

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

**Condensed consolidated interim financial  
information for the three months period  
ended 31 March 2023 (Reviewed)**

**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim financial information**  
**for the three months period ended 31 March 2023**  
**(Reviewed)**

---

<b>Index</b>	<b>Page</b>
1. Administration and contact details	2
2. Review report by the independent auditor	3
3. Condensed consolidated interim statement of financial position	4
4. Condensed consolidated interim statement of profit or loss and other comprehensive income	5
5. Condensed consolidated interim statement of changes in shareholders' equity	6
6. Condensed consolidated interim statement of cash flows	7 - 8
7. Selected explanatory notes to the condensed interim financial information	9 - 21

**Bahrain Cinema Company B.S.C.**  
**Administration and contact details as at 31 March 2023**

---

<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 - Chairman Ali Yusuf Ali Ubaydli - Vice-Chairman Ahmed AbdulRahman Rashed Albastaki - Managing Director Fareed Yusuf Khalil Almoayyed Jehad Yusuf Abdulla Amin Jalal Mohamed Yusuf Jalal Mohamed Ebrahim Khalil Kanoo Shawqi Ali Yusuf Fakhro
<b>Chief Executive Officer</b>	Ahmed AbdulRahman Rashed Albastaki
<b>Audit committee</b>	Shawqi Ali Yusuf Fakhro - Chairman Fareed Yusuf Khalil Almoayyed Jalal Mohamed Yusuf Jalal
<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 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 31 March 2023, 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 three 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 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the three months period ended in accordance with International Financial Reporting Standard IAS 34 - *"Interim financial reporting"*.



Manama, Kingdom of Bahrain  
10 May 2023



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


**Condensed consolidated interim statement of financial position as at 31 March 2023**

(Reviewed)

(Expressed in Bahrain Dinars)

	Notes	31 March 2023 (Reviewed)	31 December 2022 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	4,825,192	5,002,194
Investment properties	7	23,080,527	23,078,000
Right-of-use assets	8	2,581,460	2,450,040
Investment in an associate	9	10,042,224	10,099,872
Financial assets at amortised cost	10	13,976,871	13,968,954
Financial assets at fair value through profit or loss	11	10,179,503	10,052,337
		<u>64,685,777</u>	<u>64,651,397</u>
<b>Current assets</b>			
Inventories		143,154	146,689
Financial assets at fair value through profit or loss	11	9,400,858	9,414,365
Trade and other receivables	12	4,975,326	4,528,776
Cash and bank balances		<u>165,674</u>	<u>275,127</u>
		<u>14,685,012</u>	<u>14,364,957</u>
<b>Total assets</b>		<b>79,370,789</b>	<b>79,016,354</b>
<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		252,007	312,007
Retained earnings		40,820,974	41,902,340
Treasury shares	13	<u>(370,975)</u>	<u>(370,975)</u>
		<u>58,564,408</u>	<u>59,705,774</u>
<b>Non-current liabilities</b>			
Non-current portion of term loan	15	7,314,263	7,769,140
Non-current portion of lease liabilities	16	2,096,415	2,136,259
Employees' terminal and other benefits		<u>949,555</u>	<u>925,061</u>
		<u>10,360,233</u>	<u>10,830,460</u>
<b>Current liabilities</b>			
Current portion of Murabaha facility	14	5,028,724	5,178,012
Current portion of term loan	15	333,272	331,198
Current portion of lease liabilities	16	912,299	700,941
Trade and other payables		918,116	1,311,709
Bank overdrafts		<u>3,253,737</u>	<u>958,260</u>
		<u>10,446,148</u>	<u>8,480,120</u>
<b>Total equity and liabilities</b>		<b>79,370,789</b>	<b>79,016,354</b>

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 three months period ended 31 March 2023**

(Reviewed)

(Expressed in Bahrain Dinars)

