE

The following table presents the disaggregation of the Group's revenue for the three-month periods ended 31 March 2024 and 31 March 2023:

	<i>Wholesale operations</i>		<i>Retail operations</i>		<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Livestock</i>		<i>Total</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<i>Types of revenue</i>														
Sale of goods	3,846,498	4,182,086	318,094	274,276	6,197,363	5,483,985	577,075	499,192	-	-	1,421,397	1,464,691	12,360,427	11,904,230
Rendering of services	-	-	-	-	-	-	-	-	148,650	165,587	-	-	148,650	165,587
	3,846,498	4,182,086	318,094	274,276	6,197,363	5,483,985	577,075	499,192	148,650	165,587	1,421,397	1,464,691	12,509,077	12,069,817
<i>Geographic markets</i>														
Bahrain	3,846,498	4,182,086	318,094	274,276	4,789,517	4,170,317	577,075	499,192	148,650	165,587	1,421,397	1,464,691	11,101,231	10,756,149
Other GCC countries	-	-	-	-	1,407,846	1,313,668	-	-	-	-	-	-	1,407,846	1,313,668
	3,846,498	4,182,086	318,094	274,276	6,197,363	5,483,985	577,075	499,192	148,650	165,587	1,421,397	1,464,691	12,509,077	12,069,817
<i>Timing of revenue recognition</i>														
Goods transferred at a point in time	3,846,498	4,182,086	318,094	274,276	6,197,363	5,483,985	577,075	499,192	-	-	1,421,397	1,464,691	12,360,427	11,904,230
Services transferred over time	-	-	-	-	-	-	-	-	148,650	165,587	-	-	148,650	165,587
	3,846,498	4,182,086	318,094	274,276	6,197,363	5,483,985	577,075	499,192	148,650	165,587	1,421,397	1,464,691	12,509,077	12,069,817

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2024 (Reviewed)

5 SEASONALITY OF RESULTS

Investment income for the three-month period ended 31 March 2024 amounting to BD 698,843 (2023: BD 734,331) is of a seasonal nature.

6 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of Trafco Group B.S.C. by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased by the Company and held as treasury shares, as follows:

	<i>Three-month period ended</i>	
	<i>31 March (Reviewed)</i>	
	2024	2023
Profit for the period attributable to shareholders of Trafco – (BD)	958,076	880,183
Weighted average number of shares, net of treasury shares	74,197,575	74,197,575
Basic and diluted earnings per share (fils)	13	12

Basic and diluted earnings per share are the same as the Company has not issued any instruments that would have a dilutive effect.

7 FINANCIAL INSTRUMENTS

Set out below is an overview of the financial instruments held by the Group as at 31 March 2024 and 31 December 2023:

	<i>Amortised cost</i>	<i>Fair value through other comprehensive income</i>	<i>Total</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>
<i>Financial assets</i>			
<i>At 31 March 2024 (Reviewed)</i>			
Investments at fair value through other comprehensive income	-	16,132,457	16,132,457
Trade and other receivables	13,433,228	-	13,433,228
Bank balances and cash	3,678,378	-	3,678,378
	17,111,606	16,132,457	33,244,063
<i>Financial assets</i>			
<i>At 31 December 2023 (Audited)</i>			
Investments at fair value through other comprehensive income	-	15,960,759	15,960,759
Trade and other receivables	10,676,652	-	10,676,652
Bank balances and cash	5,460,262	-	5,460,262
	16,136,914	15,960,759	32,097,673

7 FINANCIAL INSTRUMENTS (continued)

	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD
Financial liabilities at amortised cost		
Trade and other payables	10,233,505	8,157,241
Import loans	3,851,251	3,416,930
Lease liabilities	3,626,656	3,481,687
Bank overdrafts	-	422,152
Term loans	3,003,689	3,212,985
	20,715,101	18,690,995

8 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of financial instruments

The fair value of financial instruments are estimated based on the following methods and assumptions:

- a) Bank balances and cash, bank overdrafts, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities.
- b) Term loans, import loans and lease liabilities are evaluated by the Group based on parameters such as interest rates. As at 31 March 2024 and as at 31 December 2023, the carrying amounts are not materially different from their fair values; and
- c) Fair value of quoted equity investments and quoted debt instruments is derived from quoted market prices in active markets or in the case of unquoted investments at fair value through other comprehensive income using fair value provided by the investment managers or other appropriate valuation techniques including fair values determined based on unobservable inputs using market multiples or other appropriate valuation methodologies.

