

**Bahrain Cinema Company B.S.C.**

Condensed consolidated interim financial  
information for the quarter and six months  
period ended 30 June 2022 (Reviewed)

**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim financial information for the quarter and six months period**  
**ended 30 June 2022**  
**(Reviewed)**

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**Bahrain Cinema Company B.S.C.**  
**Administration and contact details as at 30 June 2022**

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<b>Commercial registration no</b>	1192 obtained on 11 August 1968 (Also refer Note 1)	
<b>Board of Directors</b>	Dr Esam Abdulla Yusuf Fakhro Ali Yusuf Ali Ubaydli Ahmed A. Rashed Albastaki Fareed Yusuf Khalil Almoayyed Jehad Yusuf Abdulla Amin Jalal Mohamed Yusuf Jalal Mohamed Ebrahim Khalil Kanoo Shawqi Ali Yusuf Fakhro	- Chairman - Vice-Chairman - Managing Director
<b>Chief Executive Officer</b>	Ahmad A. Rashed Albastaki	
<b>Audit committee</b>	Shawqi Ali Yusuf Fakhro Fareed Yusuf Khalil Almoayyed Jalal Mohamed Yusuf Jalal	- Chairman
<b>Registered office</b>	27 <sup>th</sup> Floor Building 470, Road 1010 Block 410 Fakhro Tower PO Box 26573 Sanabis Kingdom of Bahrain	
<b>Bankers</b>	National Bank of Bahrain Bank of Bahrain and Kuwait Ahli United Bank National Bank of Kuwait Emirates NBD Mashreq Bank Arab Bank Kuwait Finance House Al Salam Bank	
<b>Auditors</b>	BDO 17 <sup>th</sup> Floor, Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	
<b>Share Registrar</b>	Bahrain Clear B.S.C. (c) PO Box 3203 Manama Kingdom of Bahrain	
<b>Support Share registrar</b>	KFin Technologies (Bahrain) W.L.L. PO Box 514 Manama Kingdom of Bahrain	

## **Review report on the condensed consolidated interim financial information to the Board of Directors of Bahrain Cinema Company B.S.C.**

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Bahrain Cinema Company B.S.C. ("the Company") and its subsidiary (collectively referred as "the Group") as at 30 June 2022, the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of changes in shareholders' equity and the condensed interim consolidated statement of cash flows for the quarter and six months period then ended, and selected explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 - *"Interim financial reporting"*. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410 - *"Review of interim financial information performed by the independent auditor of the entity"*. A review of condensed consolidated 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 condensed consolidated interim financial information does not present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2022, and of its consolidated financial performance and its consolidated cash flows for the quarter and six months period ended in accordance with International Financial Reporting Standard IAS 34 - *"Interim financial reporting"*.



Manama, Kingdom of Bahrain  
3 August 2022



**Bahrain Cinema Company B.S.C.**


**Condensed consolidated interim statement of financial position as at 30 June 2022**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	<u>30 June 2022</u> (Reviewed)	<u>31 December 2021</u> (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,423,056	3,716,409
Capital work-in progress	6	1,969,736	1,969,736
Investment properties	7	22,314,778	22,314,085
Right-of-use assets	8	2,791,596	3,082,592
Investment in an associate	9	9,885,205	9,677,134
Non-current portion of receivable on disposal of business operations		3,152,352	3,152,351
Financial assets at amortised cost	10	13,950,627	-
Financial assets at fair value through profit or loss	11	10,137,058	9,952,285
		<u>67,624,408</u>	<u>53,864,592</u>
<b>Current assets</b>			
Inventories		170,145	153,968
Financial assets at fair value through profit or loss	11	9,479,634	10,204,842
Trade and other receivables	12	4,928,392	4,157,779
Cash and bank balances		<u>255,374</u>	<u>3,966,736</u>
		<u>14,833,545</u>	<u>18,483,325</u>
<b>Total assets</b>		<u>82,457,953</u>	<u>72,347,917</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	13	8,262,345	8,262,345
Share premium		911,442	911,442
Revaluation reserve		4,557,442	4,557,442
Statutory reserve		4,131,173	4,131,173
Charity reserve		303,695	305,695
Retained earnings		41,023,604	41,956,873
Treasury shares	13	<u>(370,975)</u>	<u>(370,975)</u>
		<u>58,818,726</u>	<u>59,753,995</u>
<b>Non-current liabilities</b>			
Non-current portion of Murabaha facility	14	-	199,645
Non-current portion of term loan	15	10,017,256	-
Non-current portion of lease liabilities	16	2,487,276	2,442,960
Employees' terminal and other benefits		<u>1,462,060</u>	<u>1,437,264</u>
		<u>13,966,592</u>	<u>4,079,869</u>
<b>Current liabilities</b>			
Current portion of Murabaha facility	14	5,467,472	5,546,182
Current portion of term loan	15	326,408	-
Current portion of lease liabilities	16	691,034	1,338,018
Trade and other payables		1,722,463	1,629,853
Bank overdrafts		<u>1,465,258</u>	<u>-</u>
		<u>9,672,635</u>	<u>8,514,053</u>
<b>Total equity and liabilities</b>		<u>82,457,953</u>	<u>72,347,917</u>