	Notes	Three months period ended 31 March 2023 (Reviewed)	Three months period ended 31 March 2022 (Reviewed)
Operating income	21	1,111,089	1,049,155
Operating costs		<u>(1,217,564)</u>	<u>(1,073,691)</u>
Operating gross loss for the period		<u>(106,475)</u>	<u>(24,536)</u>
Income from investments, net	17	391,742	1,322,184
Other income	18	<u>235,131</u>	<u>100,059</u>
		<u>626,873</u>	<u>1,422,243</u>
General and administrative expenses		<u>(360,824)</u>	<u>(450,104)</u>
Finance costs		<u>(57,317)</u>	<u>(37,878)</u>
		<u>(418,141)</u>	<u>(487,982)</u>
Net profit and other comprehensive income for the period		<u>102,257</u>	<u>909,725</u>
Basic earnings per share	19	<u>1 fils</u>	<u>12 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 three months period ended 31 March 2023**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	Share capital	Share premium	Revaluation reserve	Statutory reserve	Charity reserve	Retained earnings	Treasury shares	Total
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 the year 2021 (Note 23)	-	-	-	-	-	(1,183,706)	-	(1,183,706)
Net profit and other comprehensive income for the period	-	-	-	-	-	909,725	-	909,725
At 31 March 2022 - reviewed	<u>8,262,345</u>	<u>911,442</u>	<u>4,557,442</u>	<u>4,131,173</u>	<u>305,695</u>	<u>41,682,892</u>	<u>(370,975)</u>	<u>59,480,014</u>
At 31 December 2022 - audited	8,262,345	911,442	4,557,442	4,131,173	312,007	41,902,340	(370,975)	59,705,774
Dividend for the year 2022 (Note 23)	-	-	-	-	-	(1,183,623)	-	(1,183,623)
Charity paid	-	-	-	-	(60,000)	-	-	(60,000)
Net profit and other comprehensive income for the period	-	-	-	-	-	102,257	-	102,257
At 31 March 2023 - reviewed	<u>8,262,345</u>	<u>911,442</u>	<u>4,557,442</u>	<u>4,131,173</u>	<u>252,007</u>	<u>40,820,974</u>	<u>(370,975)</u>	<u>58,564,408</u>

**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim statement of cash flows**  
**for the three months period ended 31 March 2023**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	<u>Three months period ended 31 March 2023 (Reviewed)</u>	<u>Three months period ended 31 March 2022 (Reviewed)</u>
<b>Operating activities</b>			
Net profit for the period		102,257	909,725
Adjustments for:			
Depreciation	5	206,364	150,621
Amortisation of cost to right-of-use assets	8	244,746	181,849
Profit on sale of property, plant and equipment	18	-	(14)
Net share of loss/(profit) from investment in an associate	9	57,648	(72,354)
Dividend income	17	(130,338)	(101,134)
Unrealised gains on financial assets at fair value through profit or loss	11	(113,659)	(1,015,465)
Profit from fixed deposits and call accounts	17	-	(11,953)
Rent concessions	18	-	(10,204)
Interest income from sukuks and bonds	17	(197,476)	(121,278)
Interest income - discount amortisation	17	(7,917)	-
Interest income on long term receivables	18	(35,463)	(70,928)
Interest income on loan to a related party	18	(16,897)	-
Finance costs		57,317	37,878
Changes in operating assets and liabilities:			
Inventories		3,535	(6,566)
Trade and other receivables		(446,550)	(315,745)
Employees terminal benefits		24,494	13,795
Trade and other payables		(393,593)	1,345,425
Net cash (used in)/provided by operating activities		<u>(645,532)</u>	<u>913,652</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	5	(29,362)	(1,393)
Additions to investment properties	7	(2,527)	(566)
Proceeds from sale of property, plant and equipment		-	14
Interest income on long term receivable	18	35,463	70,928
Interest income on loan to a related party	18	16,897	-
Profit from fixed deposit and call accounts received	17	-	11,953
Proceeds from sale of financial assets at fair value through profit or loss		-	504,151
Interest income from bonds and sukuks	17	197,476	121,278
Purchase of financial assets at amortised cost		-	(13,950,627)
Purchase of financial assets at fair value through profit or loss	11	-	(498,233)
Dividend income received	17	130,338	101,134
Net cash provided by/(used in) investing activities		<u>348,285</u>	<u>(13,641,361)</u>



