

# Bahrain Flour Mills Company B.S.C.

## INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2024 (Reviewed)

Commercial registration	1170 (Bahraini Joint Stock Company)
Board of Directors	Mr. Basim AlSaie ( Chairman ) Mr. Salah Mushari Al Kulaib ( Vice Chairman ) Mr. Ayman A.Hameed Zainal Ms. Raghdan Qassim A. Rasool Mr. Eyad Redha Faraj Mr. Ahmad Mazhar Mr. Fahad Mohamed Al Mudhahka Mr. Wael Ahmed Itani
Offices and plant	Building 1773, Road 4236, Block 342 P.O Box 26787, Mina Salman, Manama – Kingdom of Bahrain Telephone 17729984, Fax 17729312 E-Mail: info@bfm.bh
Bankers	Ahli United Bank BSC (C) National Bank of Bahrain BSC Bank of Bahrain and Kuwait BSC Arab Bank National Bank of Kuwait
Auditors	Ernst & Young - Middle East
Shares registrar	Bahrain Clear B.S.C (c)

## **REPORT ON THE REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BAHRAIN FLOUR MILLS COMPANY B.S.C.**

### ***Introduction***

We have reviewed the accompanying interim condensed financial statements of Bahrain Flour Mills Company B.S.C. (the "Company") as at 31 March 2024, comprising of the interim statement of financial position as at 31 March 2024, the related interim statements of comprehensive income, cash flows and changes in equity for the three-month period then ended and related explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.



12 May 2024  
Manama, Kingdom of Bahrain

**Bahrain Flour Mills Company B.S.C.**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
 At 31 March 2024

	Notes	31 March 2024 (Reviewed) BD	31 December 2023 (Audited) BD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	7,202,643	6,997,749
Right-of-use assets		1,679,606	1,205,026
Investment securities	6	2,584,934	1,889,001
		<u>11,467,183</u>	<u>10,091,776</u>
<b>Current assets</b>			
Investment securities	6	13,520,523	13,316,344
Inventories		6,880,267	4,602,714
Receivables and other assets	7	2,173,143	473,940
Bank balances, short-term deposits and cash	8	5,227,311	7,064,161
		<u>27,801,244</u>	<u>25,457,159</u>
<b>TOTAL ASSETS</b>		<u><b>39,268,427</b></u>	<u><b>35,548,935</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		2,481,877	2,481,877
Share premium		1,350,000	1,350,000
Statutory reserve		1,241,625	1,241,625
Other reserves		3,463,628	3,463,628
Retained earnings		18,490,822	18,539,295
<b>Total equity</b>		<u><b>27,027,952</b></u>	<u><b>27,076,425</b></u>
<b>Non-current liabilities</b>			
Employees' end of service benefits		151,392	153,320
Lease liabilities - non-current portion		1,526,241	1,196,722
		<u>1,677,633</u>	<u>1,350,042</u>
<b>Current liabilities</b>			
Lease liabilities - current portion		218,326	54,790
Term loan	9	2,250,000	1,832,871
Trade payables and other liabilities		1,481,636	941,170
Advance received from the Government	10	6,056,169	-
Amount due to the Government		-	2,083,158
Import finance loans		556,711	2,210,479
		<u>10,562,842</u>	<u>7,122,468</u>
<b>Total liabilities</b>		<u><b>12,240,475</b></u>	<u><b>8,472,510</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>39,268,427</b></u>	<u><b>35,548,935</b></u>

  
 Basim AlSaie  
 Chairman

  
 Salah Mohamed Al Kulaib  
 Vice Chairman

  
 Wayne Henry Craig  
 Chief Executive Officer

The accompanying notes 1 to 19 form part of these interim condensed financial statements.