The reviewed condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on its behalf by:

  
Dr Esam Abdulla Fakhro  
Chairman

  
Ali Yusuf Ali Ubaydli  
Vice- Chairman


  
Ahmed A. Rashed Albastaki  
Managing Director

**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim statement of profit or loss and other comprehensive income**  
**for the quarter and six months period ended 30 June 2022**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	Notes	Quarter ended 30 June 2022 (Reviewed)	Quarter ended 30 June 2021 (Reviewed)	Six months ended 30 June 2022 (Reviewed)	Six months ended 30 June 2021 (Reviewed)
Operating income	21	1,368,216	345,123	2,417,371	608,464
Operating costs	21	<u>(1,119,570)</u>	<u>(615,319)</u>	<u>(2,193,261)</u>	<u>(1,077,574)</u>
Operating gross profit / (loss) for the period		<u>248,646</u>	<u>(270,196)</u>	<u>224,110</u>	<u>(469,110)</u>
(Loss)/income from investments, net	17	<u>(751,782)</u>	<u>870,997</u>	<u>570,402</u>	<u>748,674</u>
Other income	18	<u>232,784</u>	<u>215,278</u>	<u>332,843</u>	<u>496,651</u>
		<u>(518,998)</u>	<u>1,086,275</u>	<u>903,245</u>	<u>1,245,325</u>
General and administrative expenses		<u>(291,204)</u>	<u>(102,942)</u>	<u>(741,308)</u>	<u>(312,813)</u>
Finance costs		<u>(97,732)</u>	<u>(67,141)</u>	<u>(135,610)</u>	<u>(138,608)</u>
		<u>(388,936)</u>	<u>(170,083)</u>	<u>(876,918)</u>	<u>(451,421)</u>
Net (loss)/profit and other comprehensive (loss)/ income for the period		<u>(659,288)</u>	<u>645,996</u>	<u>250,437</u>	<u>324,794</u>
Basic (loss)/earnings per share	19	<u>(8 fils)</u>	<u>8 fils</u>	<u>3 fils</u>	<u>4 fils</u>

The reviewed condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on its behalf by:

  
Dr Esam Abdulla Fakhro  
Chairman

  
Ali Yusuf Ali Ubaydli  
Vice- Chairman

  
Ahmed A. Rashed Albastaki  
Managing Director

Bahrain Cinema Company B.S.C.

Condensed consolidated interim statement of changes in shareholders' equity for the six months period ended 30 June 2022

(Reviewed)

(Expressed in Bahrain Dinars)

	<u>Share capital</u>	<u>Share premium</u>	<u>Revaluation reserve</u>	<u>Statutory reserve</u>	<u>Charity reserve</u>	<u>Retained earnings</u>	<u>Treasury shares</u>	<u>Total</u>
At 31 December 2020 - audited	8,262,345	911,442	4,557,442	4,131,173	310,695	40,913,683	(370,975)	58,715,805
Net profit and other comprehensive profit for the period	-	-	-	-	-	324,794	-	324,794
At 30 June 2021 - reviewed	<u>8,262,345</u>	<u>911,442</u>	<u>4,557,442</u>	<u>4,131,173</u>	<u>310,695</u>	<u>41,238,477</u>	<u>(370,975)</u>	<u>59,040,599</u>
At 31 December 2021 - audited	8,262,345	911,442	4,557,442	4,131,173	305,695	41,956,873	(370,975)	59,753,995
Dividend for 2021 (Note 23)	-	-	-	-	-	(1,183,706)	-	(1,183,706)
Charity paid	-	-	-	-	(2,000)	-	-	(2,000)
Net profit and other comprehensive profit for the period	-	-	-	-	-	250,437	-	250,437
At 30 June 2022 - reviewed	<u>8,262,345</u>	<u>911,442</u>	<u>4,557,442</u>	<u>4,131,173</u>	<u>303,695</u>	<u>41,023,604</u>	<u>(370,975)</u>	<u>58,818,726</u>