**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim statement of cash flows**  
**for the three months period ended 31 March 2023 (continued)**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	<u>Three months period ended 31 March 2023 (Reviewed)</u>	<u>Three months period ended 31 March 2022 (Reviewed)</u>
<b>Financing activities</b>			
Amount repaid against Murabaha facility		(149,288)	(137,857)
Lease liabilities paid		(204,652)	(145,757)
Term loan obtained		-	10,268,176
Amount repaid against term loan		(452,803)	-
Charity paid		(60,000)	-
Dividends paid	23	(1,183,623)	(1,183,706)
Finance costs paid		<u>(57,317)</u>	<u>(37,878)</u>
Net cash (used in)/provided by financing activities		<u>(2,107,683)</u>	<u>8,762,978</u>
Net decrease in cash and cash equivalents		(2,404,930)	(3,964,731)
Cash and cash equivalents, beginning of the period		<u>(683,133)</u>	<u>3,966,738</u>
Cash and cash equivalents, end of the period		<u>(3,088,063)</u>	<u>2,007</u>
Comprising:			
Cash and bank balances		165,674	321,268
Bank overdrafts		<u>(3,253,737)</u>	<u>(319,261)</u>
		<u>(3,088,063)</u>	<u>2,007</u>

## 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 and 1192-29.

The consolidated condensed interim financial information, set out on pages 4 to 21, were approved and authorised for issue by the Board of Directors on 10 May 2023.

## 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 2023</u>	<u>Effective ownership interest 2022</u>
Red Dragon Company S.P.C. *	Kingdom of Saudi Arabia	Restaurant operations and Go-karting business	100%	100%

\* The Company has not yet started its operations.

The total assets and net profit/(loss) for the period of the above subsidiary have been extracted from the unaudited management accounts prepared as at, and for the period ended, 31 March 2023.

### *Joint ventures*

<u>Name of joint ventures</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective ownership interest 2023</u>	<u>Effective ownership interest 2022</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%

## 2 Structure of the Group (continued)

### *Joint ventures (continued)*

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 2023</u>	<u>Effective ownership interest 2022</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 consolidated interim financial information has been presented in accordance with International Accounting Standard 34 - “*Interim financial reporting*”. The condensed consolidated interim financial information should therefore be read in conjunction with the annual consolidated audited financial statements of the Group for the year ended 31 December 2022. The condensed consolidated interim financial information has been presented in Bahrain Dinars (BD) which is also the functional currency of the Group.

These condensed consolidated interim financial information, have been prepared using going concern assumption under the historical cost convention except for the following:

- financial instruments - financial assets at fair value through profit or loss
- associate

These assets have been measured at their fair market values except for associate which has been accounted under equity method at the condensed consolidated interim statement of financial position date.

### *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 2023*

None of the amendments to standards that were made effective in 2023 had any significant effect on these condensed consolidated interim financial information.

**Bahrain Cinema Company B.S.C.**  
**Selected explanatory notes to the condensed consolidated interim financial information**  
**for the three months period ended 31 March 2023**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

**3 Basis of preparation (continued)**

***Standards, amendments and interpretations issued and effective in 2023 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 2023 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>
IAS 1	Presentation of financial statements	1 January 2023
IAS 8	Accounting policies, changes in accounting estimates and errors	1 January 2023
IAS 12	Income taxes	1 January 2023
IFRS 17	Insurance contracts	1 January 2023

***Standards, amendments and interpretations issued but not yet effective in 2023***

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 31 March 2023. They have not been adopted in preparing these condensed consolidated interim financial information, for the period ended 31 March 2023 and will or may have an effect on the entity's future condensed consolidated interim financial information. 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	Presentation of financial statements	1 January 2024
IFRS 16	Leases	1 January 2024

**Early adoption of amendments or standards in 2023**

The Group did not early-adopt any new or amended standards in 2023. There would have been no change in the operational results of the Group for the period ended 31 March 2023 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 2022, as described in those annual audited consolidated financial statements.