The fair values of financial assets and liabilities are not materially different from their carrying values as at 31 March 2024 and as at 31 December 2023.

Fair value of non-financial assets and liabilities

The Group does not have any non-financial assets or liabilities which have been remeasured at fair value as at 31 March 2024 and as at 31 December 2023.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

8 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

The following table provides fair value hierarchy of the Group's assets and liabilities:

	31 March 2024 (Reviewed)			Total BD
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	BD	BD	BD	
Assets measured at fair value				
<i>Investments at fair value through other comprehensive income:</i>				
- Quoted equity investments	9,806,621	-	-	9,806,621
- Unquoted equity investments	-	-	6,325,836	6,325,836
	9,806,621	-	6,325,836	16,132,457
	31 December 2023 (Audited)			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	Total
	BD	BD	BD	BD
Assets measured at fair value				
<i>Investments at fair value through other comprehensive income:</i>				
- Quoted equity investments	9,489,932	-	-	9,489,932
- Unquoted equity investments	-	-	6,470,827	6,470,827
	9,489,932	-	6,470,827	15,960,759

Liabilities measured at fair value:

There were no liabilities measured at fair value as of 31 March 2024 and as of 31 December 2023.

During the three-month period ended 31 March 2024 and year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and there are no transfers into or out of Level 3 fair value measurements.

Reconciliation of fair value measurement of Level 3 assets

Level 3 equity investments have been estimated using fair value provided by the investment managers or other appropriate valuation techniques including fair values determined based on unobservable inputs using market multiples or other appropriate valuation methodologies.

Movement in the fair values of financial assets classified as level 3 category was as follows:

	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD
At beginning of the period / year	6,470,827	4,838,534
Net changes in fair value	(144,991)	1,632,293
At end of the period / year	6,325,836	6,470,827

9 DIVIDENDS

At the annual general meeting of the shareholders held on 27 March 2024, a final cash dividend of 17 fils per share, excluding treasury shares, totaling BD 1,261,223 for the year ended 31 December 2023 was declared. (31 March 2023: At the annual general meeting of the shareholders held on 29 March 2023, a final cash dividend of 15 fils per share, excluding treasury shares, totaling BD 1,112,844 for the year ended 31 December 2022 was declared. Dividend payable are included with 'Trade and other payables' in the interim consolidated statement of financial position as at 31 March 2024.

10 COMMITMENTS AND CONTINGENCIES

The Group has capital expenditure commitments of BD 1,209,552 as of 31 March 2024 [31 December 2023: BD 1,753,376 (Audited)].

Tender, advance payment and performance guarantees issued by banks on behalf of the Group, in the normal course of business, outstanding as at 31 March 2024 amounted to BD 827,627 [31 December 2023: BD 832,627 (Audited)].

11 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

Wholesale operations	Import and distribution of foodstuff.
Retail operations	Distribution of foodstuff through supermarkets.
Investments	Investment in quoted and unquoted securities
Dairy products and beverages	Production, processing and distribution of dairy products, juices, ice-cream, bottling of water and other items.
Fruits and vegetables	Import and distribution of fruits, vegetables and other food items.
Storage and logistics	Providing of storage and logistics services.
Livestock	Import and sale of live animals, fresh, chilled and frozen meat and food service products.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained later in a table, is measured differently from operating profit or loss in the interim condensed consolidated financial statements.

