

Bahrain Cinema Company B.S.C.

Condensed consolidated interim financial
information for the quarter and six months
period ended 30 June 2023 (Reviewed)

Bahrain Cinema Company B.S.C.
Condensed consolidated interim financial information for the quarter and six months period
ended 30 June 2023
(Reviewed)

Index	Page
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 30 June 2023

Commercial registration no	1192 obtained on 11 August 1968 (Also refer Note 1)	
Board of Directors	Dr Esam Abdulla Yusuf Fakhro Ali Yusuf Ali Ubaydli Ahmed AbdulRahman 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
Chief Executive Officer	Ahmed Abdulrahman Rashed Albastaki	
Audit committee	Shawqi Ali Yusuf Fakhro Fareed Yusuf Khalil Almoayyed Jalal Mohamed Yusuf Jalal	- Chairman
Registered office	27 th Floor Building 470, Road 1010 Block 410 Fakhro Tower PO Box 26573 Sanabis Kingdom of Bahrain	
Bankers	National Bank of Bahrain Bank of Bahrain and Kuwait Ahli United Bank National Bank of Kuwait Arab Bank Kuwait Finance House Al Salam Bank	
Auditors	BDO 17 th Floor, Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	
Share Registrar	Bahrain Clear B.S.C. (c) PO Box 3203 Manama Kingdom of Bahrain	
Support Share registrar	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 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 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 2023, 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
9 August 2023



Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of financial position as at 30 June 2023
(Reviewed)
(Expressed in Bahrain Dinars)

	Notes	30 June 2023 (Reviewed)	31 December 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,629,020	5,002,194
Investment properties	7	23,091,572	23,078,000
Right-of-use assets	8	2,331,808	2,450,040
Investment in an associate	9	10,138,366	10,099,872
Financial assets at amortised cost	10	13,984,788	13,968,954
Financial assets at fair value through profit or loss	11	10,603,969	10,052,337
		<u>64,779,523</u>	<u>64,651,397</u>
Current assets			
Inventories		157,780	146,689
Financial assets at fair value through profit or loss	11	9,288,360	9,414,365
Trade and other receivables	12	5,240,090	4,528,776
Cash and bank balances		<u>224,126</u>	<u>275,127</u>
		<u>14,910,356</u>	<u>14,364,957</u>
Total assets		<u>79,689,879</u>	<u>79,016,354</u>
EQUITY AND LIABILITIES			
Capital and reserves			
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		41,482,878	41,902,340
Treasury shares	13	<u>(370,975)</u>	<u>(370,975)</u>
		<u>59,226,312</u>	<u>59,705,774</u>
Non-current liabilities			
Non-current portion of term loan	15	7,832,052	7,769,140
Non-current portion of lease liabilities	16	1,966,205	2,136,259
Employees' terminal and other benefits		<u>960,743</u>	<u>925,061</u>
		<u>10,759,000</u>	<u>10,830,460</u>
Current liabilities			
Murabaha facility	14	4,978,367	5,178,012
Current portion of term loan	15	335,359	331,198
Current portion of lease liabilities	16	761,789	700,941
Trade and other payables		1,501,237	1,311,709
Bank overdrafts		<u>2,127,815</u>	<u>958,260</u>
		<u>9,704,567</u>	<u>8,480,120</u>
Total equity and liabilities		<u>79,689,879</u>	<u>79,016,354</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 2023**

(Reviewed)

(Expressed in Bahrain Dinars)