**Bahrain Cinema Company B.S.C.**  
**Selected explanatory notes to the condensed consolidated interim financial information**  
**for the three months period ended 31 March 2023**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

**5 Property, plant and equipment**

	<u>Freehold land and buildings</u>	<u>Building on leasehold land/leasehold improvements</u>	<u>Fixtures, furniture and office equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
<b><i>Cost or revaluation</i></b>					
At 31 December 2021 (Audited)	821,716	1,303,015	10,344,324	197,037	12,666,092
Transfer from capital work-in-progress (Note 6)	-	-	1,832,874	-	1,832,874
Additions	-	-	131,056	-	131,056
Disposals	-	-	(245)	-	(245)
At 31 December 2022 (Audited)	821,716	1,303,015	12,308,009	197,037	14,629,777
Additions	-	-	29,362	-	29,362
At 31 March 2023 (Reviewed)	<u>821,716</u>	<u>1,303,015</u>	<u>12,337,371</u>	<u>197,037</u>	<u>14,659,139</u>
<b><i>Accumulated depreciation and impairment</i></b>					
At 31 December 2021 (Audited)	216,799	1,273,812	7,268,754	190,318	8,949,683
Charge for the year	41,086	1,255	630,947	4,857	678,145
On disposal	-	-	(245)	-	(245)
At 31 December 2022 (Audited)	257,885	1,275,067	7,899,456	195,175	9,627,583
Charge for the period	<u>10,271</u>	<u>640</u>	<u>194,291</u>	<u>1,162</u>	<u>206,364</u>
At 31 March 2023 (Reviewed)	<u>268,156</u>	<u>1,275,707</u>	<u>8,093,747</u>	<u>196,337</u>	<u>9,833,947</u>
<b><i>Net book value</i></b>					
At 31 March 2023 (Reviewed)	<u>553,560</u>	<u>27,308</u>	<u>4,243,624</u>	<u>700</u>	<u>4,825,192</u>
At 31 December 2022 (Audited)	<u>563,831</u>	<u>27,948</u>	<u>4,408,553</u>	<u>1,862</u>	<u>5,002,194</u>

**6 Capital work-in-progress**

	<u>31 March 2023 (Reviewed)</u>	<u>31 December 2022 (Audited)</u>
Opening balance	-	1,969,736
Transfer to property, plant and equipment (Note 5)	-	(1,832,874)
Transfer to security deposits	-	(2,716)
Written-off	-	(134,146)
Closing balance	<u>-</u>	<u>-</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 2023**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

**7 Investment properties**

	31 March 2023 (Reviewed)	31 December 2022 (Audited)
Opening balance	23,078,000	22,314,085
Additions	2,527	49,162
Unrealised fair value gains for the period/year	-	714,753
Closing balance	<u>23,080,527</u>	<u>23,078,000</u>

**8 Right-of-use asset**

	Theatres	Restaurants	Leisure and amusement	Office building	Others	Total
<b>Cost</b>						
At 31 December 2021 (Audited)	4,508,800	627,758	792,385	289,557	20,456	6,238,956
Additions	-	186,636	-	131,825	-	318,461
Retirement	-	-	-	(289,557)	-	(289,557)
Lease termination	(371,882)	-	-	-	-	(371,882)
Modifications	5,452	-	(70,827)	-	-	(65,375)
At 31 December 2022 (Audited)	4,142,370	814,394	721,558	131,825	20,456	5,830,603
Additions	303,161	74,148	-	-	-	377,309
Modification	(1,143)	-	-	-	-	(1,143)
At 31 March 2023 (Reviewed)	<u>4,444,388</u>	<u>888,542</u>	<u>721,558</u>	<u>131,825</u>	<u>20,456</u>	<u>6,206,769</u>
<b>Amortisation and impairment</b>						
At 31 December 2021 (Audited)	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	317,080	196,000	144,071	79,736	-	736,887
On retirement	-	-	-	(289,557)	-	(289,557)
At 31 December 2022 (Audited)	2,621,708	533,871	157,277	47,251	20,456	3,380,563
Charge for the period	154,820	37,430	36,018	16,478	-	244,746
At 31 March 2023 (Reviewed)	<u>2,776,528</u>	<u>571,301</u>	<u>193,295</u>	<u>63,729</u>	<u>20,456</u>	<u>3,625,309</u>
<b>Carrying Value</b>						
31 March 2023 (Reviewed)	<u>1,667,860</u>	<u>317,241</u>	<u>528,263</u>	<u>68,096</u>	<u>-</u>	<u>2,581,460</u>
31 December 2022 (Audited)	<u>1,520,662</u>	<u>280,523</u>	<u>564,281</u>	<u>84,574</u>	<u>-</u>	<u>2,450,040</u>

**9 Investment in an associate**

	31 March 2023 (Reviewed)	31 December 2022 (Audited)
Opening balance	10,099,872	9,677,134
Share of (loss)/profit for the period/year	(57,648)	422,738
Closing balance	<u>10,042,224</u>	<u>10,099,872</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 31 March 2023.

