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**BMMI B.S.C.**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 JUNE 2019 (REVIEWED)**

## **REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF BMMI B.S.C.**

### ***Introduction***

We have reviewed the accompanying interim consolidated statement of financial position of BMMI B.S.C. ("the Company") and its subsidiaries (together "the Group") as of 30 June 2019, and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six-month period then ended and explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



Auditor's Registration No. 115  
1 August 2019  
Manama, Kingdom of Bahrain

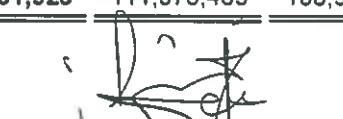
**BMMI B.S.C.**
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2019 (Reviewed)

		<b>30 June</b>	<b>31 December</b>	<b>30 June</b>
		<b>2019</b>	<b>2018</b>	<b>2018</b>
		<b>(Reviewed)</b>	<b>(Audited)</b>	<b>(Reviewed)</b>
	<i>Notes</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		49,618,761	50,537,209	51,285,029
Investment properties		9,457,725	9,457,725	9,457,725
Right-of-use assets	4	5,358,044	-	-
Investments in joint ventures		1,604,440	1,653,435	2,862,083
Investments	5	11,929,803	12,208,384	12,365,693
		<b>77,968,773</b>	<b>73,856,753</b>	<b>75,970,530</b>
<b>Current assets</b>				
Inventories		12,117,568	11,580,851	10,206,690
Trade and other receivables		22,193,602	20,572,463	21,990,711
Bank balances and cash		3,671,982	5,566,402	783,624
		<b>37,983,152</b>	<b>37,719,716</b>	<b>32,981,025</b>
<b>TOTAL ASSETS</b>		<b>115,951,925</b>	<b>111,576,469</b>	<b>108,951,555</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	8	14,642,854	14,642,854	14,642,854
Treasury shares	10	(1,430,101)	(1,430,101)	(2,699,662)
Other reserves	9	13,789,296	13,678,045	12,747,420
Retained earnings		39,043,581	39,368,046	36,979,579
<b>Equity attributable to shareholders of BMMI B.S.C.</b>		<b>66,045,630</b>	<b>66,258,844</b>	<b>61,670,191</b>
Non-controlling interests		2,491,100	3,262,049	4,121,849
<b>Total equity</b>		<b>68,536,730</b>	<b>69,520,893</b>	<b>65,792,040</b>
<b>Non-current liabilities</b>				
Loans and borrowings		16,181,345	17,290,378	18,399,412
Lease liabilities	12	4,100,772	-	-
Employees' end of service benefits		1,784,614	1,724,848	1,419,595
		<b>22,066,731</b>	<b>19,015,226</b>	<b>19,819,007</b>
<b>Current liabilities</b>				
Trade and other payables		11,862,643	14,460,231	13,583,964
Loans and borrowings		6,220,022	5,331,442	6,422,381
Bank overdrafts		4,718,395	2,013,480	2,134,276
Lease liabilities	12	1,344,579	-	-
Retentions payable		1,174,121	1,175,371	1,175,371
Income tax payable		28,704	59,826	24,516
		<b>25,348,464</b>	<b>23,040,350</b>	<b>23,340,508</b>
<b>Total liabilities</b>		<b>47,415,195</b>	<b>42,055,576</b>	<b>43,159,515</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>115,951,925</b>	<b>111,576,469</b>	<b>108,951,555</b>



 Abdulla Hassan Buhindi  
 Chairman



 Shawki Ali Fakhro  
 Vice Chairman

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

**BMMI B.S.C.**

**INTERIM CONSOLIDATED STATEMENT OF INCOME**

For the six-month period ended 30 June 2019 (Reviewed)

	Notes	Three-month period ended		Six-month period ended	
		30 June		30 June	
		2019	2018	2019	2018
		BD	BD	BD	BD
Revenue from contracts with customers	13	23,853,352	25,105,312	50,473,037	48,964,882
Costs of revenue		(16,797,098)	(18,105,649)	(35,735,144)	(34,738,176)
<b>GROSS PROFIT</b>		<b>7,056,254</b>	<b>6,999,663</b>	<b>14,737,893</b>	<b>14,226,706</b>
Other operating income		398,815	693,558	1,044,176	1,198,180
Selling and distribution expenses		(2,721,354)	(2,743,044)	(5,381,056)	(5,239,561)
General and administrative expenses		(3,175,602)	(3,605,629)	(7,048,934)	(7,689,244)
<b>PROFIT FROM OPERATIONS</b>		<b>1,558,113</b>	<b>1,344,548</b>	<b>3,352,079</b>	<b>2,496,081</b>
Net investment income		50,608	99,116	553,610	549,805
Share of results of joint ventures		(60,783)	6,715	(48,995)	16,025
Net gain (loss) on investments carried at fair value through profit or loss		7,944	(67,847)	11,424	(80,914)
Finance costs		(467,544)	(412,677)	(913,244)	(718,954)
<b>PROFIT BEFORE INCOME TAX</b>		<b>1,088,338</b>	<b>969,855</b>	<b>2,954,874</b>	<b>2,262,043</b>
Income tax expense		(11,653)	(14,049)	(21,715)	(27,046)
<b>PROFIT OF THE GROUP FOR THE PERIOD</b>		<b>1,076,685</b>	<b>955,806</b>	<b>2,933,159</b>	<b>2,234,997</b>
of which loss attributable to non-controlling interests		422,419	438,649	770,949	842,843
<b>PROFIT FOR THE PERIOD OF THE GROUP</b>		<b>1,499,104</b>	<b>1,394,455</b>	<b>3,704,108</b>	<b>3,077,840</b>
<b>ATTRIBUTABLE TO SHAREHOLDERS OF BMMI B.S.C.</b>		<b>1,499,104</b>	<b>1,394,455</b>	<b>3,704,108</b>	<b>3,077,840</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (FILS)</b>	<b>15</b>	<b>11</b>	<b>10</b>	<b>26</b>	<b>22</b>



Abdulla Hassan Buhindi  
Chairman



Shawki Ali Fakhroo  
Vice Chairman

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

**BMMI B.S.C.**

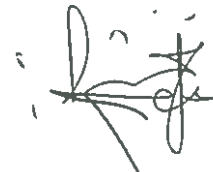
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six-month period ended 30 June 2019 (Reviewed)