**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim statement of cash flows**  
**for the six months period ended 30 June 2022**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	<u>Six months period ended 30 June 2022 (Reviewed)</u>	<u>Six months period ended 30 June 2021 (Reviewed)</u>
<b>Operating activities</b>			
Net profit for the period		250,437	324,794
Adjustments for:			
Depreciation	5	298,552	334,049
Amortisation of cost to right-of-use assets	8	395,331	269,062
Profit on sale of property, plant and equipment	18	(14)	-
Net share of (profit)/loss from investment in an associate	17	(208,071)	141,512
Dividend income	17	(437,650)	(280,923)
Unrealised losses/(gains) on financial assets at fair value through profit or loss	17	446,592	(286,949)
Profit from fixed deposits	17	(15,426)	(41,030)
Interest income from bonds and sukuku	17	(355,847)	(281,284)
Liabilities no longer payable written-off	18	(101,563)	-
Loss on lease termination		79,340	-
Rent concessions	18	(17,406)	(182,730)
Interest income on long term receivables	18	(141,856)	(212,784)
Finance costs		135,610	138,608
Changes in operating assets and liabilities:			
Inventories		(16,177)	(11,518)
Trade and other receivables		(770,613)	(559,071)
Employees' terminal and other benefits		24,794	(13,941)
Trade and other payables		<u>(246,034)</u>	<u>351,283</u>
Net cash used in operating activities		<u>(680,001)</u>	<u>(310,922)</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	5	(5,199)	(9,992)
Addition in capital work-in-progress		-	(198,157)
Additions to investment properties		(693)	-
Proceeds from sale of property, plant and equipment		14	-
Interest income on long term receivable		141,856	212,784
Profit from fixed deposit received	17	15,426	41,030
Proceeds from sale of financial assets at fair value through profit or loss		592,180	194,087
Interest income from bonds and sukuku	17	355,847	281,284
Purchase of financial assets at amortised cost	10	(13,950,627)	-
Purchase of financial assets at fair value through profit or loss	11	(498,337)	-
Dividend income received	17	<u>437,650</u>	<u>280,923</u>
Net cash (used in)/provided by investing activities		<u>(12,911,883)</u>	<u>801,959</u>



**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim statement of cash flows**  
**for the six months period ended 30 June 2022 (continued)**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	Six months period ended <u>30 June 2022</u> (Reviewed)	Six months period ended <u>30 June 2021</u> (Reviewed)
<b>Financing activities</b>		
Amount repaid against Murabaha facility	(359,691)	(256,934)
Lease liabilities paid	(328,729)	(43,400)
Term loan obtained	10,425,000	-
Charity paid	(2,000)	-
Dividends paid	(1,183,706)	(61,312)
Finance costs paid	<u>(135,610)</u>	<u>(91,355)</u>
Net cash provided by/(used in) financing activities	<u>8,415,264</u>	<u>(453,001)</u>
Net (decrease)/increase in cash and cash equivalents	(5,176,620)	38,036
Cash and cash equivalents, beginning of the period	<u>3,966,736</u>	<u>708,244</u>
Cash and cash equivalents, end of the period	<u>(1,209,884)</u>	<u>746,280</u>
Comprising:		
Cash and bank balances	255,374	3,967,604
Bank overdrafts	<u>(1,465,258)</u>	<u>(3,221,324)</u>
	<u>(1,209,884)</u>	<u>746,280</u>

**Bahrain Cinema Company B.S.C.**

**Selected explanatory notes to the condensed consolidated interim financial information  
for the three months period ended 31 March 2022**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

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**1 Organisation and activities**

Bahrain Cinema Company B.S.C. ("the Company") and its subsidiary (collectively referred as "the Group") is a public Bahraini shareholding company incorporated under Royal Decree dated 30 November 1967, is registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 1192 obtained on 11 August 1968.

The principal activities of the Group are the screening of films, advertisements and operation of restaurants, providing leisure and amusement related services, real estate activities with own or leased property and sale/trade of furnisher and all household articles and sale/trade in other machinery and equipments and parts.