**Bahrain Cinema Company B.S.C.****Selected explanatory notes to the condensed consolidated interim financial information  
for the three months period ended 31 March 2023****(Reviewed)****(Expressed in Bahrain Dinars)****10 Financial assets at amortised cost**

	31 March 2023 (Reviewed)	31 December 2022 (Audited)
Investment in Bonds	<u>13,976,871</u>	<u>13,968,954</u>
<b>Movement during the period/year</b>		
Opening balance	13,968,954	-
Additions during the period/year	-	13,950,627
Interest income - discount amortization	<u>7,917</u>	<u>18,327</u>
Closing balance	<u>13,976,871</u>	<u>13,968,954</u>

Amortised cost investments represent investment in Bonds amounting BD13.96m (USD37.5m), carrying interest rate of 6% per annum, having a maturity on 19 September 2044.

Financial assets at amortised cost are denominated in the following currency:

Currency	31 March 2023 (Reviewed)	31 December 2022 (Audited)
United States Dollar	<u>13,976,871</u>	<u>13,968,954</u>

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

	31 March 2023 (Reviewed)	31 December 2022 (Audited)
Quoted equity investments	9,825,219	9,698,053
Unquoted equity investments and managed funds	354,284	354,284
Bonds and Sukuks	<u>9,400,858</u>	<u>9,414,365</u>
	<u>19,580,361</u>	<u>19,466,702</u>
<b>Movement during the period/year</b>		
Opening balance	19,466,702	20,157,127
Additions	-	498,225
Disposals	-	(729,427)
Unrealised fair value gains/(loss) on financial assets at fair value through profit or loss	<u>113,659</u>	<u>(459,223)</u>
Closing balance	<u>19,580,361</u>	<u>19,466,702</u>
	31 March 2023 (Reviewed)	31 December 2022 (Audited)
Non-current assets	10,179,503	10,052,337
Current assets	<u>9,400,858</u>	<u>9,414,365</u>
	<u>19,580,361</u>	<u>19,466,702</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 2023****(Reviewed)****(Expressed in Bahrain Dinars)****12 Trade and other receivables**

	31 March 2023 (Reviewed)	31 December 2022 (Audited)
Trade receivables	268,219	221,018
Provision for impaired trade receivables	<u>(17,898)</u>	<u>(17,898)</u>
	250,321	203,120
Interest free loans to employees	33,168	33,461
Deposits/rental advance	338,480	338,480
Advances to suppliers	1,435	316
Amounts due from related parties (Note 20)	5,171	21,703
Loan to a related party (Note 20)	800,000	300,000
Prepayments	97,564	54,617
Receivable on disposal of business operations	3,152,352	3,152,352
Interest on bonds and sukuk	200,920	374,165
Other receivables	<u>95,915</u>	<u>50,562</u>
	<u>4,975,326</u>	<u>4,528,776</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.

Loan to related party is unsecured, bears interest and is repayable on demand.

**13 Share capital**

	31 March 2023 (Reviewed)	31 December 2022 (Audited)
<b>Authorised</b>		
100,000,000 ordinary shares of 100 fils each (2022: 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 (2022: 82,623,450 ordinary shares of 100 fils each)	<u>8,262,345</u>	<u>8,262,345</u>
<b>Treasury shares</b>		
3,709,737 ordinary shares of 100 fils each (2022: 3,709,737 ordinary shares of 100 fils each)	<u>370,975</u>	<u>370,975</u>

**Treasury shares**

The Company holds 3,709,737 (2022: 3,709,737) (4.49% of the total issued and paid-up share capital) as treasury shares as at 31 March 2023 (2022: 4.49% of the total issued and paid-up share capital).



