

Bahrain Duty Free Shop Complex BSC

**Condensed interim
financial information**

31 March 2024

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

CONDENSED INTERIM FINANCIAL INFORMATION
for the three month period ended 31 March 2024

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Independent auditors' report on review of condensed interim financial information

To the Board of Directors

Bahrain Duty Free Shop Complex B.S.C
Kingdom of Bahrain

Introduction

We have reviewed the accompanying 31 March 2024 condensed interim financial information of Bahrain Duty Free Shop Complex B.S.C (the Company) which comprises:

- the condensed statement of financial position as at 31 March 2024;
- the condensed statement of profit or loss for the three-month period ended 31 March 2024;
- the condensed statement of comprehensive income for the three-month period ended 31 March 2024;
- the condensed statement of changes in equity for the three-month period ended 31 March 2024;
- the condensed statement of cash flows for the three-month period ended 31 March 2024; and
- notes to the condensed interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information 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 31 March 2024 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

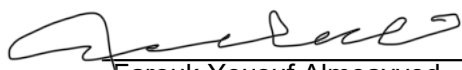
12 May 2024

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.**CONDENSED STATEMENT OF FINANCIAL POSITION****as at 31 March 2024**

(Bahraini dinars '000)

	note	31 March 2024 (reviewed)	31 December 2023 (audited)
ASSETS			
Investment properties	5	9,340	9,367
Equity-accounted investees	6	6,276	8,516
Investment securities	7	25,755	25,613
Total non-current assets		41,371	43,496
Cash and cash equivalents	8	906	1,122
Other receivables		789	115
Total current assets		1,695	1,237
Total assets		43,066	44,733
EQUITY AND LIABILITIES			
Equity			
Share capital		14,227	14,227
Share premium		1,953	1,953
Statutory reserve		7,114	7,114
Charity reserve		591	608
Fair value reserve		5,135	4,852
Retained earnings		13,735	15,662
Total equity		42,755	44,416
Liabilities			
Employees' benefits		14	12
Other payables		297	305
Total current liabilities		311	317
Total equity and liabilities		43,066	44,733

The condensed interim financial information was approved by the Board of Directors on 12th May 2024 and signed on its behalf by:


Farouk Yousuf Almoayyed
Chairman


Abdulla Buhindi
Vice Chairman

The accompanying notes 1 to 15 form an integral part of this condensed interim financial information.

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.**CONDENSED STATEMENT OF PROFIT OR LOSS
for the three months period ended 31 March 2024**

(Bahraini dinars '000)

		Three Month ended 31 March	
		2024 (reviewed)	2023 (reviewed)
	note		
Income from investments securities, net	9	1,492	725
Income from investment property, net		44	36
Share of profit from equity-accounted investees		892	771
Other income, net		48	41
Total income		2,476	1,573
Administrative expenses	10	(135)	(129)
Total expenses		(135)	(129)
Profit for the period		2,341	1,444
Basic and diluted earnings per share (in fils)		16.45	10.15

The accompanying notes 1 to 15 form an integral part of this condensed interim financial information.

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the three months period ended 31 March 2024

(Bahraini dinars '000)

	Three Month ended 31 March	
	2024 (reviewed)	2023 (reviewed)
Profit for the period	2,341	1,444
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Net change in fair value of investment in equity securities at FVOCI	283	92
Total comprehensive income for the period	2,624	1,536

The accompanying notes 1 to 15 form an integral part of this condensed interim financial information.