The registered office of the Company is in the Kingdom of Bahrain.

These condensed consolidated interim financial statements include assets liabilities and the result of operations of the branches which operate under commercial registration numbers 1192-1, 1192-9, 1192-16, 1192-20, 1192-22, 1192-24, 1192-25, 1192-26, 1192-27 and 1192-28.

The consolidated condensed interim financial information, set out on pages 4 to 23, were approved and authorised for issue by the Board of Directors on 11 May 2022.

**2 Structure of the Group**

The structure of the Group is as follows:

***Subsidiary company***

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective ownership interest 2022</u>	<u>Effective ownership interest 2021</u>
Red Dragon Company S.P.C. *	Kingdom of Saudi Arabia	Restaurant operations and Go-karting business	100%	100%
Cineco Cinema L.L.C.**	United Arab Emirates	Screening of films	100%	100%

\* The Company has not yet started its operations.

\*\* On 5<sup>th</sup> August 2021, the Company's Board of Directors has passed the resolution for the closure of activity of Cineco Cinema L.L.C. Accordingly, the Company has disclosed the operation as discontinued operations in the statement of profit or loss and other comprehensive income during the year 2021.

The total assets and net profit/(loss) for the period of the above subsidiaries have been extracted from the unaudited management accounts prepared as at, and for the period ended, 31 March 2022.

**Bahrain Cinema Company B.S.C.**

Selected explanatory notes to the condensed consolidated interim financial information  
for the quarter and six months period ended 30 June 2022

(Reviewed)

(Expressed in Bahrain Dinars)

## 2 Structure of the Group (continued)

### *Joint ventures*

<u>Name of joint ventures</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective ownership interest 2022</u>	<u>Effective ownership interest 2021</u>
Qatar Bahrain International Cinema W.L.L.	State of Qatar	Screening of films	23%	23%
Al Murjan Restaurant Management W.L.L.	State of Qatar	Restaurant operations	50%	50%

The Group is a party to joint arrangements with the above entities. The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement. Under IFRS 11 this joint arrangement is classified as a joint venture and has been included in the condensed consolidated interim financial information using the equity method.

### *Associate*

<u>Name of Associate</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective Ownership Interest 2022</u>	<u>Effective ownership interest 2021</u>
Vox Cineco Cinemas Company W.L.L.	Kingdom of Bahrain	Screening of films, sale of food and beverages	50%	50%

## 3 Basis of preparation

The condensed interim financial information has been presented in accordance with International Accounting Standard 34 - "*Interim financial reporting*". The condensed interim financial information should therefore be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended 31 December 2021. The financial information has been presented in Bahrain Dinars (BD) which is also the functional currency of the Group.

These consolidated financial statements have been prepared using going concern assumption under the historical cost convention.

### 3 Basis of preparation (continued)

#### *Improvements/amendments to IFRS/IAS*

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Group's future accounting year with earlier adoption.

#### *Standards, amendments and interpretations effective and adopted in 2022*

None of the amendments to standards that were made effective in 2022 had any significant effect on these condensed consolidated interim financial statements.

#### *Standards, amendments and interpretations issued and effective in 2022 but not relevant*

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2022 or subsequent periods, but is not relevant to the Group's operations:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 1	Subsidiary as a first-time adopter	1 January 2022
IFRS 3	Reference to the conceptual framework	1 January 2022
IAS 16	Property, plant and equipment - proceeds before intended use	1 January 2022
IAS 37	Onerous contracts - cost of fulfilling a contract	1 January 2022
IFRS 9	Derecognition of financial liabilities	1 January 2022

#### *Standards, amendments and interpretations issued but not yet effective in 2022*

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 June 2022. They have not been adopted in preparing the consolidated financial statements for the period ended 30 June 2022 and will or may have an effect on the entity's future consolidated financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 1	Disclosure of accounting policies	1 January 2023
IAS 1	Classification of liabilities as current or non-current	1 January 2023
IAS 8	Definition of accounting estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

#### *Early adoption of amendments or standards in 2022*

The Group did not early-adopt any new or amended standards in 2022. There would have been no change in the operational results of the Group for the period ended 30 June 2022 had the Group early adopted any of the above standards applicable to the Group.

**4 Significant accounting policies and critical accounting judgments, estimates and assumptions**

The accounting policies used in the preparation of the condensed consolidated interim financial information are consistent with those used in the annual audited consolidated financial statements of the Group prepared as at, and for the year ended 31 December 2021, as described in those annual audited consolidated financial statements.

