

Bahrain Flour Mills Company B.S.C.

INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2024 (Reviewed)

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

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

Introduction


We have reviewed the accompanying interim condensed financial statements of Bahrain Flour Mills Company B.S.C. (the "Company") as at 30 June 2024, comprising of the interim statement of financial position as at 30 June 2024, the related interim statement of comprehensive income for the three and six-month periods then ended, and the interim statements of cash flows and changes in equity for the six-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.



13 August 2024
Manama, Kingdom of Bahrain

Bahrain Flour Mills Company B.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	30 June 2024 (Reviewed) BD	31 December 2023 (Audited) BD
ASSETS			
Non-current assets			
Property, plant and equipment	5	7,863,425	6,997,749
Intangible assets		88,770	-
Right-of-use assets		1,616,100	1,205,026
Investment securities	6	3,337,115	1,889,001
		<u>12,905,410</u>	<u>10,091,776</u>
Current assets			
Investment securities	6	13,160,657	13,316,344
Inventories		6,370,553	4,602,714
Trade receivables and other assets	7	523,426	473,940
Bank balances, short-term deposits and cash	8	4,861,148	7,064,161
		<u>24,915,784</u>	<u>25,457,159</u>
TOTAL ASSETS		<u>37,821,194</u>	<u>35,548,935</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		2,481,877	2,481,877
Share premium		1,350,000	1,350,000
Statutory reserve		1,241,625	1,241,625
Other reserves		3,463,628	3,463,628
Retained earnings		18,063,214	18,539,295
Total equity		<u>26,600,344</u>	<u>27,076,425</u>
Non-current liabilities			
Employees' end of service benefits		146,292	153,320
Lease liabilities - non-current portion		1,452,096	1,196,722
		<u>1,598,388</u>	<u>1,350,042</u>
Current liabilities			
Lease liabilities - current portion		217,183	54,790
Term loan	9	2,205,344	1,832,871
Trade payables and other liabilities		1,648,422	941,170
Advance received from the Government	10	5,551,513	-
Amount due to the Government		-	2,083,158
Import finance loans		-	2,210,479
		<u>9,622,462</u>	<u>7,122,468</u>
Total liabilities		<u>11,220,850</u>	<u>8,472,510</u>
TOTAL EQUITY AND LIABILITIES		<u>37,821,194</u>	<u>35,548,935</u>


Basim AlSaie
Chairman


Salah Mohamed Al Kulaib
Vice Chairman


Wayne Henry Craig
Chief Executive Officer

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

Bahrain Flour Mills Company B.S.C.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2024 (Reviewed)

	Notes	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
		<i>30 June</i> 2024 <i>BD</i>	<i>30 June</i> <i>2023</i> <i>BD</i>	<i>30 June</i> 2024 <i>BD</i>	<i>30 June</i> <i>2023</i> <i>BD</i>
Revenue	11	1,726,071	1,851,876	3,936,883	4,067,402
Cost of revenue		(4,510,236)	(5,630,172)	(9,678,997)	(12,393,654)
Gross loss before Government subsidy		(2,784,165)	(3,778,296)	(5,742,114)	(8,326,252)
Government subsidy	12	2,988,666	4,263,252	6,456,360	9,475,647
Gross profit		204,501	484,956	714,246	1,149,395
Other operating income		119,670	21,978	152,396	73,021
Other operating expenses		(443,825)	(297,643)	(860,058)	(632,358)
Charge for expected credit losses		-	(13,500)	-	(18,000)
Operating (loss) profit		(119,654)	195,791	6,584	572,058
Net change in fair value of investment securities at fair value through profit or loss		(358,510)	764,620	34,936	909,025
Interest income from investment securities at amortised cost - net		46,066	19,493	93,171	38,210
Finance cost		(75,657)	(8,395)	(138,619)	(86,478)
Other income		80,147	61,212	173,467	112,746
Net (loss) profit and total comprehensive (loss) income for the period		(427,608)	1,032,721	169,539	1,545,561
Basic and diluted (losses) earnings per share (fils)	13	(17.22)	41.60	6.83	62.26