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b>PROFIT OF THE GROUP FOR THE PERIOD</b>	<b>1,076,685</b>	<b>955,806</b>	<b>2,933,159</b>	<b>2,234,997</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Items not to be reclassified to the interim consolidated statement of income in subsequent periods:</i>				
- Net changes in fair value of investments classified as fair value through other comprehensive income	<b>246,146</b>	<b>(421,102)</b>	<b>677,994</b>	<b>(287,041)</b>
<i>Items to be reclassified to the interim consolidated statement of income in subsequent periods:</i>				
- Exchange differences on translation of foreign operations	<b>(38,452)</b>	<b>38,845</b>	<b>(155,802)</b>	<b>(762,397)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>207,694</b>	<b>(382,257)</b>	<b>522,192</b>	<b>(1,049,438)</b>
<b>TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE PERIOD</b>	<b>1,284,379</b>	<b>573,549</b>	<b>3,455,351</b>	<b>1,185,559</b>
of which loss attributable to non-controlling interests	<b>422,419</b>	<b>438,649</b>	<b>770,949</b>	<b>842,843</b>
<b>TOTAL COMPREHENSIVE INCOME OF THE GROUP ATTRIBUTABLE TO SHAREHOLDERS OF BMMI B.S.C.</b>	<b>1,706,798</b>	<b>1,012,198</b>	<b>4,226,300</b>	<b>2,028,402</b>



Abdulla Hassan Buhindi  
Chairman



Shawki Ali Fakhroo  
Vice Chairman

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

**BMMI B.S.C.**
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six-month period ended 30 June 2019 (Reviewed)

	Note	Six-month period ended 30 June	
		2019 BD	2018 BD
<b>OPERATING ACTIVITIES</b>			
Profit before tax		2,954,874	2,262,043
Adjustments for:			
Net investment income		(553,610)	(549,805)
Depreciation of property, plant and equipment		1,532,316	1,583,601
Depreciation of right-of-use assets	4	648,733	-
Net (gain) loss on investments carried at fair value through profit or loss	5	(11,424)	80,914
Provision for employees' end of service benefits		150,447	89,258
Finance costs		913,244	718,954
Share of results joint ventures		48,995	(16,025)
(Reversal of provision) provision for slow moving and expired inventories		(198,711)	88,480
(Reversal of allowance) allowance for expected credit losses		(90,388)	311,193
Operating profit before working capital changes		5,394,476	4,568,613
Working capital changes:			
Inventories		(338,006)	690,661
Trade and other receivables		(1,383,184)	(701,462)
Trade and other payables		(2,213,065)	(2,145,619)
Cash flows generated from operations		1,460,221	2,412,193
Income tax paid		(52,837)	(101,340)
Directors' remuneration paid		(137,000)	(137,000)
Employees' end of service benefits paid		(197,651)	(200,830)
Finance cost paid		(72,791)	(40,830)
Net movement in advances against employees' end of service benefits		106,970	46,029
Net cash flows from operating activities		1,106,912	1,978,222
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(613,868)	(339,473)
Dividends and interest received		406,043	299,961
Proceeds from disposals of investments		967,999	172,879
Additions in investments		-	(90,909)
Additions in investment property		-	(194,802)
Net cash flows from (used in) investing activities		760,174	(152,344)
<b>FINANCING ACTIVITIES</b>			
Dividends paid to shareholders of BMMI B.S.C.		(4,687,037)	(4,136,487)
Loans and borrowings repaid		(220,453)	(525,087)
Loans and borrowings availed		-	1,151,644
Interest expenses paid		(840,453)	(678,124)
Payment of principal amount of lease liabilities		(561,426)	-
Net movement in retentions payable		(1,250)	(424,585)
Net cash flows used in financing activities		(6,310,619)	(4,612,639)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(4,443,533)</b>	<b>(2,786,761)</b>
Net foreign exchange differences		(155,802)	(762,397)
Cash and cash equivalents as at 1 January		3,552,922	2,198,506
<b>CASH AND CASH EQUIVALENTS AS AT 30 JUNE (A)</b>		<b>(1,046,413)</b>	<b>(1,350,652)</b>

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

**BMMI B.S.C.****INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

For the six-month period ended 30 June 2019 (Reviewed)

(A) Cash and cash equivalents comprise of following amounts:

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<b>2019</b>	<b>2018</b>
	<b>BD</b>	<b>BD</b>
Cash, bank balances and short-term deposits	<b>3,671,982</b>	783,624
Bank overdrafts	<b>(4,718,395)</b>	(2,134,276)
<b>Cash and cash equivalents as at 30 June</b>	<b><u>(1,046,413)</u></b>	<b><u>(1,350,652)</u></b>

**Non-cash items**

- Dividend and interest income receivable amounting to BD 147,567 (2018: BD 249,844) has been excluded from the movement of trade and other receivables.
- Unclaimed dividends pertaining to prior years amounting to BD 416,215 (2018: BD 25,826) has been excluded from the movement in trade and other payables.
- An amount of BD 168,692 (2018: BD 172,185) which pertain to unpaid donations to charitable organisation has been excluded from the movements of trade and other payables.

**BMMI B.S.C.**

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended 30 June 2019 (Reviewed)

	Equity attributable to shareholders of BMMI B.S.C.						
	Share capital BD	Treasury shares BD	Other reserves (note 9) BD	Retained earnings BD	Total BD	Non-controlling interests BD	Total equity BD
At 1 January 2019	14,642,854	(1,430,101)	13,678,045	39,368,046	66,258,844	3,262,049	69,520,893
Profit (loss) for the period	-	-	-	3,704,108	3,704,108	(770,949)	2,933,159
Other comprehensive income for the period	-	-	522,192	-	522,192	-	522,192
Total comprehensive income (loss) for the period	-	-	522,192	3,704,108	4,226,300	(770,949)	3,455,351
Final dividend for 2018 (note 11)	-	-	-	(4,270,822)	(4,270,822)	-	(4,270,822)
Gain on disposals of investments carried at fair value through other comprehensive income	-	-	(410,941)	410,941	-	-	-
Transfer to charity reserve	-	-	168,692	(168,692)	-	-	-
Distribution to Alosra Charitable Foundation	-	-	(168,692)	-	(168,692)	-	(168,692)
<b>Balance at 30 June 2019</b>	<b>14,642,854</b>	<b>(1,430,101)</b>	<b>13,789,296</b>	<b>39,043,581</b>	<b>66,045,630</b>	<b>2,491,100</b>	<b>68,536,730</b>

Retained earnings include non-distributable reserves amounting to BD 405,681 relating to the subsidiaries as at 30 June 2019.

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.