**5 Property, plant and equipment**

	Freehold land and buildings	Building on Leasehold land/leasehold improvements	Fixtures, furniture and office equipment	Motor vehicles	Total
<b><i>Cost or revaluation</i></b>					
At 31 December 2020 (Audited)	821,716	1,303,015	10,412,049	197,037	12,733,817
Additions	-	-	23,009	-	23,009
On discontinued operation	-	-	(90,734)	-	(90,734)
At 31 December 2021 (Audited)	821,716	1,303,015	10,344,324	197,037	12,666,092
Additions	-	-	5,199	-	5,199
Disposals	-	-	(245)	-	(245)
At 30 June 2022 (Reviewed)	<u>821,716</u>	<u>1,303,015</u>	<u>10,349,278</u>	<u>197,037</u>	<u>12,671,046</u>
<b><i>Accumulated depreciation and impairment</i></b>					
At 31 December 2020 (Audited)	175,713	1,272,557	6,678,130	181,555	8,307,955
Charge for the year	41,086	1,255	604,845	8,763	655,949
On discontinued operation	-	-	(14,221)	-	(14,221)
At 31 December 2021 (Audited)	216,799	1,273,812	7,268,754	190,318	8,949,683
Charge for the period	20,543	574	274,915	2,520	298,552
On disposal	-	-	(245)	-	(245)
At 30 June 2022 (Reviewed)	<u>237,342</u>	<u>1,274,386</u>	<u>7,543,424</u>	<u>192,838</u>	<u>9,247,990</u>
<b><i>Net book value</i></b>					
At 30 June 2022 (Reviewed)	<u>584,374</u>	<u>28,629</u>	<u>2,805,854</u>	<u>4,199</u>	<u>3,423,056</u>
At 31 December 2021 (Audited)	<u>604,917</u>	<u>29,203</u>	<u>3,075,570</u>	<u>6,719</u>	<u>3,716,409</u>

**Bahrain Cinema Company B.S.C.**

**Selected explanatory notes to the condensed consolidated interim financial information  
for the quarter and six months period ended 30 June 2022**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

**6 Capital work-in-progress**

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Opening balance	1,969,736	1,610,429
Additions	-	445,059
Written-off	-	(85,752)
Closing balance	<u>1,969,736</u>	<u>1,969,736</u>

**7 Investment properties**

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Opening balance	22,314,085	21,910,000
Additions	693	1,277
Unrealised fair value gain for the period/year	-	402,808
Closing balance	<u>22,314,778</u>	<u>22,314,085</u>

**8 Right-of-use assets**

	Theatres	Restaurants	Leisure and amusement	Office building	Others	Total
<b>Cost</b>						
At 31 December 2020	4,508,800	627,758	-	289,557	20,456	5,446,571
Additions	-	-	792,385	-	-	792,385
At 31 December 2021	4,508,800	627,758	792,385	289,557	20,456	6,238,956
Additions	-	186,636	-	131,825	-	318,461
Lease termination	(371,882)	-	-	-	-	(371,882)
Modifications	5,452	-	(70,827)	-	-	(65,375)
At 30 June 2022	<u>4,142,370</u>	<u>814,394</u>	<u>721,558</u>	<u>421,382</u>	<u>20,456</u>	<u>6,120,160</u>
<b>Amortisation and impairment</b>						
At 31 December 2020	2,136,933	226,351	-	191,696	19,638	2,574,618
Charge for the year	390,826	111,520	13,206	65,376	818	581,746
At 31 December 2021	2,527,759	337,871	13,206	257,072	20,456	3,156,364
On lease termination	(223,131)	-	-	-	-	(223,131)
Charge for the period	171,557	104,960	72,036	46,778	-	395,331
At 30 June 2022	<u>2,476,185</u>	<u>442,831</u>	<u>85,242</u>	<u>303,850</u>	<u>20,456</u>	<u>3,328,564</u>
<b>Carrying Value</b>						
30 June 2022 (Reviewed)	<u>1,666,185</u>	<u>371,563</u>	<u>636,316</u>	<u>117,532</u>	<u>-</u>	<u>2,791,596</u>
31 December 2021 (Audited)	<u>1,981,041</u>	<u>289,887</u>	<u>779,179</u>	<u>32,485</u>	<u>-</u>	<u>3,082,592</u>

**Bahrain Cinema Company B.S.C.**

**Selected explanatory notes to the condensed consolidated interim financial information  
for the quarter and six months period ended 30 June 2022**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

**9 Investment in an associate**

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Opening balance	9,677,134	9,692,624
Share of profit/(loss) for the period/year (Note 17)	<u>208,071</u>	<u>(15,490)</u>
Closing balance	<u>9,885,205</u>	<u>9,677,134</u>

The above financial information relating to the Group's investment in an associate has been extracted from unaudited management accounts of the associate prepared as at, and for the period ended 30 June 2022.