Basim AlSaie
Chairman



Salah Mohamed Al Kulaib
Vice Chairman



Wayne Henry Craig
Chief Executive Officer

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

Bahrain Flour Mills Company B.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the period ended 30 June 2024 (Reviewed)

	<i>Six-month period ended</i>	
	30 June 2024 BD	30 June 2023 BD
OPERATING ACTIVITIES		
Net profit for the period	169,539	1,545,561
Adjustments for:		
Depreciation on property, plant and equipment	315,583	206,837
Depreciation on right-of-use-assets	100,445	46,745
Amortisation on intangible assets	8,387	-
Net change in fair value of investment securities at fair value through profit or loss	(34,936)	(909,025)
Interest income from investment securities at amortised cost- net	(93,171)	(38,210)
Interest income from bank balances and short-term deposits	(105,974)	(69,554)
Finance cost	138,619	86,478
Charge for slow moving and obsolete inventories	51,488	50,406
Charge for expected credit losses	-	18,000
Provision for employees' end of service benefits	9,100	15,755
Operating profit before working capital changes	559,080	952,993
Working capital changes:		
Inventories	(1,823,160)	1,710,878
Trade receivables and other assets	(52,737)	2,739,061
Trade payables and other liabilities	706,744	886,456
Net cash (used in) from operations	(610,073)	6,289,388
Employees' end of service benefits paid	(16,128)	(728)
Donation paid	(15,000)	-
Net cash flows (used in) from operating activities	(641,201)	6,288,660
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,235,714)	(465,307)
Purchase of intangible assets	(17,262)	-
Purchase of investment securities at amortised cost	(1,451,582)	(379,828)
Redemption of investment securities at amortised cost	188,500	-
Interest income received from investment securities at amortised cost- net	87,676	22,859
Interest income received from bank balances and short-term deposits	120,311	62,383
Net cash flows used in investing activities	(2,308,071)	(759,893)
FINANCING ACTIVITIES		
Repayment of import finance loans	(2,210,479)	(8,169,905)
Term loan availed - net	372,473	1,079,437
Advance received from the Government	5,551,513	6,121,673
Amount due to the Government	(2,083,158)	-
Finance cost paid	(175,786)	(83,419)
Payment of principal portion of lease liabilities	(87,522)	(24,242)
Dividend paid	(620,701)	(620,640)
Net cash flows from (used in) financing activities	746,340	(1,697,096)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,202,932)	3,831,671
Cash and cash equivalents at 1 January	7,009,746	3,796,119
CASH AND CASH EQUIVALENTS AT 30 JUNE	4,806,814	7,627,790

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

Bahrain Flour Mills Company B.S.C.

INTERIM STATEMENT OF CASH FLOWS (CONTINUED)

For the period ended 30 June 2024 (Reviewed)

Non-cash Items:

- Capitalization of borrowing cost amounting to BD 25,440 (30 June 2023: 31,564) has been excluded from purchase of property, plant and equipment.
- Flour baskets given as donation amounting to BD 3,833 (30 June 2023: BD 21,167) has been excluded from the movement in inventories.
- Recognition of new lease amounting to BD 511,519 (30 June 2023: nil) has been excluded from the movement in right-of-use assets and lease liabilities.

Bahrain Flour Mills Company B.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2024 (Reviewed)

	Note	Share capital BD	Share premium BD	Reserves		Retained earnings BD	Total equity BD
				Statutory reserve BD	Other reserves BD		
At 1 January 2024 (Audited)		2,481,877	1,350,000	1,241,625	3,463,628	18,539,295	27,076,425
Net profit and total comprehensive income for the period		-	-	-	-	169,539	169,539
Charity approved for 2023	16	-	-	-	-	(25,000)	(25,000)
Dividends for 2023	16	-	-	-	-	(620,620)	(620,620)
At 30 June 2024		2,481,877	1,350,000	1,241,625	3,463,628	18,063,214	26,600,344