	Notes	Quarter ended 30 June 2023 (Reviewed)	Quarter ended 30 June 2022 (Reviewed)	Six months ended 30 June 2023 (Reviewed)	Six months ended 30 June 2022 (Reviewed)
Operating income	21	1,452,169	1,368,216	2,703,646	2,417,371
Operating costs	21	<u>(1,368,603)</u>	<u>(1,119,570)</u>	<u>(2,586,167)</u>	<u>(2,193,261)</u>
Operating gross profit for the period		<u>83,566</u>	<u>248,646</u>	<u>117,479</u>	<u>224,110</u>
Income/(loss) from investments, net	17	1,027,583	(751,782)	1,419,325	570,402
Other income	18	<u>68,382</u>	<u>232,784</u>	<u>163,125</u>	<u>332,843</u>
		<u>1,095,965</u>	<u>(518,998)</u>	<u>1,582,450</u>	<u>903,245</u>
General and administrative expenses		<u>(444,591)</u>	<u>(291,204)</u>	<u>(805,415)</u>	<u>(741,308)</u>
Finance costs		<u>(73,036)</u>	<u>(97,732)</u>	<u>(130,353)</u>	<u>(135,610)</u>
		<u>(517,627)</u>	<u>(388,936)</u>	<u>(935,768)</u>	<u>(876,918)</u>
Net profit/(loss) and other comprehensive income / (loss) for the period		<u>661,904</u>	<u>(659,288)</u>	<u>764,161</u>	<u>250,437</u>
Basic earnings/(loss) per share	19	<u>8fils</u>	<u>(8fils)</u>	<u>10fils</u>	<u>3fils</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 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)
Charity paid	-	-	-	-	(2,000)	-	-	(2,000)
Net profit and other comprehensive income for the period	-	-	-	-	-	250,437	-	250,437
At 30 June 2022 - reviewed	8,262,345	911,442	4,557,442	4,131,173	303,695	41,023,604	(370,975)	58,818,726
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	-	-	-	-	-	764,161	-	764,161
At 30 June 2023 - reviewed	8,262,345	911,442	4,557,442	4,131,173	252,007	41,482,878	(370,975)	59,226,312

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of cash flows
for the six months period ended 30 June 2023
(Reviewed)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>Six months period ended 30 June 2023 (Reviewed)</u>	<u>Six months period ended 30 June 2022 (Reviewed)</u>
Operating activities			
Net profit for the period		764,161	250,437
Adjustments for:			
Depreciation	5	411,342	298,552
Amortisation of cost to right-of-use assets	8	487,543	395,331
Profit on sale of property, plant and equipment	18	-	(14)
Net share of profit from investment in an Associate	17	(38,494)	(208,071)
Dividend income	17	(559,973)	(437,650)
Unrealised (gains) / losses on financial assets at fair value through profit or loss	17	(431,282)	446,592
Profit from fixed deposits	17	-	(15,426)
Liabilities no longer payable written-off	18	-	(101,563)
Loss on lease termination		-	79,340
Rent concessions	18	-	(17,406)
Interest income from bonds and sukuk	17	(373,742)	(355,847)
Interest income - discount amortisation	17	(15,834)	-
Interest income on long term receivables	18	(70,926)	(141,856)
Interest income on loan to a related party	18	(40,373)	-
Finance costs		130,353	135,610
Changes in operating assets and liabilities:			
Inventories		(11,091)	(16,177)
Trade and other receivables		(711,314)	(770,613)
Employees' terminal and other benefits		35,682	24,794
Trade and other payables		<u>189,528</u>	<u>(246,034)</u>
Net cash used in operating activities		<u>(234,420)</u>	<u>(680,001)</u>
Investing activities			
Purchase of property, plant and equipment	5	(38,168)	(5,199)
Additions to investment properties	7	(13,572)	(693)
Proceeds from sale of property, plant and equipment		-	14
Interest income on long term receivable	18	70,926	141,856
Interest income on loan to a related party	18	40,373	-
Profit from fixed deposit received	17	-	15,426
Proceeds from sale of financial assets at fair value through profit or loss		5,655	592,180
Interest income from bonds and sukuk	17	373,742	355,847
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>559,973</u>	<u>437,650</u>
Net cash provided by / (used in) investing activities		<u>998,929</u>	<u>(12,911,883)</u>

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of cash flows
for the six months period ended 30 June 2023 (continued)
(Reviewed)
(Expressed in Bahrain Dinars)

	<u>Note</u>	Six months period ended <u>30 June 2023</u> (Reviewed)	Six months period ended <u>30 June 2022</u> (Reviewed)
Financing activities			
Amount repaid against Murabaha facility		(199,645)	(359,691)
Lease liabilities paid		(478,517)	(328,729)
Term loan obtained		67,073	10,425,000
Charity paid		(60,000)	(2,000)
Dividends paid	23	(1,183,623)	(1,183,706)
Finance costs paid		<u>(130,353)</u>	<u>(135,610)</u>
Net cash (used in) / provided by financing activities		<u>(1,985,065)</u>	<u>8,415,264</u>
Net decrease in cash and cash equivalents		(1,220,556)	(5,176,620)
Cash and cash equivalents, beginning of the period		<u>(683,133)</u>	<u>3,966,736</u>
Cash and cash equivalents, end of the period		<u>(1,903,689)</u>	<u>(1,209,884)</u>
Comprising:			
Cash and bank balances		224,126	255,374
Bank overdrafts		<u>(2,127,815)</u>	<u>(1,465,258)</u>
		<u>(1,903,689)</u>	<u>(1,209,884)</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 2023****(Reviewed)****(Expressed in Bahrain Dinars)****1 Organisation and activities**

Bahrain Cinema Company B.S.C. ("the Company") and its subsidiary (collectively referred as "the Group"), the Company 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 1192-28.