**Bahrain Cinema Company B.S.C.**  
**Selected explanatory notes to the condensed consolidated interim financial information**  
**for the three months period ended 31 March 2023**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

**14 Murabaha facility**

	<u>Note</u>	<u>31 March</u> <u>2023</u> (Reviewed)	<u>31 December</u> <u>2022</u> (Audited)
Murabaha facility	(a)	50,357	199,645
Commodity murabaha	(b)	<u>4,978,367</u>	<u>4,978,367</u>
		5,028,724	5,178,012
Current portion of Murabaha facility		<u>(5,028,724)</u>	<u>(5,178,012)</u>
Non-current portion of Murabaha facility		<u>-</u>	<u>-</u>

(a) Murabaha facility represents amount taken from Al Salam Bank towards financing the capital expenditure of the Group to build 10 screens for a new Mall in Juffair. The loan is subject to profit rate of 8% per annum (net profit rate of 2.4% after adjusting Tamkeen subsidy of 5.6%). The principal balance outstanding is repayable in 60 equal installments of principal and profit. The financing is secured against six undated security cheques with another bank, direct assignment of all existing and future rental income from the properties located in Gudaibiya.

(b) Commodity murabaha represents amount taken from Kuwait Finance House (Bahrain) B.S.C. for purchase of CBB Sukuks on margin. The Sukuks purchased are held as collateral to secure the payment and subject to margin call of 80% and liquidation at 70%.

That portion of the Murabaha facility which is repayable within twelve months from the consolidated 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**

		<u>31 March</u> <u>2023</u> (Reviewed)	<u>31 December</u> <u>2022</u> (Audited)
Long term loan	(a)	6,973,477	7,344,197
Liquidity support loan	(b)	<u>674,058</u>	<u>756,141</u>
		7,647,535	8,100,338
Current portion of term loan		<u>(333,272)</u>	<u>(331,198)</u>
Non-current portion of term loan		<u>7,314,263</u>	<u>7,769,140</u>

(a) Long term loan represents amount taken from Ahli United Bank for purchase of bonds. The Bonds purchased are held as collateral to secure the payment. This loan carries interest at the rate of SOFR plus 1.5% per annum.

(b) Liquidity support loan represents amount taken from National Bank of Bahrain for working capital support. The loan is subject to fixed profit rate of 2.5% per annum. The outstanding is repayable in 36 equal installments of BD28,862.

That portion of the term loan which is repayable within twelve months from the consolidated 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  
for the three months period ended 31 March 2023****(Reviewed)****(Expressed in Bahrain Dinars)****16 Lease liabilities**

	31 March 2023 (Reviewed)	31 December 2022 (Audited)
Opening balance	2,837,200	3,780,978
Additions	377,309	318,461
Lease payments	(228,250)	(969,121)
Rent concessions	-	(254,766)
Lease modification	(1,143)	(65,375)
Lease termination	-	(69,413)
Finance charges	<u>23,598</u>	<u>96,436</u>
Closing balance	3,008,714	2,837,200
Less: current portion of lease liabilities	<u>(912,299)</u>	<u>(700,941)</u>
Non-current portion of lease liabilities	<u>2,096,415</u>	<u>2,136,259</u>

**Maturity analysis - contractual undiscounted cash flows**

	31 March 2023 (Reviewed)	31 December 2022 (Audited)
Less than one year	979,702	773,023
One to five years	<u>1,944,226</u>	<u>2,138,194</u>
Total undiscounted lease liabilities	<u>2,923,928</u>	<u>2,911,217</u>

**17 Income from investments, net**

	Three months period ended 31 March 2023 (Reviewed)	Three months period ended 31 March 2022 (Reviewed)
Net share of (loss)/profit from investment in an associate	(57,648)	72,354
Interest income from sukuks and bonds	197,476	121,278
Dividend income	130,338	101,134
Interest income - discount amortization	7,917	-
Unrealised fair value gains on financial assets at fair value through profit or loss	113,659	1,015,465
Profit from fixed deposits and call accounts	<u>-</u>	<u>11,953</u>
	<u>391,742</u>	<u>1,322,184</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 2023**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

**18 Other income**

	Three months period ended 31 March 2023 (Reviewed)	Three months period ended 31 March 2022 (Reviewed)
Interest income on long-term receivables	35,463	70,928
Interest income on loan to a related party	16,897	-
Management fee	11,400	11,160
Rent concessions	-	10,204
Profit on sale of property, plant and equipment	-	14
Support services	124,670	-
Miscellaneous income	<u>46,701</u>	<u>7,753</u>
	<u>235,131</u>	<u>100,059</u>

**19 Earnings per share**

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares issued during the period.