**10 Financial assets at amortised cost**

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Investment in Bonds	<u>13,950,627</u>	<u>-</u>

**11 Financial assets at fair value through profit or loss**

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Quoted equity investments	9,746,112	9,464,127
Unquoted equity investments and managed funds	390,946	488,158
Bonds and Sukuks	<u>9,479,634</u>	<u>10,204,842</u>
	<u>19,616,692</u>	<u>20,157,127</u>
<b>Movement during the period/year</b>		
Opening balance	20,157,127	19,927,831
Additions	498,337	-
Disposals	(592,180)	(385,766)
Unrealised fair value gains on financial assets at fair value through profit or loss (Note 17)	<u>(446,592)</u>	<u>615,062</u>
Closing balance	<u>19,616,692</u>	<u>20,157,127</u>
	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Non-current assets	10,137,058	9,952,285
Current assets	<u>9,479,634</u>	<u>10,204,842</u>
	<u>19,616,692</u>	<u>20,157,127</u>

**Bahrain Cinema Company B.S.C.**

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(Reviewed)

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**12 Trade and other receivables**

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Trade receivables	402,322	271,097
Provision for impaired trade receivables	<u>(17,898)</u>	<u>(17,898)</u>
	384,424	253,199
Interest free loans to employees	15,596	1,135
Deposits/rental advance	393,784	398,704
Advances to suppliers	43,897	39,328
Amounts due from related parties (Note 20)	27,032	40,077
Prepayments	246,471	67,596
Receivable on disposal of business operations	3,152,353	3,152,353
Other receivables	<u>664,835</u>	<u>205,387</u>
	<u>4,928,392</u>	<u>4,157,779</u>

Trade receivables are generally on 30 to 90 days credit terms.

Amounts due from related parties are unsecured, bear no interest and have no fixed repayment terms and are realisable by the Group's management.

**13 Share capital**

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
<b>Authorised</b>		
100,000,000 ordinary shares of 100 fils each (2021: 100,000,000 ordinary shares of 100 fils each)	<u>10,000,000</u>	<u>10,000,000</u>
<b>Issued, subscribed and fully paid-up:</b>		
82,623,450 ordinary shares of 100 fils each (2021: 82,623,450 ordinary shares of 100 fils each)	<u>8,262,345</u>	<u>8,262,345</u>
<b>Treasury shares</b>		
3,709,750 ordinary shares of 100 fils each (2021: 3,709,750 ordinary shares of 100 fils each)	<u>370,975</u>	<u>370,975</u>

**Treasury shares**

The Company holds 3,709,750 (2021: 3,709,750) (4.49% of the total issued and paid-up share capital) as treasury shares as at 30 June 2022 (2021: 4.49% of the total issued and paid-up share capital).



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**14 Murabaha facility**

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Murabaha facility	498,105	767,460
Commodity murabaha	<u>4,978,367</u>	<u>4,978,367</u>
	5,467,472	5,745,827
Current portion of Murabaha facility	<u>(5,467,472)</u>	<u>(5,546,182)</u>
Non-current portion of Murabaha facility	<u>-</u>	<u>199,645</u>

That portion of the Murabaha facility which is repayable within twelve months from the statement of financial position date is disclosed as current portion of the Murabaha facility.

In the opinion of the management, the fair values of the Murabaha facility are not expected to be significantly different from their carrying values.

**15 Term loan**

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Long term loan	9,425,000	-
Liquidity support loan	<u>918,664</u>	<u>-</u>
	10,343,664	-
Current portion of term loan	<u>(326,408)</u>	<u>-</u>
Non-current portion of term loan	<u>10,017,256</u>	<u>-</u>

That portion of the term loan which is repayable within twelve months from the statement of financial position date is disclosed as current portion of the term loan.