**BMMI B.S.C.**

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended 30 June 2019 (Reviewed)

	Equity attributable to shareholders of BMMI B.S.C.						
	Share capital BD	Treasury shares BD	Other reserves (note 9) BD	Retained earnings BD	Total BD	Non-controlling interests BD	Total equity BD
At 1 January 2018	14,642,854	(2,699,662)	13,487,496	39,545,852	64,976,540	4,964,692	69,941,232
Impact of IFRS 9 adjustments	-	-	-	(1,000,253)	(1,000,253)	-	(1,000,253)
At 1 January 2018 (restated)	14,642,854	(2,699,662)	13,487,496	38,545,599	63,976,287	4,964,692	68,940,979
Profit (loss) for the period	-	-	-	3,077,840	3,077,840	(842,843)	2,234,997
Other comprehensive loss for the period	-	-	(1,049,438)	-	(1,049,438)	-	(1,049,438)
Total comprehensive (loss) income for the period	-	-	(1,049,438)	3,077,840	2,028,402	(842,843)	1,185,559
Final dividend for 2017 (note 11)	-	-	-	(4,162,313)	(4,162,313)	-	(4,162,313)
Loss on disposals of investments carried at fair value through other comprehensive income	-	-	309,362	(309,362)	-	-	-
Transfer to charity reserve	-	-	172,185	(172,185)	-	-	-
Distribution to Alosra Charitable Foundation	-	-	(172,185)	-	(172,185)	-	(172,185)
Balance at 30 June 2018	14,642,854	(2,699,662)	12,747,420	36,979,579	61,670,191	4,121,849	65,792,040

Retained earnings include non-distributable reserves amounting to BD 405,681 relating to the subsidiaries as at 30 June 2018.

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

**1 CORPORATE INFORMATION**

BMMI B.S.C. ("the Company" or "BMMI") is a public joint stock company, whose shares are publicly traded on the Bahrain Bourse, incorporated in the Kingdom of Bahrain and is registered with the Ministry of Industry, Commerce and Tourism under commercial registration (CR) number 10999. The postal address of the Company's registered head office is P.O. Box 828, Sitra, Kingdom of Bahrain.

The principal activities of the Company and its subsidiaries (together "the Group") are wholesale and retail of food, beverages and other consumable items, logistics and shipping services and also owns a five-star hotel. The Group's operations are located in the Kingdom of Bahrain, United Arab Emirates, Kingdom of Saudi Arabia, Republic of Iraq, United States of America, Republic of Djibouti, Republic of Mali, Republic of South Sudan, Republic of Sudan, Republic of Ghana and Republic of Kenya.

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 1 August 2019.

The subsidiaries of the Company are as follows:

<i>Name</i>	<i>Ownership interest</i>		<i>Country of incorporation</i>	<i>Principal activities</i>
	<i>30 June 2019</i>	<i>31 December 2018</i>		
	<i>(Reviewed)</i>	<i>(Audited)</i>		
Nader Trading Company W.L.L.	100%	100%	Kingdom of Bahrain	Managing various consumer agencies.
Alosra Supermarket W.L.L.	100%	100%	Kingdom of Bahrain	Supermarket management.
Alosra Supermarket International Company	100%	100%	Kingdom of Saudi Arabia	Supermarket management.
Banader Hotels Company B.S.C.	54%	54%	Kingdom of Bahrain	Ownership and operations of Downtown Rotana Bahrain.
BMMI s.a.r.l.	100%	100%	Republic of Djibouti	Air transport activity, storage and distribution, import and export.
Bayader Company Restaurant Management S.P.C.	100%	100%	Kingdom of Bahrain	Management services for hotels and restaurants for tourists.
McGettigans Hospitality Management Co W.L.L.	80%	80%	Kingdom of Bahrain	Hospitality management.
Fasttrack Export L.L.C.	100%	100%	State of Florida	No business activities have commenced yet.
Ardh Al Ahad For General Trading L.L.C.	100%	100%	Republic of Iraq	Provisioning of catering and housekeeping services.
BMMI Food Services S.P.C.	100%	-	Kingdom of Bahrain	Manufacturing of food and catering services.
Gulf Ships for Sea Freight and Maritime Services	100%	-	Kingdom of Saudi Arabia	Managing cargo handling, shipping and freight services.
BMMI International Holding S.P.C.	100%	100%	Kingdom of Bahrain	Holding company for a group of commercial, industrial or service companies.

BMMI International Holding S.P.C. has the following subsidiaries at the reporting date:

Global Sourcing and Supply East Holding S.P.C.	100%	100%	Kingdom of Bahrain	Holding company for a group of commercial, industrial or service companies.
Global Sourcing and Supply South Holding S.P.C.	100%	100%	Kingdom of Bahrain	Holding company for a group of commercial, industrial or service companies.

**1 CORPORATE INFORMATION (continued)**

<i>Name</i>	<i>Ownership interest</i>		<i>Country of incorporation</i>	<i>Principal activities</i>
	<i>30 June 2019 (Reviewed)</i>	<i>31 December 2018 (Audited)</i>		
Global Sourcing and Supply North Holding S.P.C.	100%	100%	Kingdom of Bahrain	Holding company for a group of commercial, industrial or service companies.
Global Sourcing and Supply West Holding S.P.C.	100%	100%	Kingdom of Bahrain	Holding company for a group of commercial, industrial or service companies.
Global Sourcing and Supply East Holding S.P.C. has the following subsidiaries at the reporting date:				
Global Sourcing and Supply Services Co. Limited (ODSCO Catering JV)	100%	100%	Republic of Sudan	Provisioning of catering and housekeeping services.
Global Sourcing and Supply Services Co. Limited	* 100%	* 100%	Republic of South Sudan	Provisioning of catering and housekeeping services.
Global Sourcing and Supply Kenya Limited	100%	100%	Republic of Kenya	Provision of catering and beverage services.
Global Sourcing and Supply South Holding S.P.C. has the following subsidiary at the reporting date:				
GSS Gabon SA	**100%	100%	Gabonese Republic	Under liquidation.
Global Sourcing and Supply North Holding S.P.C. has the following subsidiary at the reporting date:				
GSS Mali SA	100%	100%	Republic of Mali	Dormant entity
Global Sourcing and Supply West Holding S.P.C. has the following subsidiary at the reporting date:				
International Sourcing and Supply Limited – Ghana	100%	100%	Republic of Ghana	Provisioning of catering, janitorial and other related services.

\* Represents effective ownership interest.

\*\* The Board of Directors of GSS International Holding S.P.C. decided to cease the operations and placed GSS Gabon SA under voluntarily liquidation effective 1 October 2017 and the liquidation process has not been completed at the date of issue of the interim condensed consolidated financial statements.

The Group's joint ventures are as follows:

<i>Name</i>	<i>Ownership interest</i>		<i>Country of incorporation</i>	<i>Principal activities</i>
	<i>30 June 2019 (Reviewed)</i>	<i>31 December 2018 (Audited)</i>		
B & B Logistics W.L.L.	50%	50%	Kingdom of Bahrain	Constructing and operating warehouses.
UQLC Facility Management Company Limited	50%	50%	United Arab Emirates	Provision of facility management, business consultancy, management consultancy overseas and to act as a holding company.
Inchcape Shipping Services W.L.L.	-	50%	Kingdom of Bahrain	Liquidated during the period.

**2 SIGNIFICANT ACCOUNTING POLICIES****Basis of preparation**

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34 (IAS 34), "Interim Financial Reporting".