Transfer prices between operating segments are set in a manner similar to transactions with third parties.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, right-of-use assets, inventories, trade and other receivables, bank balances and cash. Whilst the majority of the assets can be directly attributed to individual business segments, the carrying amounts of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

11 SEGMENT REPORTING (continued)

Segment liabilities include all operating liabilities and consist primarily of term loans, import loans, lease liabilities, employees' end of service benefits, Government grant, trade and other payables and bank overdrafts. Whilst the majority of the liabilities can be directly attributed to individual business segments, the carrying amounts of certain liabilities used jointly by two or more segments is allocated to the segments on a reasonable basis.

Inter-segment revenues, transactions, assets and liabilities are eliminated upon consolidation and reflected in the adjustment and eliminations column.

Revenue for the three-month period ended 31 March 2024 in the State of Kuwait and Kingdom of Saudi Arabia amounted to BD 1,407,846 (2023: BD 1,313,668) and profit for the three-month period ended 31 March 2024 amounted to BD 40,240 (2023: BD 77,249). The remaining revenue and profit for the three-month period is generated from the primary geographical segment in the Kingdom of Bahrain.

At 31 March 2024, total assets in the State of Kuwait and Kingdom of Saudi Arabia amounted to BD 2,530,864 [31 December 2023: BD 2,394,586 (Audited)] and total liabilities amounted to BD 2,397,421 [31 December 2023: BD 2,261,144 (Audited)]. All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2024 (Reviewed)

11 SEGMENT REPORTING (continued)

Three-month period ended 31 March 2024 (Reviewed)

The following table presents the details of segmental operating results for the three-month periods ended 31 March 2024 and 31 March 2023:

	Wholesale operations		Retail operations		Investments		Dairy products and beverages		Fruits and vegetables		Storage and logistics		Livestock		Adjustments and eliminations		Total	
	2024 BD	2023 BD	2024 BD	2023 BD	2024 BD	2023 BD	2024 BD	2023 BD	2024 BD	2023 BD	2024 BD	2023 BD	2024 BD	2023 BD	2024 BD	2023 BD	2024 BD	2023 BD
Revenue - third parties	3,846,498	4,182,086	318,094	274,276	-	-	6,197,363	5,483,985	577,075	499,192	148,650	165,587	1,421,397	1,464,691	-	-	12,509,077	12,069,817
Revenue - inter segments	75,642	3,074	-	-	-	-	23,212	35,591	26,768	11,211	69,367	40,797	-	-	(194,989)	(90,673)	-	-
Total revenue	3,922,140	4,185,160	318,094	274,276	-	-	6,220,575	5,519,576	603,843	510,403	218,017	206,384	1,421,397	1,464,691	(194,989)	(90,673)	12,509,077	12,069,817
Costs of revenue (excluding depreciation)	(3,299,449)	(3,586,542)	(250,665)	(229,126)	-	-	(4,680,943)	(4,204,872)	(492,259)	(432,630)	(49,593)	(57,022)	(1,264,289)	(1,263,142)	123,045	60,107	(9,914,153)	(9,713,227)
Gross profit	622,691	598,618	67,429	45,150	-	-	1,539,632	1,314,704	111,584	77,773	168,424	149,362	157,108	201,549	(71,944)	(30,566)	2,594,924	2,356,590
Other operating income	13,958	6,532	300	616	-	-	19,041	42,190	19,733	15,408	1,788	2,348	3,077	1,799	(9,642)	(14,726)	48,255	54,167
Other expenses (excluding depreciation)	(474,564)	(474,658)	(21,318)	(20,599)	-	-	(982,547)	(825,121)	(75,540)	(74,524)	(19,783)	(18,900)	(159,580)	(165,883)	29,297	4,587	(1,704,035)	(1,575,098)
Depreciation on property, plant and equipment	(29,371)	(31,985)	(144)	(635)	-	-	(125,689)	(120,268)	(10,176)	(10,314)	(75,364)	(76,192)	(1,597)	(995)	(4,127)	(4,127)	(246,468)	(244,516)
Depreciation on right-of-use of assets	(29,047)	(27,519)	(6,093)	(7,756)	-	-	(72,067)	(64,979)	(4,750)	(3,931)	(12,288)	(8,870)	(2,775)	(1,777)	22,037	15,431	(104,983)	(99,401)
Profit from operations	103,667	70,988	40,174	16,776	-	-	378,370	346,526	40,851	4,412	62,777	47,748	(3,767)	34,693	(34,379)	(29,401)	587,693	491,742
Investment income	-	-	-	-	967,206	929,780	63,974	66,280	-	-	-	-	15,966	21,215	(348,303)	(282,944)	698,843	734,331
Other finance costs	(78,301)	(87,352)	(755)	(968)	-	-	(1,311)	(6,587)	(9,865)	(11,819)	(7,808)	(12,678)	(4,890)	(3,917)	7,807	12,804	(95,123)	(110,517)
Finance costs on lease liabilities	(30,369)	(29,107)	(279)	(422)	-	-	(28,767)	(26,256)	(5,252)	(4,206)	(16,755)	(12,555)	(289)	(495)	30,255	25,275	(51,456)	(47,766)
Foreign exchange gains, net	-	-	-	-	-	-	14,986	13,146	-	-	-	-	-	-	-	-	14,986	13,146
(Loss) Profit for the period	(5,003)	(45,471)	39,140	15,386	967,206	929,780	427,252	393,109	25,734	(11,613)	38,214	22,515	7,020	51,496	(344,620)	(274,266)	1,154,943	1,080,936
Capital expenditure	800,525	8,923	-	-	-	-	309,526	88,971	19,400	-	-	1,570	2,605	8,448	-	-	1,132,056	107,912