**Bahrain Cinema Company B.S.C.**

**Selected explanatory notes to the condensed consolidated interim financial information  
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**16 Lease liabilities**

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Opening balance	3,780,978	3,647,608
Lease payments	(379,698)	(370,530)
Rent concessions (Note 18)	(17,406)	(380,659)
Lease modification	(65,375)	-
Additions	318,461	792,385
Reclassified to accruals and other payables	(440,207)	-
Lease termination	(69,413)	-
Finance charges	50,970	92,174
Closing balance	3,178,310	3,780,978
Less: current portion of lease liabilities	(691,034)	(1,338,018)
Non-current portion of lease liabilities	<u>2,487,276</u>	<u>2,442,960</u>

Maturity analysis - contractual undiscounted cash flows

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Less than one year	789,063	1,323,591
One to five years	2,415,914	2,302,735
More than five years	111,756	405,463
Total undiscounted lease liabilities	<u>3,316,733</u>	<u>4,031,789</u>

**17 Income/(loss) from investments**

	Quarter ended 30 June 2022 (Reviewed)	Quarter ended 30 June 2021 (Reviewed)	Six months period ended 30 June 2022 (Reviewed)	Six months period ended 30 June 2021 (Reviewed)
Net share of profit/(loss) from investment in associate (Note 9)	135,717	(69,006)	208,071	(141,512)
Dividend income	336,516	280,923	437,650	280,923
Unrealised fair value (loss)/gain on financial assets at fair value through profit or loss (Note 11)	(1,462,057)	456,838	(446,592)	286,949
Profit from fixed deposits	3,473	19,339	15,426	41,030
Interest income from sukuks and bonds	<u>234,569</u>	<u>182,903</u>	<u>355,847</u>	<u>281,284</u>
	<u>(751,782)</u>	<u>870,997</u>	<u>570,402</u>	<u>748,674</u>

**Bahrain Cinema Company B.S.C.****Selected explanatory notes to the condensed consolidated interim financial information for the quarter and six months period ended 30 June 2022****(Reviewed)****(Expressed in Bahrain Dinars)****18 Other income**

	Quarter ended 30 June 2022 (Reviewed)	Quarter ended 30 June 2021 (Reviewed)	Six months period ended 30 June 2022 (Reviewed)	Six months period ended 30 June 2021 (Reviewed)
Interest income on long-term receivables	70,928	106,392	141,856	212,784
Management fee	11,160	3,255	22,320	7,440
Profit on sale of property, plant and equipment	-	-	14	-
Liabilities no longer payable written-off	101,563	-	101,563	-
Rent concessions	7,202	89,131	17,406	182,730
Government grant	-	16,500	-	92,500
Miscellaneous income	<u>41,931</u>	<u>-</u>	<u>49,684</u>	<u>1,197</u>
	<u>232,784</u>	<u>215,278</u>	<u>332,843</u>	<u>496,651</u>

**19 (Loss)/earnings per share**

Basic earning/loss per share are calculated by dividing the net profit/(loss) attributable to the shareholders by the weighted average number of ordinary shares issued during the period.

	Quarter period ended 30 June 2022 (Reviewed)	Quarter period ended 30 June 2021 (Reviewed)	Six months period ended 30 June 2022 (Reviewed)	Six months period ended 30 June 2021 (Reviewed)
Net (loss)/profit attributable to the shareholders (reviewed)	<u>(659,288)</u>	<u>645,996</u>	<u>250,437</u>	<u>324,794</u>
Weighted average number of ordinary shares issued	<u>78,913,703</u>	<u>78,913,703</u>	<u>78,913,703</u>	<u>78,913,703</u>
Basic/diluted (loss)/earnings per share	<u>(8fils)</u>	<u>8fils</u>	<u>3fils</u>	<u>4fils</u>

The Group does not have any potentially dilutive ordinary shares hence the basic and diluted (loss)/earnings per share are identical.

**20 Transactions and balances with related parties**

Parties are considered to be related if one party 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 Group exercises significant influence, major shareholders, directors and executive management of the Group.

Related parties consist of the joint ventures, associates, the Directors of the Group companies, their close family members and businesses under their control. Key management personnel consist of persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Group's transactions with related parties are authorised by the management.

Trading transactions, where customers or suppliers are controlled or significantly influenced by the directors of the Group, are conducted on an arm's length basis or on normal commercial terms. Further, there are no loans due to or from any of the directors of the Group.