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018. In addition, results for the six-month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

**New and amended standards and interpretations adopted as on 1 January 2019**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the new standards and interpretations and amendments to standards and interpretations effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 16 Leases.

**IFRS 16 Leases**

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the Group measures the right-of-use assets at 1 January 2019 at an amount which is equal to the lease liability. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the date of initial application, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption of IFRS 16 as at 1 January 2019 is as follows:

	<i>BD</i>
<b>Assets</b>	
Right-of-use assets (note 4)	<u>6,006,777</u>
	<i>BD</i>
<b>Liabilities</b>	
Lease liabilities (note 12)	<u>6,006,777</u>

**a) Nature of the effect of adoption of IFRS 16**

The Group has lease contracts for various rental spaces, motor vehicles and land. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively. Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)****New and amended standards and interpretations adopted as on 1 January 2019 (continued)****IFRS 16 Leases (continued)****a) Nature of the effect of adoption of IFRS 16 (continued)****(i) Leases previously classified as finance leases**

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 was applied to these leases from 1 January 2019.

**(ii) Leases previously accounted for as operating leases**

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

**b) Transition**

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	<i>BD</i>
<b>Operating lease commitments as at 31 December 2018</b>	<b>4,622,860</b>
Weighted average incremental borrowing rate as at 1 January 2019	5%
Discounted operating lease commitments at 1 January 2019	<b>3,782,318</b>
Add:	
Payments in optional extension periods not recognised as at 31 December 2018	<b>2,224,459</b>
<b>Lease liabilities as at 1 January 2019</b>	<b><u>6,006,777</u></b>

Several other new standards and interpretations and amendments to standards and interpretations applied for the first time in 2019. However, they did not impact the interim condensed consolidated financial statements of the Group.

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.



**2 SIGNIFICANT ACCOUNTING POLICIES (continued)****Lease liabilities**

At the date of initial application, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments).

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The significant accounting judgements and estimates used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the following judgement:

**Judgements***Determination of lease term of contracts with renewal options*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew the lease for another term. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

The Group included the renewal period as part of the lease term for leases of buildings due to the significance of these assets to its operations.

**4 RIGHT-OF-USE ASSETS**

The movement in the carrying value of right-of-use assets during the period, was as follows:

	<i>Buildings</i> <i>BD</i>	<i>Motor</i> <i>vehicles</i> <i>BD</i>	<i>Land</i> <i>BD</i>	<i>Total</i> <i>BD</i>
As at 1 January 2019 (note 2)	5,183,468	789,106	34,203	6,006,777
Depreciation for the period	(501,878)	(139,254)	(7,601)	(648,733)
As at 30 June 2019	<u>4,681,590</u>	<u>649,852</u>	<u>26,602</u>	<u>5,358,044</u>

**5 INVESTMENTS**

	30 June 2019 (Reviewed) BD	31 December 2018 (Audited) BD
Fair value through other comprehensive income - quoted investments	7,425,603	7,767,145
Fair value through other comprehensive income - unquoted investments	2,133,003	2,081,467
Fair value through profit or loss - quoted investments	2,371,197	2,359,772
	<u>11,929,803</u>	<u>12,208,384</u>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2019 (Reviewed)

## 5 INVESTMENTS (continued)

The movements in the fair values of investments, are as follows:

	30 June 2019 (Reviewed) BD	31 December 2018 (Audited) BD
At beginning of the period / year	12,208,384	12,815,618
Change in fair values during the period / year	677,994	60,829
Gain (loss) on investment at FVTPL during the period / year	11,424	(96,207)
Additions during the period / year	-	120,496
Disposed during the period / year	(967,999)	(692,352)
At end of the period / year	<u>11,929,803</u>	<u>12,208,384</u>

*Quoted investments*

The fair values of the quoted investments are determined by reference to published price quotations in an active market.

*Unquoted investments*

The fair values of unquoted investments have been estimated using indicative bids provided by the fund administrators, using recent arm's length market transactions, current fair value of another similar instrument or other appropriate valuation techniques.

## 6 FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments held by the Group as at 30 June 2019:

	Amortised cost (Reviewed) BD	Fair value through profit or loss (Reviewed) BD	Fair value through other comprehensive income (Reviewed) BD	Total (Reviewed) BD
<b>Financial assets:</b>				
Investments	-	2,371,197	9,558,606	11,929,803
Trade and other receivables	18,120,245	-	-	18,120,245
Bank balances and cash	3,671,982	-	-	3,671,982
	<u>21,792,227</u>	<u>2,371,197</u>	<u>9,558,606</u>	<u>33,722,030</u>
<b>Financial liabilities:</b>				
Trade and other payables	10,813,021	-	-	10,813,021
Loans and borrowings	22,401,367	-	-	22,401,367
Lease liabilities	5,445,351	-	-	5,445,351
Bank overdrafts	4,718,395	-	-	4,718,395
Retentions payable	1,174,121	-	-	1,174,121
	<u>44,552,255</u>	<u>-</u>	<u>-</u>	<u>44,552,255</u>

At 30 June 2019 (Reviewed)

**6 FINANCIAL INSTRUMENTS (continued)**

Set out below is an overview of financial instruments held by the Group as at 31 December 2018:

	<i>Amortised cost (Audited) BD</i>	<i>Fair value through profit or loss (Audited) BD</i>	<i>Fair value through other comprehensive income (Audited) BD</i>	<i>Total (Audited) BD</i>
<i>Financial assets:</i>				
Investments	-	2,359,772	9,848,612	12,208,384
Trade and other receivables	17,510,149	-	-	17,510,149
Bank balances and cash	5,566,402	-	-	5,566,402
	<u>23,076,551</u>	<u>2,359,772</u>	<u>9,848,612</u>	<u>35,284,935</u>

	<i>Amortised cost (Audited) BD</i>	<i>Fair value through profit or loss (Audited) BD</i>	<i>Fair value through other comprehensive income (Audited) BD</i>	<i>Total (Audited) BD</i>
<i>Financial liabilities:</i>				
Trade and other payables	11,457,139	-	-	11,457,139
Loans and borrowings	22,621,820	-	-	22,621,820
Bank overdrafts	2,013,480	-	-	2,013,480
Retentions payable	1,175,371	-	-	1,175,371
	<u>37,267,810</u>	<u>-</u>	<u>-</u>	<u>37,267,810</u>

**7 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.

**Fair value of financial instruments**

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

- Cash, bank balances, bank overdrafts, a portion of trade and other receivables, retentions payable and a portion of trade and other payables approximate their carrying amounts at the reporting date largely due to the short-term maturities of these instruments;
- Loans and borrowings and lease liabilities are evaluated by the Group based on parameters such as interest rates. The carrying amounts are not materially different from their fair values as 30 June 2019 and at 31 December 2018; and
- Fair value of quoted investments is derived from quoted market prices in active markets or, in the case of unquoted investments, using indicative bids provided by the fund administrators, using of recent arm's length market transactions, current fair value of another similar instrument or other appropriate valuation techniques.