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

CONDENSED STATEMENT OF CHANGES IN EQUITY
for the three months period ended 31 March 2024

(Bahraini dinars '000)

	Share capital	Share Premium	Statutory reserve	Charity reserve	Fair value reserve	Retained earnings	Total Equity
31 March 2024 (reviewed)							
At 1 January 2024	14,227	1,953	7,114	608	4,852	15,662	44,416
Comprehensive income:							
Profit for the period	-	-	-	-	-	2,341	2,341
Other comprehensive income:							
<i>Items that will not be reclassified to profit or loss:</i>							
Net change in fair value of investment in equity securities at FVOCI	-	-	-	-	283	-	283
Total other comprehensive income	-	-	-	-	283	-	283
Total comprehensive income for the period	-	-	-	-	283	2,341	2,624
Cash dividend declared for 2023	-	-	-	-	-	(4,268)	(4,268)
Charity utilised during the period	-	-	-	(17)	-	-	(17)
At 31 March 2024	14,227	1,953	7,114	591	5,135	13,735	42,755

The accompanying notes 1 to 15 form an integral part of this condensed interim financial information.

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

**CONDENSED STATEMENT OF CHANGES IN EQUITY
for the three month period ended 31 March 2024 (continued)**

(Bahraini dinars '000)

	Share capital	Share Premium	Statutory reserve	Charity reserve	Fair value reserve	Retained earnings	Total Equity
31 March 2023 (reviewed)							
At 1 January 2023	14,227	1,953	7,114	649	5,354	17,039	46,336
Comprehensive income:							
Profit for the period	-	-	-	-	-	1,444	1,444
Other comprehensive income:							
<i>Items that will not be reclassified to profit or loss:</i>							
Net change in fair value of investment in equity securities at FVOCI	-	-	-	-	92	-	92
Transferred to retained earnings on sale of equity investments	-	-	-	-	(354)	354	-
<i>Total other comprehensive income</i>	-	-	-	-	(262)	354	92
Total comprehensive income for the period	-	-	-	-	(262)	1,798	1,536
Cash dividend declared for 2022	-	-	-	-	-	(4,268)	(4,268)
Charity utilised during the period	-	-	-	(5)	-	-	(5)
At 31 March 2023	14,227	1,953	7,114	644	5,092	14,569	43,599

The accompanying notes 1 to 15 form an integral part of this condensed interim financial information.

BAHRAIN DUTY FREE SHOP COMPLEX**CONDENSED STATEMENT OF CASH FLOWS**
for the three month period ended 31 March 2024

(Bahraini dinars '000)

	31 March 2024 (reviewed)	31 March 2023 (reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Other receipts	24	78
	24	78
Payments for other operating expenses	(124)	(161)
Directors' remuneration paid	(65)	(65)
Payment to charities	(16)	(5)
	(205)	(231)
Net cash used in operating activities	(181)	(153)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	58	84
Dividend income received	815	66
Rental income received from investment property, net	92	75
Dividends received from equity accounted investees	3,131	2,376
Proceeds from sale of investment in equity securities at FVOCI	141	778
Proceeds from partial redemption of debt securities	-	2
Proceeds from sale of investments at FVTPL	-	15
Income received from investments at FVTPL	4	5
Acquisition for investment property	(8)	-
	4,233	3,401
Net cash generated from investing activities	4,233	3,401
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(4,268)	(4,268)
	(4,268)	(4,268)
Net cash used in financing activities	(4,268)	(4,268)
Net decrease in cash and cash equivalents during the period	(216)	(1,020)
Cash and cash equivalents at 1 January	1,122	1,555
	906	535
Cash and cash equivalents at 31 March	906	535

The accompanying notes 1 to 15 form an integral part of this condensed interim financial information.

BAHRAIN DUTY FREE SHOP COMPLEX

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION for the three month period ended 31 March 2024

1 REPORTING ENTITY

Bahrain Duty Free Shop Complex BSC (the “Company”) is a Bahrain Joint Stock Company registered under commercial registration number 23509 on 15 July 1990 and listed on the Bahrain Bourse. The Company’s duty-free operations under the current concession agreement were terminated on closure of the old Bahrain International Airport and opening of new airport on 28 January 2021. The Company manages an investment portfolio within Kingdom of Bahrain and other regions.

