

Supplementary information (unaudited)

SUPPLEMENTARY DISCLOSURE RELATED TO THE IMPACT OF COVID-19

Further to the CBB letter dated 14 July 2020 (ref. OG/259/2020), Bahrain Flour Mills Company B.S.C. provides the following information:

<i>A. The overall impact on the financial statements</i>	
The overall impact on the financial statements of BFM as at 31 December 2020 has been assessed by Management and is described as per below:	

<i>B. The impact on Income Statement</i>	
Revenues	<p>There was no significant impact on food industry and demand was sustainable. During the Covid-19 pandemic, BFM gained some additional commercial business other than the subsidised business. In general, we have observed no material revenue impact in 2020.</p> <p>In addition to that BFM received Government support for BD 318,510 that was classified as other income. The support was for salaries BD 266,732 Rent of BD 7,773 and Utilities of BD 44,005.</p>
Expenses	BFM incurred additional expenses of BD 134,832 up to 31 December 2020 in relation to COVID.
Investment Income	The company holds financial assets at fair value through profit or loss, the change in the fair value/reported profit for 2020 is BD 376,352 as compared to fair value gain of BD 1,535,265 last year mainly due to the market reaction in COVID pandemic.
Net income	As mentioned in this disclosure above.

<i>C. The impact on Balance Sheet</i>	
<i>Assets</i>	
Cash and cash equivalents	<p>We have unused facilities available from Banks. Our liquidity position is strong, and we have not noticed any material reduction in our cash collection. Further, the company has liquid investment on balance sheet.</p> <p>We have strong cash flow from customers, and we anticipate this to continue and we anticipate the government subsidy to remain the same. There is no material impact on any other assets of the Company as at 31 December 2020.</p> <p>Investment at fair value through profit and loss has increased in value by 3.7% from BD 10,079,952 as of 31 December 2019 to BD10,456,304 as at 31 December 2020.</p>

Supplementary information (unaudited)

SUPPLEMENTARY DISCLOSURE RELATED TO THE IMPACT OF COVID-19 (continued)

	<p>We have strong cash flow from customers, and we anticipate this to continue and we anticipate the government subsidy to remain the same. There is no material impact on any other assets of the Company as at 31 December 2020.</p> <p>Investment at fair value through profit and loss has increased in value by 3.7% from BD 10,079,952 as of 31 December 2019 to BD10,456,304 as at 31 December 2020.</p>
<i>Liabilities</i>	
Import finance loans/strategic wheat stockpile payable	<p>BFM currently carries debt for the normal course of business and the only transaction related COVID pandemic was a purchase of strategic wheat on behalf of the government of BD 2,807,135 that is reflected as a payable to government on BFM's statement of financial position. The last wheat shipment in December 2020 is financed by import finance loan of BD 2,920,536.</p>
Net equity attributable to shareholders	<p>The net equity has improved by BD 817,903 a net result of current comprehensive income less dividend paid, and charity contribution set aside and paid from 2019 income.</p>
Other material impact on the Balance Sheet	<p>No other impact</p>

D. The impact on the company's ability to continue as going concern

The Company has performed an assessment of its going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Company's future performance, capital, and liquidity. The impact of COVID-19 may continue to evolve, and the projections show that the company has ample resources to continue its operational existence and based on this assessment, BFM Board of Directors are of the view that the going concern position remains largely unaffected and unchanged as at 31 December 2020. Considering the above, this Financial Statements have been appropriately prepared on a going concern basis.