**Fair value of non-financial assets or liabilities**

The Group measured its investment properties at fair value which has been determined by the Investment Committee based on valuations performed by independent valuers as at 31 December 2018.



**7 FAIR VALUE MEASUREMENT (continued)**

**Fair value hierarchy**

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices 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 consolidated financial statements on a recurring basis, the Group 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.

The following table provides the fair value measurement hierarchy of the Group's financial and non-financial assets and liabilities:

	<i>Fair value measurement using</i>			<i>Total</i>
	<i>Quoted prices</i>	<i>Significant</i>	<i>Significant</i>	
	<i>in active</i>	<i>observable</i>	<i>unobservable</i>	
	<i>markets</i>	<i>inputs</i>	<i>inputs</i>	
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b>30 June 2019</b>				
<i>Assets measured at fair value:</i>				
<i>Investment properties:</i>				
- Land and buildings	-	-	9,457,725	9,457,725
<i>Investments:</i>				
<i>Fair value through other comprehensive income:</i>				
- quoted investments	7,425,603	-	-	7,425,603
- unquoted investments	-	-	2,133,003	2,133,003
<i>Fair value through profit or loss:</i>				
- quoted investments	2,371,197	-	-	2,371,197
	<b>9,796,800</b>	-	<b>2,133,003</b>	<b>11,929,803</b>
	<b>9,796,800</b>	-	<b>11,590,728</b>	<b>21,387,528</b>
	<i>Fair value measurement using</i>			
	<i>Quoted prices</i>	<i>Significant</i>	<i>Significant</i>	
	<i>in active</i>	<i>observable</i>	<i>unobservable</i>	
	<i>markets</i>	<i>inputs</i>	<i>inputs</i>	
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b>31 December 2018</b>				
<i>Assets measured at fair value:</i>				
<i>Investment properties:</i>				
- Land and buildings	-	-	9,457,725	9,457,725
<i>Investments:</i>				
<i>Fair value through other comprehensive income:</i>				
- quoted investments	7,767,145	-	-	7,767,145
- unquoted investments	-	-	2,081,467	2,081,467
<i>Fair value through profit or loss:</i>				
- quoted investments	2,359,772	-	-	2,359,772
	<b>10,126,917</b>	-	<b>2,081,467</b>	<b>12,208,384</b>
	<b>10,126,917</b>	-	<b>11,539,192</b>	<b>21,666,109</b>

**7 FAIR VALUE MEASUREMENT (continued)****Fair value hierarchy (continued)****Liabilities measured at fair value:**

There were no liabilities measured at fair value as of 30 June 2019 and 31 December 2018.

**Investment properties**

The fair values of the investment properties have been determined by the Investment Committee based on valuations performed by independent valuers as at 31 December 2018. The valuers are industry specialists in valuing these types of properties and have recent experience in the location and category of the properties being valued. The valuation undertaken were based on open market value, supported by market evidence in which an asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation. The management believes that there are no changes in market conditions during the period which would significantly change the fair values determined as at 31 December 2018.

**Unquoted investments**

The fair values of unquoted investments have been estimated using indicative bids provided by the fund administrators, using of recent arm's length market transactions, current fair value of another similar instrument or other appropriate valuation techniques.

During the period ended 30 June 2019 and year ended 31 December 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

**Reconciliation of fair value measurements of Level 3 assets**

The Group has investment properties and certain unquoted investments classified as fair value through other comprehensive income which are classified as level 3 within the fair value hierarchy. The movement in the fair value of level 3 financial and non-financial assets are as follows:

	<i>Non-financial assets BD</i>	<i>Financial assets - Investments BD</i>	<i>Total BD</i>
1 January 2018(Audited)	9,262,923	1,884,792	11,147,715
Additions during the year	194,802	-	194,802
Change in fair values	-	196,675	196,675
At 31 December 2018 (Audited)	<u>9,457,725</u>	<u>2,081,467</u>	<u>11,539,192</u>
Changes in fair values	-	51,536	51,536
At 30 June 2019 (Reviewed)	<u><u>9,457,725</u></u>	<u><u>2,133,003</u></u>	<u><u>11,590,728</u></u>

**8 SHARE CAPITAL**

	<i>30 June 2019 (Reviewed) BD</i>	<i>31 December 2018 (Audited) BD</i>
<b>Authorised:</b>		
200,000,000 [31 December 2018 (Audited): 200,000,000] shares of BD 0.100 each	<u><u>20,000,000</u></u>	<u><u>20,000,000</u></u>
<b>Issued, subscribed and fully paid-up shares:</b>		
146,428,549 [31 December 2018 (Audited): 146,428,549] shares of BD 0.100 each	<u><u>14,642,854</u></u>	<u><u>14,642,854</u></u>

**BMMI B.S.C.**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 30 June 2019 (Reviewed)

**9 OTHER RESERVES**

	Statutory reserve (Reviewed) BD	Share premium (Reviewed) BD	Investment revaluation reserve (Reviewed) BD	Charity reserve (Reviewed) BD	General reserve (Reviewed) BD	Foreign currency translation reserve (Reviewed) BD	Total reserves (Reviewed) BD
At 1 January 2019 (Audited)	7,321,427	1,012,860	1,465,215	-	7,000,000	(3,121,457)	13,678,045
Other comprehensive income (loss) for the period	-	-	677,994	-	-	(155,802)	522,192
Gain on disposals of investments carried at fair value through other comprehensive income	-	-	(410,941)	-	-	-	(410,941)
Transfer to charity reserve	-	-	-	168,692	-	-	168,692
Distribution to Alosra Charitable Foundation	-	-	-	(168,692)	-	-	(168,692)
<b>Balance at 30 June 2019</b>	<b>7,321,427</b>	<b>1,012,860</b>	<b>1,732,268</b>	<b>-</b>	<b>7,000,000</b>	<b>(3,277,259)</b>	<b>13,789,296</b>

	Statutory reserve (Reviewed) BD	Share premium (Reviewed) BD	Investment revaluation reserve (Reviewed) BD	Charity reserve (Reviewed) BD	General reserve (Reviewed) BD	Foreign currency translation reserve (Reviewed) BD	Total reserves (Reviewed) BD
At 1 January 2018 (Audited)	7,321,427	-	1,118,156	-	7,000,000	(1,952,087)	13,487,496
Other comprehensive loss for the period	-	-	(287,041)	-	-	(762,397)	(1,049,438)
Loss on disposals of investment carried at fair value through other comprehensive income	-	-	309,362	-	-	-	309,362
Transfer to charity reserve	-	-	-	172,185	-	-	172,185
Distribution to Alosra Charitable Foundation	-	-	-	(172,185)	-	-	(172,185)
<b>Balance at 30 June 2018</b>	<b>7,321,427</b>	<b>-</b>	<b>1,140,477</b>	<b>-</b>	<b>7,000,000</b>	<b>(2,714,484)</b>	<b>12,747,420</b>

At 30 June 2019 (Reviewed)

**10 TREASURY SHARES**

Treasury shares represent the purchase by the Group of its own shares. The Group held 4,067,817 shares as at 30 June 2019 [31 December 2018 (Audited): 4,067,817 shares].