**Bahrain Cinema Company B.S.C.****Selected explanatory notes to the condensed consolidated interim financial information  
for the quarter and six months period ended 30 June 2022****(Reviewed)****(Expressed in Bahrain Dinars)****20 Transactions and balances with related parties (continued)**

A summary of related party balances as at 30 June/December is as follows:

	Related party relationship	Amount due from		Amount due to	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
Qatar Bahrain International Cinema W.L.L.	Joint Venture	27,032	39,314	-	-
Vox Cineco Cinema Company W.L.L.	Associate Company Common	-	-	6,247	6,246
Various entities*	Directorship	-	763	65,950	53,009
		<u>27,032</u>	<u>40,077</u>	<u>72,197</u>	<u>59,255</u>

\* These include balances with several related party companies whose individual balances are not material.

A summary of material transactions with related parties is as follows:

	Six months period ended 30 June 2022	Six months period ended 30 June 2021
	(Reviewed)	(Reviewed)
<u>Qatar Bahrain International Cinema Co. W.L.L.</u>		
Salaries	750	531
Other expenses	24,847	5,590
Management Fees	22,320	7,440
<u>Vox Cineco Cinema Company W.L.L.</u>		
Other expenses	-	158

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Selected explanatory notes to the condensed consolidated interim financial information  
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**20 Transactions and balances with related parties (continued)**

	Six months period ended <u>30 June 2022</u> (Reviewed)	Six months period ended <u>30 June 2021</u> (Reviewed)
<u>Directors remuneration and sitting fee</u>		
Directors' sitting fee	28,448	-
<u>Entities under common directorship</u>		
Direct expenses	16,509	4,970
Other expenses	73,708	57,522
Rent expense for corporate office	40,197	59,910

**21 Segmental reporting**

The primary segment information is presented in respect of the Group's business segments which are in accordance with the Group's management and internal reporting structure.

The Group's operations in Bahrain are organised under the following major business segments:

- Theatre operations
- Restaurants and concession counters
- Others, includes corporate office assets and vehicles

For the period ended 30 June 2022 (reviewed)

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
<b>Revenue</b>				
Total external sales	855,409	813,686	748,276	2,417,371
Less: total variable costs	(425,786)	(243,498)	-	(669,284)
<b>Segment results</b>	<u>429,623</u>	<u>570,188</u>	<u>748,276</u>	<u>1,748,087</u>
Less: fixed costs				(1,523,977)
<b>Operating loss</b>				224,110
Other income				332,843
Income from investments, net				570,402
General and administrative expenses				(741,308)
Finance costs				(135,610)
<b>Net profit for the period</b>				<u>250,437</u>

**Bahrain Cinema Company B.S.C.**

**Selected explanatory notes to the condensed consolidated interim financial information for the quarter and six months period ended 30 June 2022**

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**21 Segmental reporting (continued)**

**For the period ended 30 June 2021 (reviewed)**

	<b>Theatre operations</b>	<b>Restaurants and concession counters</b>	<b>Others</b>	<b>Total</b>
<b>Revenue</b>				
Total external sales	59,540	49,008	499,916	608,464
Less: total variable costs	<u>(30,416)</u>	<u>(16,131)</u>	<u>-</u>	<u>(46,547)</u>
<b>Segment results</b>	<u>29,124</u>	<u>32,877</u>	<u>499,916</u>	<u>561,917</u>
Less: fixed costs				<u>(1,031,027)</u>
<b>Operating loss</b>				<u>(469,110)</u>
Other income				496,651
Income from investments, net				748,674
General and administrative expenses				<u>(312,813)</u>
Finance costs				<u>(138,608)</u>
<b>Net profit for the period</b>				<u>324,794</u>

**22 Capital commitments**

Capital expenditure contracted for various projects at the condensed consolidated interim statement of financial position date but not recognised in these condensed consolidated interim financial statements amounted to BD110,890 (31 December 2021:BD105,379).

**23 Dividends****Declared and paid**

A dividend of BD1,183,706 for the year ended 31 December 2021 (at 15 fils per share) (2021: BDNil for the year ended 31 December 2020), was approved by the shareholders in the Annual General Meeting of the shareholders.

**24 Interim results**

The interim net profit for the quarter and six months period ended 30 June 2022 may not represent a proportionate share of the annual net profit or loss due to the nature of the Group's activities and potential seasonal changes, timing of the receipt of dividend and investment income.

**25 Subsequent events**

- There were no significant events subsequent to 30 June 2022 and occurring before the date of the report that are expected to have a significant impact on this condensed interim financial information.