Bahrain Duty Free Co WLL (“BDFC”), a Bahraini incorporated company, 55% owned by the Company and 45% owned by Gulf Air Group Holding BSC (c), a company owned by the Government of Bahrain, operates the duty free business in the new Bahrain international airport which commenced its operation on 28 January 2021. BDFC operates as a joint venture by virtue of a shareholders’ agreement whereby both parties agreed to have joint control.

2 BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial information has been prepared in accordance with International Accounting Standard 34 (IAS), Interim Financial Reporting, which permits the condensed interim financial information to be in a summarised form. The condensed interim financial information does not include all of the information required for full financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last financial statements.

The condensed interim financial information is reviewed, not audited.

Comparative information.

The comparatives for the condensed statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2023 and comparatives for the condensed statements of profit or loss, comprehensive income, cash flows and changes in equity have been extracted from the reviewed condensed interim financial information for the three month period ended 31 March 2023.

b) Use of judgements and estimates

Preparing the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial information, significant judgments made by the management in applying the Company's accounting policies and key source of estimation of uncertainty were the same as those applied to the audited financial statements as at and for the year ended 31 December 2023.

c) Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2023.

BAHRAIN DUTY FREE SHOP COMPLEX

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION for the three month period ended 31 March 2024

3 MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the condensed interim financial information are the same as those applied in the Company's audited financial statements as at and for the year ended 31 December 2023.

4 APPROPRIATIONS

At the Annual General Meeting of the Company held on 20 March 2024, the following appropriations were approved for 2023:

(i) Final dividend of **BD 4,268 thousands** for the year 2023 (2022: BD 4,268 thousands).

Appropriations for the current year, if any, will be made only at the year-end.

5 INVESTMENT PROPERTIES

	Land	Building	Total
Cost			
At 1 January 2024			
Addition for the period	6,730 8	6,616 -	13,346 8
At 31 March 2024	6,738	6,616	13,354
Depreciation and impairment			
At 1 January 2024	1,090	2,889	3,979
Depreciation for the period	-	35	35
At 31 March 2024	1,090	2,924	4,014
Net carrying value 2024	5,648	3,692	9,340

	Land	Building	Total
Cost			
At 1 January 2023	6,235	6,616	12,851
Addition for the year	495	-	495
At 31 December 2023	6,730	6,616	13,346
Depreciation and impairment			
At 1 January 2023	1,090	2,462	3,552
Depreciation for the year	-	148	148
Impairment loss during the year	-	279	279
At 31 December 2023	1,090	2,889	3,979
Net carrying value 2023	5,640	3,727	9,367

BAHRAIN DUTY FREE SHOP COMPLEX

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION for the three month period ended 31 March 2024

6 EQUITY-ACCOUNTED INVESTEEES

	31 March 2024 (reviewed)	31 December 2023 (audited)
Interest in joint venture	6,066	8,312
Interest in associate	210	204
	6,276	8,516

7 INVESTMENT SECURITIES

	31 March 2024 (reviewed)	31 December 2023 (audited)
Quoted equity securities at FVTOCI	18,186	17,903
Unquoted equity securities at FVTOCI	4,660	4,801
Debt securities at amortized cost, net of ECL	2,239	2,239
Funds at FVTPL	670	670
	25,755	25,613

The debt securities at amortised cost are presented net of expected credit loss of **BD 12 thousand** (2023:BD 12 thousand).