	<b>30 June 2019 (Reviewed)</b>	<b>31 December 2018 (Audited)</b>
Number of treasury shares	4,067,817	4,067,817
Treasury shares as a percentage of total shares in issue	2.8%	2.8%
Cost of treasury shares (BD / share)	0.351	0.351
Market price of treasury shares (BD / share)	0.810	0.765
Market value of treasury shares (BD)	3,294,932	3,111,880

**11 DIVIDENDS**

At the annual general meeting of the shareholders held on 20 March 2019, the proposed final cash dividend of 30 fils per share, excluding treasury shares, amounting to BD 4,270,822 (30 June 2018: a final cash dividend of 30 fils per share, excluding treasury shares amounting to BD 4,162,313) was approved by the shareholders for distribution. Dividends of BD 606,544 [31 December 2018 (Audited): BD 1,022,759] which are not yet paid are included within trade and other payables in the interim consolidated statement of financial position.

The Board of Directors has declared an interim cash dividend of 20 fils per share, excluding treasury shares, amounting to BD 2,847,215 (30 June 2018: 20 fils per share, excluding treasury shares, amounting to BD 2,774,875).

**12 LEASE LIABILITIES**

Lease liabilities relating to the Group's leases for land, warehouses, supermarkets outlets, office buildings and motor vehicles and disclosed in the interim consolidated statement of financial position as follows:

	<b>30 June 2019 (Reviewed) BD</b>
Non-current lease liabilities	4,100,772
Current lease liabilities	1,344,579
	<u>5,445,351</u>

The movements in the lease liabilities during the period, were as follows:

	<b>30 June 2019 (Reviewed) BD</b>
As at 1 January 2019 on adoption of IFRS 16 (note 2)	6,006,777
Interest expense for the period	144,567
Payments during the period	(705,993)
<b>As at 30 June 2019</b>	<u>5,445,351</u>

**BMMI B. S. C.**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 31 June 2019 (Reviewed)

**13 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Set out below is the revenue from contracts with customers disaggregated by types of revenue, geographical market and timing of revenue recognition for the three-month periods ended 30 June 2019 and 30 June 2018

	Retail operations		Wholesales operations		Contract services and supply		Hospitality		Investment, shipping and other activities		Total	
	2019		2018		2019		2018		2019		2018	
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
<b>Types of revenue</b>												
Sales of goods	8,823,767	9,285,161	10,846,443	11,471,438	-	-	410,699	410,824	-	20,080,909	21,167,423	
Catering and other services	-	-	-	-	3,048,996	2,821,911	275,702	40,741	-	3,324,698	2,862,652	
Room services	-	-	-	-	-	-	383,649	502,952	-	383,649	502,952	
Shipping services	-	-	-	-	-	-	-	-	64,096	572,285	572,285	
<b>Total revenue from contracts with customers</b>	<b>8,823,767</b>	<b>9,285,161</b>	<b>10,846,443</b>	<b>11,471,438</b>	<b>3,048,996</b>	<b>2,821,911</b>	<b>1,070,050</b>	<b>954,517</b>	<b>64,096</b>	<b>23,853,352</b>	<b>25,105,312</b>	
<b>Geographical markets</b>												
Bahrain	8,083,537	8,641,653	10,846,443	11,471,438	1,110,707	893,231	1,070,050	954,517	64,096	21,174,833	22,533,124	
African countries	-	-	-	-	1,938,289	1,928,680	-	-	-	1,938,289	1,928,680	
GCC and other Arab countries	740,230	643,508	-	-	-	-	-	-	-	740,230	643,508	
<b>Total revenue from contracts with customers</b>	<b>8,823,767</b>	<b>9,285,161</b>	<b>10,846,443</b>	<b>11,471,438</b>	<b>3,048,996</b>	<b>2,821,911</b>	<b>1,070,050</b>	<b>954,517</b>	<b>64,096</b>	<b>23,853,352</b>	<b>25,105,312</b>	
<b>Timing of revenue recognition</b>												
At point in time	8,823,767	9,285,161	10,846,443	11,471,438	-	-	410,699	410,824	-	20,080,909	21,167,423	
Over the time	-	-	-	-	3,048,996	2,821,911	659,351	543,693	64,096	3,772,443	3,937,889	
<b>Total revenue from contracts with customers</b>	<b>8,823,767</b>	<b>9,285,161</b>	<b>10,846,443</b>	<b>11,471,438</b>	<b>3,048,996</b>	<b>2,821,911</b>	<b>1,070,050</b>	<b>954,517</b>	<b>64,096</b>	<b>23,853,352</b>	<b>25,105,312</b>	

**BMMI B.S.C.**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 31 June 2019 (Reviewed)

**13 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)**

Set out below is the revenue from contracts with customers disaggregated by types of revenue, geographical market and timing of revenue recognition for the six-month periods ended 30 June 2019 and 30 June 2018.