	Three months period ended 31 March 2023 (Reviewed)	Three months period ended 31 March 2022 (Reviewed)
Net profit attributable to the shareholders	<u>BD102,257</u>	<u>BD909,725</u>
Weighted average number of ordinary shares issued	<u>78,913,700</u>	<u>78,913,700</u>
Basic earnings per share	<u>1fil</u>	<u>12fil</u>

The Group does not have any potentially dilutive ordinary shares hence the diluted earnings and basic 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 three months period ended 31 March 2023**

**(Reviewed)**

**(Expressed in Bahrain Dinars)**

**20 Transactions and balances with related parties (continued)**

A summary of related party balances as at 31 March/December is as follows:

	Related party relationship	Amount due from		Amount due to	
		31 March 2023 (Reviewed)	31 December 2022 (Audited)	31 March 2023 (Reviewed)	31 December 2022 (Audited)
Qatar Bahrain International Cinema W.L.L.	Joint venture	5,171	21,703	-	-
Vox Cineco Cinema Company W.L.L.	Associate company	-	-	6,246	6,246
Various entities*	Common directorship	-	-	25,585	28,433
		<u>5,171</u>	<u>21,703</u>	<u>31,831</u>	<u>34,679</u>

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

	Nature of relationship	31 March 2023 (Reviewed)	31 December 2022 (Audited)
<b><i>Loan to a related party (Note 12)</i></b>			
Vox Cineco Cinemas Company W.L.L.	Associate	<u>800,000</u>	<u>300,000</u>

Loan to related party is unsecured, bears interest and is repayable on demand.

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

	Three months period ended 31 March 2023 (Reviewed)	Three months period ended 31 March 2022 (Reviewed)
<u>Qatar Bahrain International Cinema Co. W.L.L.</u>		
Salaries	816	30,264
Other expenses	19,306	44,646
Management Fees	11,400	48,360
<u>Directors' remuneration and sitting fee</u>		
Directors' remuneration and sitting fee	20,625	24,000
<u>Entities under common directorship</u>		
Direct expenses	8,197	6,715
Other expenses	52,179	15,173
Rent expense for corporate office	20,316	19,846

**Bahrain Cinema Company B.S.C.**  
**Selected explanatory notes to the condensed consolidated interim financial information**  
**for the three months period ended 31 March 2023**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

## **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 31 March 2023 (reviewed)**

	<b>Theatre operations</b>	<b>Restaurants and concession counters</b>	<b>Others</b>	<b>Total</b>
<b>Revenue</b>				
Total external sales	365,167	346,865	399,057	1,111,089
Less: total variable costs	(182,064)	(119,840)	-	(301,904)
<b>Segment results</b>	<b>183,103</b>	<b>227,025</b>	<b>399,057</b>	<b>809,185</b>
Less: fixed costs				(915,660)
<b>Operating loss</b>				<b>(106,475)</b>
Other income				235,131
Income from investments, net				391,742
General and administrative expenses				(360,824)
Finance costs				(57,317)
<b>Net profit for the period</b>				<b>102,257</b>

**For the period ended 31 March 2022 (reviewed)**

	<b>Theatre operations</b>	<b>Restaurants and concession counters</b>	<b>Others</b>	<b>Total</b>
<b>Revenue</b>				
Total external sales	370,109	311,041	368,005	1,049,155
Less: total variable costs	(183,276)	(101,722)	-	(284,998)
<b>Segment results</b>	<b>186,833</b>	<b>209,319</b>	<b>368,005</b>	<b>764,157</b>
Less: fixed costs				(788,693)
<b>Operating loss</b>				<b>(24,536)</b>
Other income				100,059
Income from investments, net				1,322,184
General and administrative expenses				(450,104)
Finance costs				(37,878)
<b>Net profit for the period</b>				<b>909,725</b>

**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 BDNil (31 December 2022: BDNil).

**23 Dividends**

**Declared and paid**

A dividend of BD1,183,623 for the year ended 31 December 2022 at 15 fils per share (2022: A dividend of BD1,183,706 for the year ended 31 December 2021 at 15 fils per share), was approved by the shareholders in the Annual General Meeting of the shareholders.

**24 Interim results**

The interim net profit for the three months period ended 31 March 2023 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 31 March 2023 and occurring before the date of the report that are expected to have a significant impact on this condensed consolidated interim financial information.