



الشركة البحرينية للترفيه العائلي ش.م.ب.

BAHRAIN FAMILY LEISURE COMPANY B.S.C.

Supplementary Disclosure - Reporting on the Financial Impact of Covid - 19

محل رقم 1006، مبنى 15، مجمع 338، طريق 3801
ص.ب: 11612، مملكة البحرين، س.ت: 32196
Shop No. 1006, Building 15, Block 338, Road 3801
P.O. Box: 11612, Kingdom of Bahrain, C.R. No: 32196
تليفون: +973 1729 2973
فاكس: +973 1729 4676

Significant events and transactions

The World Health Organisation declared coronavirus and COVID-19 a global health emergency on 30 January 2020. The significant events and transactions that have occurred since 31 December 2019 relate to the effects of the global pandemic on the condensed interim financial information. However, new variants of the coronavirus were identified at the end of year 2020 or the beginning of the year 2021. Due to second / third wave, the government reimposed restrictions that may have impact on the condensed interim financial information for the period ended 31 March 2021 and are summarised as follows.

Based on the nature of operations and the industry in which it operates, the Company's management assessed the significant impact of COVID-19 in the below areas:

- Decrease in operating income;
- Rent concessions;
- Going concern; and
- Commitments and contingent liabilities.

(a) Decrease in operating income

Company has experienced a significant reduction in its operating income since pandemic effect was widespread during the period ended 31 March 2021. The Company is engaged in operating restaurants, providing services related to family entertainment, supply of amusement related equipment. All of the restaurants operated by the Company were closed during the period causing the decrease in operating income by BD183,933 as compared to the prior period.

(b) Rent concessions

As discussed in Note 2, the Company has elected to apply the practical expedient introduced by the amendments to IFRS 16 to all rent concessions that satisfy the criteria. Substantially all of the rent concessions entered into during the three-month period ended 31 March 2021 satisfy the criteria to apply the practical expedient.

The application of the practical expedient has resulted in the reduction of total lease liabilities of BD22,021. The effect of this reduction has been recorded in the statement of profit or loss and other comprehensive income in the period in which the event or condition that triggers those payments occurs.

(c) Going concern

The Company has incurred a net loss of BD72,395 during the three months period ended 31 March 2021. The current period losses have increased the accumulated losses to BD1,287,839 as at 31 March 2021 raising concern on the going concern status of the Company.

The Company has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Company's future performance, capital and liquidity. The impact of COVID-19 may contribute to evolve, but at the present time the projections show that the Company has ample resources to continue to operational existence and its going concern positions remain largely unaffected and unchanged. As a result, these financial statements have been appropriately prepared on a going concern basis.

(d) Commitments and contingent liabilities

The Company has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Company, customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no issue were noted.

No other significant impact has been noted by the management on other areas during the period ended 31 March 2021.