Types of revenue	Retail operations			Wholesales operations			Contract services and supply			Hospitality			Investment, shipping and other activities			Total	
	2019		2018	2019		2018	2019		2018	2019		2018	2019		2018	2019	BD
	BD		BD	BD		BD	BD		BD	BD		BD	BD		BD	BD	BD
Sales of goods	18,324,169		18,578,285	22,090,523		20,859,419					1,157,792	960,219				41,572,484	40,397,923
Catering and other services	-		-	-		-		6,267,908	6,160,962		318,873	79,561				6,586,781	6,240,523
Room services	-		-	-		-		-	-		1,003,964	1,026,472				1,003,964	1,026,472
Shipping services	-		-	-		-		-	-		-	-		1,309,808	1,299,964	1,309,808	1,299,964
<b>Total revenue from contracts with customers</b>	<b>18,324,169</b>		<b>18,578,285</b>	<b>22,090,523</b>		<b>20,859,419</b>		<b>6,267,908</b>	<b>6,160,962</b>		<b>2,480,629</b>	<b>2,066,252</b>		<b>1,309,808</b>	<b>1,299,964</b>	<b>50,473,037</b>	<b>48,964,882</b>
<b>Geographical markets</b>																	
Bahrain	16,740,110		17,316,248	22,090,523		20,859,419		2,398,986	2,003,232		2,480,629	2,066,252		1,309,808	1,299,964	45,020,056	43,545,115
African countries	-		-	-		-		3,868,922	4,157,730		-	-		-	-	3,868,922	4,157,730
GCC and other Arab countries	1,584,059		1,262,037	-		-		-	-		-	-		-	-	1,584,059	1,262,037
<b>Total revenue from contracts with customers</b>	<b>18,324,169</b>		<b>18,578,285</b>	<b>22,090,523</b>		<b>20,859,419</b>		<b>6,267,908</b>	<b>6,160,962</b>		<b>2,480,629</b>	<b>2,066,252</b>		<b>1,309,808</b>	<b>1,299,964</b>	<b>50,473,037</b>	<b>48,964,882</b>
<b>Timing of revenue recognition</b>																	
At point in time	18,324,169		18,578,285	22,090,523		20,859,419		-	-		1,157,792	960,219		-	-	41,572,484	40,397,923
Over the time	-		-	-		-		6,267,908	6,160,962		1,322,837	1,106,033		1,309,808	1,299,964	8,900,553	8,566,959
<b>Total revenue from contracts with customers</b>	<b>18,324,169</b>		<b>18,578,285</b>	<b>22,090,523</b>		<b>20,859,419</b>		<b>6,267,908</b>	<b>6,160,962</b>		<b>2,480,629</b>	<b>2,066,252</b>		<b>1,309,808</b>	<b>1,299,964</b>	<b>50,473,037</b>	<b>48,964,882</b>

At 30 June 2019 (Reviewed)

**14 SEASONALITY OF RESULTS**

Dividend income of BD 454,184 (30 June 2018: BD 395,152) included in investment income is of a seasonal nature.

**15 EARNINGS PER SHARE**

Earnings per share is computed by dividing the profit for the period attributable to shareholders of BMMI B.S.C. by the weighted average number of shares outstanding during the period, net of treasury shares.

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June (Reviewed)</i>		<i>30 June (Reviewed)</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
Profit for the period attributable to shareholders of BMMI (BD)	<b>1,499,104</b>	1,394,455	<b>3,704,108</b>	3,077,840
Weighted average number of shares (net of treasury shares)	<b>142,360,732</b>	138,743,750	<b>142,360,732</b>	138,743,750
Basic and diluted earnings per share (fils)	<b>11</b>	10	<b>26</b>	22

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

**16 RELATED PARTY TRANSACTIONS**

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

Transactions with related parties included in the interim consolidated statement of income during the period are as follows:

	<i>Six-month period ended 30</i>		<i>Six-month period ended 30</i>	
	<i>June 2019 (reviewed)</i>		<i>June 2018 (reviewed)</i>	
	<i>Revenue</i>	<i>Expenses</i>	<i>Revenue</i>	<i>Expenses</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Other related parties	<b>13,905</b>	<b>664,145</b>	21,109	881,523

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	<i>As at 30 June 2019 (Reviewed)</i>			<i>As at 31 December 2018(Audited)</i>		
	<i>Trade receivables</i>	<i>Due from</i>	<i>Trade and other payables</i>	<i>Trade receivables</i>	<i>Due from</i>	<i>Trade and other payables</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Joint ventures	-	-	-	13,497	293,526	-
Other related parties	<b>16,146</b>	-	<b>222,199</b>	26,701	-	109,458
	<b>16,146</b>	-	<b>222,199</b>	40,198	293,526	109,458



At 30 June 2019 (Reviewed)

**16 RELATED PARTY TRANSACTIONS (continued)****Terms and conditions:**

Outstanding balances as at 30 June 2019 and as at 31 December 2018 are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the six-month period ended 30 June 2019 and 30 June 2018, the Group has not recorded any allowance for expected credit losses relating to amounts owed by related parties as the credit risk associated with the amounts due from related parties is considered to be low.

**Ownership interest**

The details of the total ownership interest held by the directors are as follows:

	<b>30 June 2019 (Reviewed)</b>	<b>31 December 2018 (Audited)</b>
Number of shares	4,665,110	4,655,110
Percentage of holding	3.186%	3.179%

**Remuneration of key management personnel**

Key management personnel are those persons having responsibility for planning, directing and controlling the activities of the Group. The key management personnel comprise members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer and their remuneration is as follows:

	<i>Six-month period ended 30 June (Reviewed)</i>	
	<b>2019 BD</b>	<b>2018 BD</b>
Short-term benefits	<b>389,366</b>	382,045
Employees' end of service benefits	<b>16,518</b>	16,530
	<b>405,884</b>	<b>398,575</b>

Included in short term benefits is directors' fees of BD 69,500 (2018: BD 69,500).

**17 CONTINGENCIES AND COMMITMENTS****Contingencies****Bank guarantees**

The Group has contingencies in the form of bank guarantees issued in the ordinary course of business amounting to BD 1,577,352 [31 December 2018 (Audited): BD 2,766,974] as at 30 June 2019, from which it is anticipated that no material liabilities will arise.

**Capital commitments**

As of 30 June 2019 and 31 December 2018, there are no future capital expenditure commitments.

The Group has commitments relating to confirmed purchase orders of BD 3,816,365 as of 30 June 2019 [31 December 2018 (Audited): BD 2,766,974].



**18 OPERATING SEGMENTS**

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

For management purposes, the Group is organised into five operating segments:

Contract services and supply - Contract supply of food, beverages and other consumer products and related services.

Wholesales operations - Distribution of food, beverages and other consumer products.

Retail operations - Retail sales of food, beverages and other consumer products.

Investments, shipping and other activities - This consist of investment properties, investments, group's shipping services, bank balances, and certain payables that are managed at a Group level.

Hospitality - This consist of the Group's hotel and restaurants business.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating results and is measured consistently with operating results in the interim condensed consolidated financial statements.

Transfer prices between operating segments are on market prices basis in a manner similar to transactions with third parties, and are eliminated on consolidation.