	Note	Share capital BD	Share premium BD	Reserves		Retained earnings BD	Total equity BD
				Statutory reserve BD	Other reserves BD		
At 1 January 2023 (Audited)		2,481,877	1,350,000	1,241,625	3,463,628	16,683,756	25,220,886
Net profit and total comprehensive income for the period		-	-	-	-	1,545,561	1,545,561
Charity approved for 2022	16	-	-	-	-	(25,000)	(25,000)
Dividends for 2022	16	-	-	-	-	(620,640)	(620,640)
At 30 June 2023		2,481,877	1,350,000	1,241,625	3,463,628	17,583,677	26,120,807

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

At 30 June 2024

1 CORPORATE INFORMATION

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

This interim condensed financial statements comprise the results of the Company for the six-month period ended 30 June 2024.

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

The interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 13 August 2024.

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

Basis of preparation

The interim condensed financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34").

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

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2023. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

New and amended standards and interpretations adopted as of 1 January 2024

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

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

- *Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback - In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains;*

At 30 June 2024

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

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

- *Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current; and*
- *Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements - In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and requires additional disclosure of such arrangements.*

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant accounting judgements and estimates used in the preparation of the interim condensed financial statements for the six-month period ended 30 June 2024 are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2023.

4 SEASONALITY OF OPERATIONS

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

5 PROPERTY, PLANT AND EQUIPMENT

During the current period, a new production line with a cost of BD 5,938,041 (31 December 2023: nil) has been capitalised (transferred from capital work in progress; included within property, plant and equipment). The cost represents amount incurred towards the supply and installation of mechanical and electrical equipment including the engineering and civil work. This production line is constructed on a leasehold land.

6 INVESTMENT SECURITIES

	30 June 2024 (Reviewed) BD	31 December 2023 (Audited) BD
<i>Non-current:</i>		
Investment securities at amortised cost	3,337,115	1,889,001
<i>Current:</i>		
Investment securities at amortised cost	567,437	758,060
Investment securities at fair value through profit or loss	12,593,220	12,558,284
	13,160,657	13,316,344

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

Bahrain Flour Mills Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

7 TRADE RECEIVABLES AND OTHER ASSETS

	30 June 2024 (Reviewed) BD	31 December 2023 (Audited) BD
Trade receivables	211,884	189,257
Advances to suppliers	111,806	198,059
Prepayments	25,635	26,181
Interest accrued	64,451	67,702
VAT receivable - net	66,194	80,665
Others receivables	135,456	4,076
	615,426	565,940
Allowance for expected credit losses	(92,000)	(92,000)
	523,426	473,940

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

	Six-month period ended 30 June 2024 (Reviewed) BD	Year ended 31 December 2023 (Audited) BD
At 1 January	92,000	47,000
Charge for the period / year	-	45,000
	92,000	92,000

8 BANK BALANCES, SHORT-TERM DEPOSITS AND CASH

	30 June 2024 (Reviewed) BD	31 December 2023 (Audited) BD
Cash on hand	2,184	1,057
Bank balances	1,234,951	846,429
Short-term deposits	3,624,013	6,216,675
	4,861,148	7,064,161
Bank balance for the payment of dividends	(54,334)	(54,415)
Cash and cash equivalents	4,806,814	7,009,746

Bahrain Flour Mills Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

9 TERM LOAN

The Company has obtained a loan to finance the mill expansion project as well as other operating needs through a repo facility arrangement with a financial institution with an aggregate limit of BD 2,250,000 (the "Facility Amount"). The Board of Directors decided to utilise the proceeds from the term loan to finance the mill expansion project only. The loan is secured against fixed income securities being the collateral and as per the arrangement the value of the collateral must always exceed the Facility Amount and a minimum collateral ratio of 1.33x or a loan-to-value ratio ("LTV") of 75% or below is required to be maintained. The fair value of fixed income securities held as collateral is BD 3,960,184 at 30 June 2024 (31 December 2023: BD 2,738,134). The term loan is for a three-month period with a mutual option to rollover for further periods of three months indefinitely. The loan carries annual interest rate of 3 month SOFR plus 2% being 7.23% per annum at 30 June 2024 (31 December 2023: 7.29% per annum). Management of the Company intends to rollover the loan until 2030.