# Bahrain Flour Mills Company B.S.C.

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2024 (Reviewed)

		<i>Three-month period ended</i>	
		<b>31 March</b>	<b>31 March</b>
		<b>2024</b>	<b>2023</b>
		<b>BD</b>	<b>BD</b>
	<i>Notes</i>		
Revenue	11	<b>2,210,812</b>	2,215,526
Cost of revenue		<b>(5,168,761)</b>	(6,763,482)
<b>Gross loss before Government subsidy</b>		<b>(2,957,949)</b>	(4,547,956)
Government subsidy	12	<b>3,467,694</b>	5,212,395
<b>Gross profit</b>		<b>509,745</b>	664,439
Other operating income		<b>32,726</b>	51,043
Other operating expenses		<b>(416,233)</b>	(339,215)
<b>Operating profit</b>		<b>126,238</b>	376,267
Net change in fair value of investment securities at fair value through profit or loss		<b>393,446</b>	144,405
Interest income from investment securities at amortised cost - net		<b>47,105</b>	18,717
Finance cost		<b>(62,962)</b>	(78,083)
Other income		<b>93,320</b>	51,534
<b>Net profit and total comprehensive income for the period</b>		<b>597,147</b>	512,840
<b>Basic and diluted earnings per share (fils)</b>	13	<b>24.05</b>	20.66



Basim AlSaie  
Chairman



Salah Mohamed Al Kulaib  
Vice Chairman



Wayne Henry Craig  
Chief Executive Officer

The accompanying notes 1 to 19 form part of these interim condensed financial statements.

**Bahrain Flour Mills Company B.S.C.**  
**INTERIM STATEMENT OF CASH FLOWS**  
For the period ended 31 March 2024 (Reviewed)

	<i>Three-month period</i>	
	<b>31 March 2024 BD</b>	<b>31 March 2023 BD</b>
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	<b>597,147</b>	512,840
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	<b>137,712</b>	102,590
Depreciation on right-of-use-assets	<b>36,940</b>	23,372
Net change in fair value of investment securities at fair value through profit or loss	<b>(393,446)</b>	(144,405)
Interest income from investment securities at amortised cost- net	<b>(47,105)</b>	(18,717)
Interest income from bank balances and short-term deposits	<b>(58,214)</b>	(27,454)
Finance cost	<b>62,962</b>	78,083
Charge for slow moving and obsolete inventories	<b>15,986</b>	25,203
Charge for expected credit losses	<b>-</b>	4,500
Provision for employees' end of service benefits	<b>5,796</b>	10,282
Operating profit before working capital changes	<b>357,778</b>	566,294
Working capital changes:		
Inventories	<b>(2,293,539)</b>	1,346,843
Receivables and other assets	<b>(1,667,888)</b>	1,968,342
Trade payables and other liabilities	<b>(85,291)</b>	(122,510)
Net cash (used in) from operations	<b>(3,688,940)</b>	3,758,969
Employees' end of service benefits paid	<b>(7,724)</b>	(728)
Donation paid	<b>(15,000)</b>	-
Net cash flows (used in) from operating activities	<b>(3,711,664)</b>	3,758,241
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(317,166)</b>	(131,876)
Purchase of investment securities at amortised cost	<b>(697,582)</b>	-
Redemption of investment securities at amortised cost	<b>188,500</b>	-
Interest income received from investment securities at amortised cost- net	<b>5,231</b>	-
Interest income received from bank balances and short-term deposits	<b>71,189</b>	18,863
Net cash flows used in investing activities	<b>(749,828)</b>	(113,013)
<b>FINANCING ACTIVITIES</b>		
Repayment of import finance loans	<b>(1,653,768)</b>	(8,169,631)
Term loan availed	<b>417,129</b>	1,085,950
Advance received from the Government	<b>6,056,169</b>	6,698,439
Amount due to the Government	<b>(2,083,158)</b>	-
Finance cost paid	<b>(96,139)</b>	(65,126)
Payment of principal portion of lease liabilities	<b>(15,591)</b>	(15,355)
Net cash flows from (used in) financing activities	<b>2,624,642</b>	(465,723)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,836,850)</b>	3,179,505
Cash and cash equivalents at 1 January	<b>7,009,746</b>	3,796,119
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>5,172,896</b>	6,975,624

**Non-cash items:**

- Capitalization of borrowing cost amounting to BD 25,440 (31 March 2023: nil) has been excluded from purchase of property, plant and equipment.
- Dividend payable amounting to BD 620,620 (31 March 2023: BD 620,640) has been excluded from movement in trade payables and other liabilities.
- Recognition of new lease amounting to BD 511,519 (31 March 2023: nil) has been excluded from the movement in right-of-use assets and lease liabilities.

The accompanying notes 1 to 19 form part of these interim condensed financial statements.