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 9 August 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.

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)

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.

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 30 June 2023. They have not been adopted in preparing these condensed consolidated interim financial information, for the period ended 30 June 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 30 June 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 quarter and six months period ended 30 June 2023
(Reviewed)
(Expressed in Bahrain Dinars)

5 Property, plant and equipment

	Freehold land and buildings	Building on leasehold land/leasehold improvements	Fixtures, furniture and office equipment	Motor vehicles	Total
<i>Cost or revaluation</i>					
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	-	-	38,168	-	38,168
At 30 June 2023 (Reviewed)	<u>821,716</u>	<u>1,303,015</u>	<u>12,346,177</u>	<u>197,037</u>	<u>14,667,945</u>
<i>Accumulated depreciation</i>					
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>20,543</u>	<u>1,117</u>	<u>387,849</u>	<u>1,833</u>	<u>411,342</u>
At 30 June 2023 (Reviewed)	<u>278,428</u>	<u>1,276,184</u>	<u>8,287,305</u>	<u>197,008</u>	<u>10,038,925</u>
<i>Net book value</i>					
At 30 June 2023 (Reviewed)	<u>543,288</u>	<u>26,831</u>	<u>4,058,872</u>	<u>29</u>	<u>4,629,020</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

	31 June 2023 (Reviewed)	31 December 2022 (Audited)
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 quarter and six months period ended 30 June 2023**

(Reviewed)

(Expressed in Bahrain Dinars)

7 Investment properties

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Opening balance	23,078,000	22,314,085
Additions	13,572	49,162
Unrealised fair value gain for the period/year	<u>-</u>	<u>714,753</u>
Closing balance	<u>23,091,572</u>	<u>23,078,000</u>

8 Right-of-use assets

	Theatres	Restaurants	Leisure and amusement	Office building	Others	Total
Cost						
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	<u>5,452</u>	<u>-</u>	<u>(70,827)</u>	<u>-</u>	<u>-</u>	<u>(65,375)</u>
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	<u>(7,998)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,998)</u>
At 30 June 2023 (Reviewed)	<u>4,437,533</u>	<u>888,542</u>	<u>721,558</u>	<u>131,825</u>	<u>20,456</u>	<u>6,199,914</u>
Amortisation						
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>(289,557)</u>	<u>-</u>	<u>(289,557)</u>
At 31 December 2022 (Audited)	2,621,708	533,871	157,277	47,251	20,456	3,380,563
Charge for the period	<u>309,493</u>	<u>73,058</u>	<u>72,036</u>	<u>32,956</u>	<u>-</u>	<u>487,543</u>
At 30 June 2023 (Reviewed)	<u>2,931,201</u>	<u>606,929</u>	<u>229,313</u>	<u>80,207</u>	<u>20,456</u>	<u>3,868,106</u>
Carrying Value						
30 June 2023 (Reviewed)	<u>1,506,332</u>	<u>281,613</u>	<u>492,245</u>	<u>51,618</u>	<u>-</u>	<u>2,331,808</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

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Opening balance	10,099,872	9,677,134
Share of profit for the period/year (Note 17)	<u>38,494</u>	<u>422,738</u>
Closing balance	<u>10,138,366</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 30 June 2023.

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 2023

(Reviewed)

(Expressed in Bahrain Dinars)

10 Financial assets at amortised cost

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Investment in Bonds	<u>13,984,788</u>	<u>13,968,954</u>
Movement during the period/year		
Opening balance	13,968,954	-
Additions during the period/year	-	13,950,627
Interest income - discount amortization	<u>15,834</u>	<u>18,327</u>
Closing balance	<u>13,984,788</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	30 June 2023 (Reviewed)	31 December 2022 (Audited)
United States Dollar	<u>13,984,788</u>	<u>13,968,954</u>