The following table presents the details of segmental assets and liabilities as at 31 March 2024 and 31 December 2023:

	Wholesale operations		Retail operations		Investments		Dairy products and beverages		Fruits and vegetables		Storage and logistics		Livestock		Adjustments and eliminations		Total	
	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD
Assets	18,378,987	16,258,972	89,543	89,748	26,828,436	26,358,308	19,492,343	19,435,290	1,581,016	1,693,380	3,779,965	3,478,652	3,629,056	3,546,421	(15,135,726)	(14,452,555)	58,643,620	56,408,216
Liabilities	15,416,341	12,627,800	89,543	89,748	-	-	7,056,445	7,454,978	1,064,458	1,198,432	1,860,629	1,597,533	483,902	431,576	(2,975,544)	(2,631,466)	22,995,774	20,768,601

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Reviewed)

12 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent associate, major shareholders, companies having common directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim consolidated statement of profit or loss and other comprehensive income for the three-month periods ended 31 March 2024 and 31 March 2023 respectively, are as follows:

	Three-month period ended 31 March 2024 (Reviewed)			
	Revenue	Purchases of goods and services	Other operating and investment income	General and administrative expenses
	BD	BD	BD	BD
Entities with common directors	240,556	796,875	439,729	51,188
	Three-month period ended 31 March 2023 (Reviewed)			
	Revenue	Purchases of goods and services	Other operating and investment income	General and administrative expenses
	BD	BD	BD	BD
Entities with common directors	202,941	137,725	430,214	54,632

Balances with related parties included in the interim consolidated statement of financial position as at 31 March 2024 and as at 31 December 2023, are as follows:

	At 31 March 2024 (Reviewed)		At 31 December 2023 (Audited)	
	Due from related parties	Due to related parties	Due from related parties	Due to related parties
	BD	BD	BD	BD
Entities with common directors	249,611	241,703	208,278	267,308

Share of results of an associate are disclosed on the face of interim statement of profit or loss and other comprehensive income.

Terms and conditions

Transactions are made at prices agreed mutually with the related parties. Outstanding balances at the period-end and year-end arose in the normal course of business are unsecured, interest free and settlement occurs in cash.

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Reviewed)

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during three-month period ended was as follows:

	<i>Three-month period ended</i>	
	<i>31 March (Reviewed)</i>	
	2024	2023
	BD	BD
Short-term benefits	117,245	112,117
Employees' end of service benefits	2,266	3,030
	119,511	115,147