8 CASH AND CASH EQUIVALENTS

	31 March 2024 (reviewed)	31 December 2023 (audited)
Short-term bank deposit with maturity of 90 days or less	500	1,006
Bank balances	406	116
Cash and cash equivalents as per the condensed statement of financial position	906	1,122

9 INCOME FROM INVESTMENTS SECURITIES, NET

	31 March 2024 (reviewed)	31 March 2023 (reviewed)
Dividend income from quoted equity investments at FVTOCI	649	693
Dividend income from unquoted equity investment at FVTOCI	810	-
Income from fund investment at FVTPL	4	5
Interest income on bonds	30	33
Investment administration fees	(1)	(6)
	1,492	725

BAHRAIN DUTY FREE SHOP COMPLEX

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION for the three month period ended 31 March 2024

10 ADMINISTRATIVE EXPENSES

	31 March 2024 (reviewed)	31 March 2023 (reviewed)
Other expenses	101	88
Salaries and related costs	33	37
IT expenses	1	4
	135	129

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Fair value hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measures:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments, measured at fair value as at the reporting date, by level in the fair value hierarchy into which the fair value measurement is categorized:

BAHRAIN DUTY FREE SHOP COMPLEX

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION for the three month period ended 31 March 2024

11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 March 2024 (reviewed)	Level 1	Level 2	Level 3	Total
Quoted equity securities at FVTOCI	8,989	9,197	-	18,186
Unquoted equity securities at FVTOCI	-	-	4,660	4,660
Funds at FVTPL	-	670	-	670

31 December 2023 (audited)	Level 1	Level 2	Level 3	Total
Quoted equity securities at FVTOCI	8,621	9,282	-	17,903
Unquoted equity securities at FVTOCI	-	-	4,801	4,801
Funds at FVTPL	-	670	-	670

The fair value of debt securities at amortised cost with carrying value **BD 2,239 is BD 2,243** (2023: BD 2,239). Fair value is classified as Level 2. The carrying value of the Company's other financial assets and financial liabilities approximates their fair value due to their short-term nature.

12 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party, directly or indirectly through one or more intermediaries, has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Company exercises significant influence, major shareholders, directors, the management company and key management personnel of the Company. Transactions with related parties are at agreed terms.

The significant related party balances and transactions (excluding compensation to key management personnel) included in these condensed interim financial information are as follows:

Description	Equity-accounted investees	Entities in which directors are interested	Total
As at 31 March 2024 (reviewed)			
<u>Liabilities</u>			
Payable to associate	156	-	156
For the three months ended 31 March 2024 (reviewed)			
<u>Income</u>			
Share of profit	892	-	892
Other income	27	-	27
<u>Expenses</u>			
Other expenses	25	1	26

BAHRAIN DUTY FREE SHOP COMPLEX

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION for the three month period ended 31 March 2024

12 RELATED PARTY TRANSACTIONS (continued)

During the period, the Company received dividends amounting to BD 3,131 (2023: BD 2,376) from an equity accounted investee.

Description	Equity-accounted investees	Entities in which directors are interested	Total
<i>As at 31 December 2023 (audited)</i>			
<u>Liabilities</u>			
Payable to associate	156	-	156
<i>For the three months ended 31 March 2023 (reviewed)</i>			
<u>Income</u>			
Share of profit	771	-	771
Other income	25	-	25
<u>Expenses</u>			
Other expenses	12	-	12

Key management compensation

	31 March 2024 (reviewed)	31 March 2023 (reviewed)
Short term benefits for the period	25	23
Post-employment benefits for the period	2	8
Post-employment benefits payable	14	18

13 CONTINGENCIES AND COMMITMENTS

	31 March 2024 (reviewed)	31 December 2023 (audited)
Uncalled face value in unquoted equity investments	612	994

14 SEGMENTAL INFORMATION

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products or services within a particular environment (geographical segment), which is subject to risks and rewards that are different from those of other segment. The Company primarily operated Bahrain Airport Duty Free Shops, Bahrain Sea Port Duty Free shop and inflight services for Gulf Air until 28 January 2021 and its revenue, expenses and results are reviewed only at a consolidated level and therefore no separate operating segment results and other disclosures are provided in these condensed interim financial information. Post 28 January 2021, the Company manages an investment portfolio within Kingdom of Bahrain and other regions, and is reported as one segment.

15 SEASONALITY

Dividend income mainly comes in the first quarter of the year. No other significant income is of a seasonal nature.