## Bahrain Flour Mills Company B.S.C.

### INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2024 (Reviewed)

	<i>Note</i>	<i>Share capital BD</i>	<i>Share premium BD</i>	<i>Reserves</i>		<i>Retained earnings BD</i>	<i>Total equity BD</i>
				<i>Statutory reserve BD</i>	<i>Other reserves BD</i>		
At 1 January 2024		2,481,877	1,350,000	1,241,625	3,463,628	18,539,295	<b>27,076,425</b>
Net profit and total comprehensive income for the period		-	-	-	-	597,147	<b>597,147</b>
Charity approved for 2023	16	-	-	-	-	(25,000)	<b>(25,000)</b>
Dividends for 2023	16	-	-	-	-	(620,620)	<b>(620,620)</b>
<b>At 31 March 2024</b>		<b>2,481,877</b>	<b>1,350,000</b>	<b>1,241,625</b>	<b>3,463,628</b>	<b>18,490,822</b>	<b>27,027,952</b>
				<i>Reserves</i>			
		<i>Share capital BD</i>	<i>Share premium BD</i>	<i>Statutory reserve BD</i>	<i>Other reserves BD</i>	<i>Retained earnings BD</i>	<i>Total equity BD</i>
At 1 January 2023		2,481,877	1,350,000	1,241,625	3,463,628	16,683,756	25,220,886
Net profit and total comprehensive income for the period		-	-	-	-	512,840	512,840
Charity approved for 2022	16	-	-	-	-	(25,000)	(25,000)
Dividends for 2022	16	-	-	-	-	(620,640)	(620,640)
At 31 March 2023		<b>2,481,877</b>	<b>1,350,000</b>	<b>1,241,625</b>	<b>3,463,628</b>	<b>16,550,956</b>	<b>25,088,086</b>

The accompanying notes 1 to 19 form part of these interim condensed financial statements.

At 31 March 2024

### 1 CORPORATE INFORMATION

Bahrain Flour Mills Company B.S.C. (the "Company") is a Bahraini public shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain under commercial registration number 1170 obtained on 16 July 1970 and listed in Bahrain Bourse. The Company was incorporated by an Amiri Charter dated 9 May 1970 and commenced commercial operations on 1 May 1972. The Company is engaged in the production of flour and related products which are mainly sold in the local market.

This interim condensed financial statements comprise the results of the Company for the three-month period ended 31 March 2024.

The Company's majority shareholder is Bahrain Investment Holding Company - Istithmar W.L.L, which holds 65.73% of the Company's shares (the "Parent"). The Parent is wholly owned by Bahrain Mumtalakat Holding Company B.S.C (c) (the "Ultimate Parent"). The Ultimate Parent is controlled by the Government of the Kingdom of Bahrain (the "Government").

The interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 12 May 2024.

### 2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

#### Basis of preparation

The interim condensed financial statements for the three-month period ended 31 March 2024 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34").

The interim condensed financial statements have been prepared under the historical cost convention except for fair value measurement of investment securities classified as at fair value through profit or loss.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2023. In addition, results for the three-month 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 as of 1 January 2024

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

The following new and amended standards apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Company.

- *Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback - In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains;*
- *Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current; and*

**2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)**

**New and amended standards and interpretations adopted as of 1 January 2024 (continued)**

- *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 - In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and requires additional disclosure of such arrangements.*

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The significant accounting judgements and estimates used in the preparation of the interim condensed financial statements for the three-month period ended 31 March 2024 are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2023.

**4 SEASONALITY OF OPERATIONS**

The Company is engaged in the production and sale of flour and related products and as such has no seasonality in its operations.

**5 PROPERTY, PLANT AND EQUIPMENT**

During the current period, a new production line with a cost of BD 4,616,785 was capitalised (transferred from capital work in progress). The cost represents amount incurred towards the supply and installation of mechanical and electrical equipment including the engineering and civil work. This production line was constructed on a leasehold land.

**6 INVESTMENT SECURITIES**

	<b>31 March 2024 (Reviewed) BD</b>	<b>31 December 2023 (Audited) BD</b>
<i>Non-current:</i>		
Investment securities at amortised cost	<b>2,584,934</b>	1,889,001
<i>Current:</i>		
Investment securities at amortised cost	<b>568,793</b>	758,060
Investment securities at fair value through profit or loss	<b>12,951,730</b>	12,558,284
	<b>13,520,523</b>	13,316,344

The investments at amortised cost consist of unquoted debt securities while investments at fair value through profit or loss consist of quoted equity securities and a managed fund.