11 Financial assets at fair value through profit or loss

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Quoted equity investments	10,255,345	9,698,053
Unquoted equity investments and managed funds	348,624	354,284
Bonds and Sukuks	<u>9,288,360</u>	<u>9,414,365</u>
	<u>19,892,329</u>	<u>19,466,702</u>
Movement during the period/year		
Opening balance	19,466,702	20,157,127
Additions	-	498,225
Disposals	(5,655)	(729,427)
Unrealised fair value gains / (losses) on financial assets at fair value through profit or loss (Note 17)	<u>431,282</u>	<u>(459,223)</u>
Closing balance	<u>19,892,329</u>	<u>19,466,702</u>
	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Non-current assets	10,603,969	10,052,337
Current assets	<u>9,288,360</u>	<u>9,414,365</u>
	<u>19,892,329</u>	<u>19,466,702</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 2023
(Reviewed)
(Expressed in Bahrain Dinars)

12 Trade and other receivables

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Trade receivables	338,162	221,018
Provision for impaired trade receivables	<u>(17,898)</u>	<u>(17,898)</u>
	320,264	203,120
Interest free loans to employees	25,588	33,461
Deposits/rental advance	338,480	338,480
Advances to suppliers	1,435	316
Amounts due from related parties (Note 20)	11,372	21,703
Loan to a related party (Note 20)	834,126	300,000
Prepayments	97,323	54,617
Receivable on disposal of business operations	3,152,352	3,152,352
Interest on bonds and sukuk	344,429	374,165
Other receivables	<u>114,721</u>	<u>50,562</u>
	<u>5,240,090</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

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Authorised		
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>
Issued, subscribed and fully paid-up:		
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>
Treasury shares		
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 30 June 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 quarter and six months period ended 30 June 2023
(Reviewed)
(Expressed in Bahrain Dinars)

14 Murabaha facility

	<u>Note</u>	<u>30 June</u> <u>2023</u> (Reviewed)	<u>31 December</u> <u>2022</u> (Audited)
Murabaha facility	(a)	-	199,645
Commodity Murabaha	(b)	<u>4,978,367</u>	<u>4,978,367</u>
		4,978,367	5,178,012
Current portion of Murabaha facility		<u>(4,978,367)</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 balance is fully repaid during the period.

(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 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>30 June</u> <u>2023</u> (Reviewed)	<u>31 December</u> <u>2022</u> (Audited)
Long term loan	(a)	7,576,586	7,344,197
Liquidity support loan	(b)	<u>590,825</u>	<u>756,141</u>
		8,167,411	8,100,338
Current portion of term loan		<u>(335,359)</u>	<u>(331,198)</u>
Non-current portion of term loan		<u>7,832,052</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 condensed consolidated interim 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 quarter and six months period ended 30 June 2023

(Reviewed)

(Expressed in Bahrain Dinars)

16 Lease liabilities

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Opening balance	2,837,200	3,780,978
Additions	377,309	318,461
Lease payments	(523,123)	(969,121)
Rent concessions	-	(254,766)
Lease modification	(7,998)	(65,375)
Lease termination	-	(69,413)
Finance charges	44,606	96,436
Closing balance	2,727,994	2,837,200
Less: current portion of lease liabilities	(761,789)	(700,941)
Non-current portion of lease liabilities	1,966,205	2,136,259

Maturity analysis - contractual undiscounted cash flows

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Less than one year	860,507	773,023
One to five years	1,880,264	2,138,194
Total undiscounted lease liabilities	2,740,771	2,911,217

17 Income/(loss) from investments

	Quarter ended 30 June 2023 (Reviewed)	Quarter ended 30 June 2022 (Reviewed)	Six months period ended 30 June 2023 (Reviewed)	Six months period ended 30 June 2022 (Reviewed)
Net share of profit from investment in associate (Note 9)	96,142	135,717	38,494	208,071
Dividend income	429,635	336,516	559,973	437,650
Unrealised fair value gain / (loss) on financial assets at fair value through profit or loss (Note 11)	317,623	(1,462,057)	431,282	(446,592)
Profit from fixed deposits	-	3,473	-	15,426
Interest income - discount Amortization	7,917	-	15,834	-
Interest income from sukuks and bonds	176,266	234,569	373,742	355,847
	1,027,583	(751,782)	1,419,325	570,402

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 2023

(Reviewed)

(Expressed in Bahrain Dinars)