10 ADVANCE RECEIVED FROM THE GOVERNMENT

The Company has entered into an arrangement with the Ministry of Finance and National Economy, on behalf of the Government, to receive advance payment against the import of wheat. The main purpose of such advance payment is to support the payment of wheat shipments. As a part of the funding mechanism, Government subsidy is adjusted against advance received from the Government and any unadjusted balance is payable to the Government at year end. As at 30 June 2024 BD 4,670,005 (30 June 2023: BD 9,166,965) of advance received from the Government has been adjusted against the subsidy on the sale of goods in the local market.

11 REVENUE

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

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June 2024 (Reviewed) BD</i>	<i>30 June 2023 (Reviewed) BD</i>	<i>30 June 2024 (Reviewed) BD</i>	<i>30 June 2023 (Reviewed) BD</i>
a) Type of goods				
Flour	1,209,303	1,244,467	2,518,970	2,623,918
Bran	287,260	377,380	691,040	764,784
Special products	229,508	230,029	650,485	678,700
Bulk wheat	-	-	76,388	-
	1,726,071	1,851,876	3,936,883	4,067,402
b) Geographical markets				
Kingdom of Bahrain	1,726,071	1,851,876	3,936,883	4,008,235
Kingdom of Saudi Arabia	-	-	-	59,167
	1,726,071	1,851,876	3,936,883	4,067,402
c) Timing of revenue recognition				
Recorded at a point in time	1,726,071	1,851,876	3,936,883	4,067,402

Bahrain Flour Mills Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

12 GOVERNMENT SUBSIDY

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

The following table shows the details of Government subsidy:

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June 2024 (Reviewed) BD</i>	<i>30 June 2023 (Reviewed) BD</i>	<i>30 June 2024 (Reviewed) BD</i>	<i>30 June 2023 (Reviewed) BD</i>
Actual cost of wheat purchased and used for products subject to subsidy	3,717,030	4,260,811	8,194,756	9,701,670
Actual cost of flour purchased and sold	-	846,023	-	1,687,325
Plus: conversion cost per ton of wheat products subject to subsidy	943,480	896,503	2,089,593	1,939,433
Plus: BD 7.5 per ton for execution fees to import and sell flour	-	29,824	-	55,717
Plus: landing costs on import of wheat and flour	65,345	87,620	74,650	132,515
	4,725,855	6,120,781	10,358,999	13,516,660
Gross sales subject to subsidy	(1,737,189)	(1,857,529)	(3,902,639)	(4,041,013)
	2,988,666	4,263,252	6,456,360	9,475,647

Quantity sold during the six-month period was 64,079 tons out of which 63,668 tons were subsidised and 411 tons were commercial sales (30 June 2023: 66,563 tons out of which 66,184 tons were subsidised and 379 tons were commercial sales).

13 EARNINGS PER SHARE

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

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June 2024 (Reviewed)</i>	<i>30 June 2023 (Reviewed)</i>	<i>30 June 2024 (Reviewed)</i>	<i>30 June 2023 (Reviewed)</i>
Net (loss) profit for the period (BD)	(427,608)	1,032,721	169,539	1,545,561
Weighted average number of equity shares in issue	24,825,570	24,825,570	24,825,570	24,825,570
Basic and diluted (losses) earnings per share (fils)	(17.22)	41.60	6.83	62.26

Bahrain Flour Mills Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

13 EARNINGS PER SHARE (continued)

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

14 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

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

	<i>Six-month period ended</i>	
	<i>30 June 2024 (Reviewed) BD</i>	<i>30 June 2023 (Reviewed) BD</i>
Government		
Government subsidy (note 12)	6,456,360	9,475,647
Other operating income	152,396	73,021
Affiliates of Ultimate Parent		
Finance cost on import finance loans	19,414	25,416
Interest income on bank balances and short-term deposits	285	468
Other operating expenses	14,937	3,478
Repayment of import finance loan	(1,591,024)	(2,478,212)