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2024

**7 RECEIVABLES AND OTHER ASSETS**

	<b>31 March 2024 (Reviewed) BD</b>	<i>31 December 2023 (Audited) BD</i>
Subsidy receivable	1,276,875	-
Trade receivables	383,976	189,257
Advances to suppliers	357,263	198,059
Prepayments	63,501	26,181
Interest accrued	115,247	67,702
Others	16,686	4,076
VAT receivable - net	51,595	80,665
	<b>2,265,143</b>	565,940
Allowance for expected credit losses	<b>(92,000)</b>	(92,000)
	<b>2,173,143</b>	473,940

The movement in the allowance for expected credit losses is as follows:

	<b>Three-month period ended 31 March 2024 (Reviewed) BD</b>	<i>Year ended 31 December 2023 (Audited) BD</i>
At 1 January	92,000	47,000
Charge for the period / year	-	45,000
	<b>92,000</b>	92,000

**8 BANK BALANCES, SHORT-TERM DEPOSITS AND CASH**

	<b>31 March 2024 (Reviewed) BD</b>	<i>31 December 2023 (Audited) BD</i>
Cash on hand	1,702	1,057
Bank balances	3,283,504	846,429
Short-term deposits	1,942,105	6,216,675
	<b>5,227,311</b>	7,064,161
Bank balance for the payment of dividends	<b>(54,415)</b>	(54,415)
<b>Cash and cash equivalents</b>	<b>5,172,896</b>	7,009,746

**9 TERM LOAN**

The Company has obtained a loan to finance the mill expansion project as well as other operating needs through a repo facility arrangement with a financial institution having an aggregate limit of BD 2,250,000 (the "Facility Amount"). The Board of Directors has decided to utilise the proceeds from the term loan to finance the mill expansion project only. The loan is secured against fixed income securities being the collateral and as per the arrangement the value of the collateral must always exceed the Facility Amount and a collateral ratio of 1.33x or a loan-to-value ratio ("LTV") of 75% is required to be maintained. The fair value of fixed income securities held as collateral is BD 3,229,075 at 31 March 2024 (31 December 2023: BD 2,738,134). The term loan is for a three-month period with a mutual option to rollover for further periods of three months indefinitely. The loan carries annual interest rate of 3 month SOFR plus 2% being 7.31% per annum at 31 March 2024 (31 December 2023: 7.29% per annum). Management of the Company intends to rollover the loan until 2030.

**10 ADVANCE RECEIVED FROM THE GOVERNMENT**

The Company has entered into an arrangement with the Ministry of Finance and National Economy, on behalf of the Government, to receive advance payment against the import of wheat. The main purpose of such advance payment is to support the payment of wheat shipments. This is a funding mechanism in which advance received is adjusted against the Government subsidy and unadjusted balance will be payable to the Government at year end. As at 31 March 2024 BD 887,629 (31 December 2023: BD 17,751,941) of advance received from the Government has been adjusted against the subsidy on the sale of goods in the local market.

**11 REVENUE**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	<i>Three-month period ended</i>	
	<b>31 March 2024 (Reviewed) BD</b>	<b>31 March 2023 (Reviewed) BD</b>
<b>a) Type of goods</b>		
Flour	1,309,667	1,379,451
Bran	403,780	387,404
Special products	420,977	448,671
Bulk wheat	76,388	-
	<b>2,210,812</b>	<b>2,215,526</b>
<b>b) Geographical markets</b>		
Kingdom of Bahrain	2,210,812	2,156,359
Kingdom of Saudi Arabia	-	59,167
	<b>2,210,812</b>	<b>2,215,526</b>
<b>c) Timing of revenue recognition</b>		
Recorded at a point in time	2,210,812	2,215,526

**12 GOVERNMENT SUBSIDY**

Government subsidy is available for most of the Company's products sold locally and is calculated as the difference between the actual cost of wheat and flour purchased and used for local sales plus conversion cost of BD 31 per ton for flour or execution fee of BD 7.5 per ton for imported flour and a range of BD 98 to BD 145 per ton for special products (2023: same) and the value of sales of these products made during the period.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2024

**12 GOVERNMENT SUBSIDY (continued)**

The following table shows the details of Government subsidy:

	<i>Three-month period ended</i>	
	<b>31 March 2024 (Reviewed) BD</b>	<i>31 March 2023 (Reviewed) BD</i>
Actual cost of wheat purchased and used for products subject to subsidy	<b>4,477,726</b>	5,440,859
Actual cost of flour purchased and sold	-	841,302
Plus: conversion cost per ton of wheat products subject to subsidy	<b>1,146,113</b>	1,042,930
Plus: BD 7.5 per ton for execution fees to import and sell flour	-	25,893
Plus: landing costs on import of wheat and flour	<b>9,305</b>	44,895
	<b>5,633,144</b>	7,395,879
Gross sales subject to subsidy	<b>(2,165,450)</b>	(2,183,484)
	<b>3,467,694</b>	5,212,395

Quantity sold during the three-month period was 34,593 tons out of which 34,182 tons were subsidised and 411 tons were commercial sales (31 March 2023: 34,597 tons out of which 34,294 tons were subsidised and 303 tons were commercial sales).

**13 EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit or loss for the period attributed to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period and is as follows:

	<i>Three-month period ended</i>	
	<b>31 March 2024 (Reviewed)</b>	<i>31 March 2023 (Reviewed)</i>
Net profit for the period (BD)	<b>597,147</b>	512,840
Weighted average number of equity shares in issue	<b>24,825,570</b>	24,825,570
Basic and diluted earnings per share (fils)	<b>24.05</b>	20.66

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

**14 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent shareholders, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors.

**14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

Being an entity under the control of the Government of the Kingdom of Bahrain, the Company qualifies as a government related entity under the definitions provided in International Accounting Standard 24 *Related Party Disclosures* ("IAS 24"). Accordingly, the Company considers Government departments, ministries and other Government controlled organizations as its related parties. The Company purchases electricity, receives subsidy against the sale of goods in the local market and receives other services from various Government, semi-Government organisations and other Government related entities in the Kingdom of Bahrain. Other than the subsidy, all such other transactions are not considered to be individually significant in terms of size. All related party transactions and balances are in the normal course of business.

Significant transactions with the Government and other related parties included in the interim condensed financial statements are as follows:

	<i>Three-month period ended</i>	
	<b>31 March 2024 (Reviewed) BD</b>	<i>31 March 2023 (Reviewed) BD</i>
<b>Government</b>		
Government subsidy (note 12)	<b>3,467,694</b>	5,212,395
Other operating income	<b>32,726</b>	51,043
<b>Affiliates of Ultimate Parent</b>		
Finance cost on import finance loans	<b>18,233</b>	25,416
Interest income on bank balances and short-term deposits	<b>58</b>	180
Other operating expenses	<b>8,935</b>	-
Repayment of import finance loan	<b>(1,189,177)</b>	(2,477,937)

Significant balances with the Government and other related parties included in the interim statement of financial position are as follows:

	<b>31 March 2024 (Reviewed) BD</b>	<i>31 December 2023 (Audited) BD</i>
<b>Government</b>		
Subsidy receivable (note 7)	<b>1,276,875</b>	-
Advance received from the Government	<b>6,056,169</b>	-
Amount due to the Government	-	2,083,158
<b>Affiliates of Ultimate Parent</b>		
Import finance loans	<b>401,847</b>	1,591,024
Accrued interest on import finance loans	-	8,305
Bank balances and short-term deposits	<b>3,582</b>	181,128

**14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)****Compensation of key management personnel**

The remuneration of directors and other members of key management included in the interim condensed financial statements are as follows:

	<i>Three-month period ended</i>	
	<b>31 March 2024 (Reviewed) BD</b>	<i>31 March 2023 (Reviewed) BD</i>
<b>Board of Directors:</b>		
Remuneration	<b>15,000</b>	15,000
Sitting fees	<b>17,200</b>	32,200
Other expenses	<b>2,942</b>	6,533
<b>Key management personnel:</b>		
Salaries and short-term benefits	<b>98,379</b>	85,539
End of service benefits	<b>4,343</b>	5,986
	<b>137,864</b>	145,258

The balances of remuneration payable to members of key management included in the interim statement of financial position are as follows:

	<b>31 March 2024 (Reviewed) BD</b>	<i>31 December 2023 (Audited) BD</i>
Salaries and short-term benefits	<b>31,038</b>	19,326
End of service benefits	<b>92,129</b>	87,786
	<b>123,167</b>	107,112

**15 CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS****Classification**

The details of classification of financial assets and liabilities held by the Company at the reporting date are as follows:

	<b>31 March 2024 (Reviewed)</b>		
	<i>Fair value through profit and loss BD</i>	<i>Amortised cost BD</i>	<i>Total carrying value BD</i>
<b>Financial assets</b>			
Investment securities	<b>12,951,730</b>	<b>3,153,727</b>	<b>16,105,457</b>
Receivables and other assets	-	<b>1,684,098</b>	<b>1,684,098</b>
Bank balances, short-term deposits and cash	-	<b>5,227,311</b>	<b>5,227,311</b>
	<b>12,951,730</b>	<b>10,065,136</b>	<b>23,016,866</b>

## 15 CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

### Classification (continued)

	<i>31 December 2023 (Audited)</i>		
	<i>Fair value through profit and loss</i>	<i>Amortised cost</i>	<i>Total carrying value</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>
<i>Financial assets</i>			
Investment securities	12,558,284	2,647,061	15,205,345
Receivables and other assets	-	164,959	164,959
Bank balances, short-term deposits and cash	-	7,064,161	7,064,161
	<u>12,558,284</u>	<u>9,876,181</u>	<u>22,434,465</u>
	<b>31 March 2024 (Reviewed) BD</b>	<b>31 December 2023 (Audited) BD</b>	
<i>Financial liabilities at amortised cost</i>			
Lease liabilities	<b>1,744,567</b>	1,251,512	
Term loan	<b>2,250,000</b>	1,832,871	
Trade payables and other liabilities	<b>834,757</b>	464,869	
Import finance loans	<b>556,711</b>	2,210,479	
Amount due to the Government	-	2,083,158	
	<u><b>5,386,035</b></u>	<u>7,842,889</u>	

### 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 in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

### Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 Quoted prices (unadjusted) 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 financial statements on a recurring basis, the Company 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.

There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

**15 CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS  
(continued)**

**Fair value measurement (continued)**

***Fair value of investment securities at fair value through profit or loss***

Fair values of quoted equity investments and a managed fund are derived from quoted prices in active markets. The fair values are categorized into level 1 of the fair value hierarchy. There were no transfers between the different levels of the fair value hierarchy during the current period and prior year.

***Fair value of other financial instruments***

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

- a) Trade and other receivables, bank balances, short-term deposits and cash, term loan, trade payables and other liabilities, import finance loans and amount due to the Government approximate their carrying amounts at the reporting date largely due to the short-term maturities of these instruments.
- b) Lease liabilities and investment securities at amortised cost are evaluated by the Company based on parameters such as interest rates. At the reporting date, the carrying amounts are not materially different from their fair values.

**16 APPROPRIATIONS**

At the Annual General Meeting of the shareholders held on 27 March 2024, a final cash dividend of 25 fils per share totalling BD 620,620 and charity of BD 25,000 for the year ended 31 December 2023 were declared (2023: at the Annual General Meeting of the shareholders held on 28 March 2023, a final cash dividend of 25 fils per share totalling BD 620,640 and charity of BD 25,000 for the year ended 31 December 2022 were declared).

The directors' remuneration of BD 60,000 for the financial year ended 31 December 2023 (2022: BD 60,000) was also approved by the shareholders at the Annual General Meeting held on 27 March 2024 (2022: 28 March 2023).

**17 COMMITMENTS**

At 31 March 2024, the Company had contractual commitments to incur construction costs relating to the mill expansion project amounting to BD 637,245 (31 December 2023: BD 771,435) which are due within one year.

**18 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's current activities are primarily the production of flour and related products which are predominately sold in the local market. The revenue, expenses and results are reviewed only at a Company level and therefore no separate operating segment results and other disclosures are provided in the interim condensed financial statements.

At 31 March 2024

**19 COMPARATIVE INFORMATION**

The previous period figures as shown below have been adjusted or reclassified in order to conform to the current period presentation. Such adjustments do not affect previously reported interim statement of comprehensive income and interim statement of changes in equity.

	<i>As previously reported BD</i>	<i>Adjustment BD</i>	<i>Adjusted BD</i>
<b><i>Interim statement of comprehensive income</i></b>			
Cost of revenue	(6,718,587)	(44,895)	(6,763,482)
Government subsidy	5,167,500	44,895	5,212,395
Finance cost	(38,299)	(39,784)	(78,083)
Other operating income	11,259	39,784	51,043