18 Other income

	Quarter ended <u>30 June 2023</u> (Reviewed)	Quarter ended <u>30 June 2022</u> (Reviewed)	Six months period ended <u>30 June 2023</u> (Reviewed)	Six months period ended <u>30 June 2022</u> (Reviewed)
Interest income on long-term Receivables	35,463	70,928	70,926	141,856
Interest income on loan to a related party	23,476	-	40,373	-
Management fee	-	11,160	-	22,320
Profit on sale of property, plant and equipment	-	-	-	14
Liabilities no longer payable written-off	-	101,563	-	101,563
Rent concessions	-	7,202	-	17,406
Miscellaneous income	<u>9,443</u>	<u>41,931</u>	<u>51,826</u>	<u>49,684</u>
	<u>68,382</u>	<u>232,784</u>	<u>163,125</u>	<u>332,843</u>

19 Earnings / (loss) 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 <u>30 June 2023</u> (Reviewed)	Quarter period ended <u>30 June 2022</u> (Reviewed)	Six months period ended <u>30 June 2023</u> (Reviewed)	Six months period ended <u>30 June 2022</u> (Reviewed)
Net profit / (loss) attributable to the shareholders (reviewed)	<u>661,904</u>	<u>(659,288)</u>	<u>764,161</u>	<u>250,437</u>
Weighted average number of ordinary shares issued	<u>78,913,700</u>	<u>78,913,700</u>	<u>78,913,700</u>	<u>78,913,700</u>
Basic/diluted earnings/(loss) per share	<u>8fils</u>	<u>(8fils)</u>	<u>10fils</u>	<u>3fils</u>

The Group does not have any potentially dilutive ordinary shares hence the basic and diluted earnings/(loss) 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 2023

(Reviewed)

(Expressed in Bahrain Dinars)

20 Transactions and balances with related parties (continued)

A summary of related party balances as at 30 June 2023 and 31 December 2022 is as follows:

	Related party relationship	Amount due from		Amount due to	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
Qatar Bahrain International Cinema W.L.L.	Joint Venture	11,372	21,703	-	-
Vox Cineco Cinema Company W.L.L.	Associate Company Common	-	-	6,246	6,246
Various entities*	Directorship	-	-	22,718	28,433
		11,372	21,703	28,964	34,679

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

	Nature of relationship	30 June 2023 (Reviewed)	31 December 2022 (Audited)
<i>Loan to a related party (Note 12)</i>			
Vox Cineco Cinemas Company W.L.L.	Associate	<u>834,126</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:

	Six months period ended 30 June 2023 (Reviewed)	Six months period ended 30 June 2022 (Reviewed)
<u>Qatar Bahrain International Cinema Co. W.L.L.</u>		
Salaries	1,221	750
Other expenses	21,389	24,847
Management Fees	19,950	22,320
<u>Directors' remuneration and sitting fee</u>		
Directors' remuneration and sitting fee	72,500	28,448
<u>Entities under common directorship</u>		
Direct expenses	21,663	16,509
Other expenses	109,794	73,708
Rent expense for corporate office	40,569	40,197

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 rental income, corporate office assets and vehicles

For the period ended 30 June 2023 (reviewed)

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
Revenue				
Total external sales	866,772	816,586	1,020,288	2,703,646
Less: total variable costs	(444,694)	(255,649)	-	(700,343)
Segment results	<u>422,078</u>	<u>560,937</u>	<u>1,020,288</u>	<u>2,003,303</u>
Less: fixed costs				(1,885,824)
Operating profit				117,479
Other income				163,125
Income from investments, net				1,419,325
General and administrative expenses				(805,415)
Finance costs				(130,353)
Net profit for the period				<u>764,161</u>

For the period ended 30 June 2022 (reviewed)

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
Revenue				
Total external sales	855,409	813,686	748,276	2,417,371
Less: total variable costs	(425,786)	(243,498)	-	(669,284)
Segment results	<u>429,623</u>	<u>570,188</u>	<u>748,276</u>	<u>1,748,087</u>
Less: fixed costs				(1,523,977)
Operating loss				224,110
Other income				332,843
Income from investments, net				570,402
General and administrative expenses				(741,308)
Finance costs				(135,610)
Net profit for the period				<u>250,437</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 BDNil (31 December 2022:BDNil).

23 Dividends

Declared and paid

A dividend of BD1,183,623 for the year ended 31 December 2022 at 15fils per share (2022: A dividend of BD1,183,706 for the year ended 31 December 2021 at 15fils per share), 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 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 30 June 2023 and occurring before the date of the report that are expected to have a significant impact on this condensed interim financial information.