Bahrain Flour Mills Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	30 June 2024 (Reviewed) BD	<i>31 December 2023 (Audited) BD</i>
Government		
Advance received from the Government	5,551,513	-
Amount due to the Government	-	2,083,158
Other liabilities	812,675	-
Other receivables	123,998	-
Affiliates of Ultimate Parent		
Import finance loans	-	1,591,024
Accrued interest on import finance loans	-	8,305
Bank balances and short-term deposits	111,458	181,128

Compensation of key management personnel

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

	Six-month period ended	
	30 June 2024 (Reviewed) BD	<i>30 June 2023 (Reviewed) BD</i>
Board of Directors:		
Remuneration	30,000	30,000
Sitting fees	37,000	50,400
Other expenses	4,911	7,950
Key management personnel:		
Salaries and short-term benefits	265,502	226,961
End of service benefits	8,810	9,274
	346,223	324,585

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	30 June 2024 (Reviewed) BD	<i>31 December 2023 (Audited) BD</i>
Salaries and short-term benefits	30,067	19,326
End of service benefits	96,596	87,786
	126,663	107,112

15 CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Classification

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

	30 June 2024 (Reviewed)		
	<i>Fair value through profit and loss BD</i>	<i>Amortised cost BD</i>	<i>Total carrying value BD</i>
Financial assets			
Investment securities	12,593,220	3,904,552	16,497,772
Trade receivables and other assets	-	319,791	319,791
Bank balances, short-term deposits and cash	-	4,861,148	4,861,148
	12,593,220	9,085,491	21,678,711
	31 December 2023 (Audited)		
	<i>Fair value through profit and loss BD</i>	<i>Amortised cost BD</i>	<i>Total carrying value BD</i>
Financial assets			
Investment securities	12,558,284	2,647,061	15,205,345
Trade receivables and other assets	-	169,035	169,035
Bank balances, short-term deposits and cash	-	7,064,161	7,064,161
	12,558,284	9,880,257	22,438,541

At 30 June 2024

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

	30 June 2024 (Reviewed) BD	31 December 2023 (Audited) BD
Financial liabilities at amortised cost		
Lease liabilities	1,669,279	1,251,512
Term loan	2,205,344	1,832,871
Trade payables and other liabilities	290,413	464,869
Import finance loans	-	2,210,479
Amount due to the Government	-	2,083,158
	4,165,036	7,842,889

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Fair value hierarchy

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

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the interim condensed financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

At 30 June 2024

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

Fair value measurement (continued)

Fair value of other financial instruments

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

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

16 APPROPRIATIONS

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

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

17 COMMITMENTS

At 30 June 2024, the Company had contractual commitments to incur construction costs relating to the mill expansion project amounting to BD 152,590 (31 December 2023: BD 771,435) which are due within one year.

18 SEGMENTAL INFORMATION

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products or services within a particular environment (geographical segment), which is subject to risks and rewards that are different from those of other segment. The Company's current activities are primarily the production of flour and related products which are predominately sold in the local market. The revenue, expenses and results are reviewed only at a Company level and therefore no separate operating segment results and other disclosures are provided in the interim condensed financial statements.

At 30 June 2024

19 COMPARATIVE INFORMATION

The previous period figures as shown below have been reclassified in order to conform to the current period presentation. Such reclassifications do not affect previously reported profit / (loss) and equity.

	Three-month period ended 30 June 2023		
	As previously reported BD	Re- classification BD	Reclassified BD
Interim statement of comprehensive income			
Cost of revenue	(5,542,552)	(87,620)	(5,630,172)
Government subsidy	4,175,632	87,620	4,263,252

	Six-month period ended 30 June 2023		
	As previously reported BD	Re- classification BD	Reclassified BD
Interim statement of comprehensive income			
Cost of revenue	(12,261,139)	(132,515)	(12,393,654)
Government subsidy	9,343,132	132,515	9,475,647
Finance cost	(46,694)	(39,784)	(86,478)
Other operating income	33,237	39,784	73,021