**BMMI B.S.C.**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 At 30 June 2019 (Reviewed)

**18 OPERATING SEGMENTS (continued)**

Three-month period ended 30 June (Reviewed)

	Retail operations		Wholesales operations		Contract services and supply		Hospitality		Investment, shipping and other activities		Adjustments and eliminations		Total	
	2019		2018		2019		2018		2019		2018		2019	
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Revenue - external customers	8,823,767	9,285,161	10,846,443	11,471,438	3,048,996	2,821,911	1,070,050	954,517	64,096	572,285	-	-	23,853,352	25,105,312
Revenue - inter-segment	-	-	162,009	288,230	-	-	9,439	-	2,415,804	219,074	(2,587,252)	(507,304)	-	-
Total revenue	8,823,767	9,285,161	11,008,452	11,759,668	3,048,996	2,821,911	1,079,489	954,517	2,479,900	791,359	(2,587,252)	(507,304)	23,853,352	25,105,312
Costs of revenue	(5,994,396)	(6,276,673)	(8,793,954)	(9,411,020)	(2,037,963)	(1,908,962)	(343,269)	(434,235)	(2,224,768)	(582,063)	2,587,252	507,304	(16,797,098)	(18,105,649)
Gross profit	2,829,371	3,008,488	2,224,498	2,348,648	1,011,033	912,949	736,220	520,282	255,132	209,296	-	-	7,056,254	6,999,663
Other operating income	222,783	223,995	-	-	1,923	21,799	155	124,559	338,704	424,552	(164,750)	(101,347)	398,815	693,558
Net investment income	-	-	-	-	-	-	-	-	50,608	99,116	-	-	50,608	99,116
Share of results of joint ventures	-	-	-	-	(31,464)	(30,000)	-	-	(29,319)	36,715	-	-	(60,783)	6,715
Gain (loss) on investments carried at FVTPL	-	-	-	-	-	-	-	-	7,944	(67,847)	-	-	7,944	(67,847)
Other expenses, excluding depreciation and income tax expense	(1,365,482)	(1,481,222)	(1,487,558)	(1,491,940)	(703,942)	(734,737)	(638,089)	(879,439)	(610,625)	(959,596)	-	(800)	(4,805,696)	(5,557,734)
Depreciation	(115,708)	(133,389)	(75,625)	(60,109)	(24,186)	(29,919)	(583,638)	(513,074)	(292,103)	(54,448)	-	-	(1,091,260)	(790,939)
Finance costs	(11,101)	(19,290)	(11,882)	(54)	-	(163)	(433,779)	(398,281)	(175,532)	(97,036)	164,750	102,147	(467,544)	(412,677)
Income tax expense	-	-	-	-	(11,653)	(14,049)	-	-	-	-	-	-	(11,653)	(14,049)
Profit (loss) for the period	1,559,863	1,598,582	649,433	796,545	241,711	125,880	(919,131)	(1,145,953)	(455,191)	(419,248)	-	-	1,076,685	955,806
Of which attributable to non-controlling interests	-	-	-	-	-	-	422,419	438,649	-	-	-	-	422,419	438,649
Profit (loss) attributable to BMMI	1,559,863	1,598,582	649,433	796,545	241,711	125,880	(496,712)	(707,304)	(455,191)	(419,248)	-	-	1,499,104	1,394,455

**BMMI B.S.C.**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 At 30 June 2019 (Reviewed)

**18 OPERATING SEGMENTS (continued)**

Six-month period ended 30 June (Reviewed)

	Retail operations		Wholesales operations		Contract services and supply		Hospitality		Investment, shipping and other activities		Adjustments and eliminations		Total			
	2019		2018		2019		2018		2019		2018		2019		2018	
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Revenue - external customers	18,324,169	18,578,285	22,090,523	20,859,419	6,267,908	6,160,962	2,480,629	2,066,252	1,309,808	1,299,964	-	-	50,473,037	48,964,882		
Revenue - inter-segment	-	-	323,966	429,480	-	-	24,498	-	2,700,180	437,960	(3,048,644)	(867,440)	-	-		
Total revenue	18,324,169	18,578,285	22,414,489	21,288,899	6,267,908	6,160,962	2,505,127	2,066,252	4,009,988	1,737,924	(3,048,644)	(867,440)	50,473,037	48,964,882		
Costs of revenue	(12,065,522)	(12,255,774)	(17,781,619)	(16,823,574)	(4,518,148)	(4,316,138)	(860,382)	(901,617)	(3,558,117)	(1,308,513)	3,048,644	867,440	(35,735,144)	(34,738,176)		
Gross profit	6,258,647	6,322,511	4,632,870	4,465,325	1,749,760	1,844,824	1,644,745	1,164,635	451,871	429,411	-	-	14,737,893	14,226,706		
Other operating income	461,859	444,734	18,308	-	26,091	22,799	238	126,094	853,657	795,565	(315,977)	(191,012)	1,044,176	1,198,180		
Net investment income	-	-	-	-	-	-	-	-	553,610	549,805	-	-	553,610	549,805		
Share of results of joint ventures	-	-	-	-	(55,464)	(60,000)	-	-	6,469	76,025	-	-	(48,995)	16,025		
Gain (loss) on investments carried at FVTPL	-	-	-	-	-	-	-	-	11,424	(80,914)	-	-	11,424	(80,914)		
Other expenses, excluding depreciation and income tax expense	(2,736,201)	(2,687,239)	(2,965,876)	(2,898,192)	(1,433,593)	(1,678,323)	(1,438,961)	(1,683,913)	(1,674,310)	(2,397,537)	-	-	(10,248,941)	(11,345,204)		
Depreciation	(252,652)	(268,215)	(130,696)	(140,929)	(50,029)	(51,922)	(1,105,525)	(1,020,532)	(642,145)	(102,103)	-	-	(2,181,049)	(1,583,601)		
Finance costs	(22,484)	(37,451)	(11,882)	(54)	-	(163)	(876,715)	(766,260)	(318,140)	(106,036)	315,977	191,012	(913,244)	(718,954)		
Income tax expense	-	-	-	-	(21,715)	(27,046)	-	-	-	-	-	-	(21,715)	(27,046)		
Profit (loss) for the period	3,709,169	3,774,340	1,542,722	1,426,250	215,050	50,169	(1,776,218)	(2,179,976)	(757,564)	(835,786)	-	-	2,933,159	2,234,997		
Of which attributable to non-controlling interests	-	-	-	-	-	-	770,949	842,843	-	-	-	-	770,949	842,843		
Profit (loss) attributable to BMMI	3,709,169	3,774,340	1,542,722	1,426,250	215,050	50,169	(1,005,269)	(1,337,133)	(757,564)	(835,786)	-	-	3,704,108	3,077,840		
Capital expenditure	39,272	125,165	34,783	-	250,590	94,345	28,323	-	260,900	119,963	-	-	613,868	339,473		

The following table presents segment assets and liabilities as at 30 June 2019 and as at 31 December 2018:

	Retail and operations		Wholesales operations		Contract services and supply		Hospitality		Investment, shipping and other activities		Adjustments and eliminations		Total			
	30 June 2019		31 December 2018		30 June 2019		31 December 2018		30 June 2019		31 December 2018		30 June 2019		31 December 2018	
	(Reviewed) BD	(Audited) BD	(Reviewed) BD	(Audited) BD	(Reviewed) BD	(Audited) BD	(Reviewed) BD	(Audited) BD	(Reviewed) BD	(Audited) BD	(Reviewed) BD	(Audited) BD	(Reviewed) BD	(Audited) BD	(Reviewed) BD	(Audited) BD
Operating assets	6,676,803	6,510,279	17,535,751	18,244,408	9,296,427	6,664,906	40,489,431	41,575,393	68,327,875	59,634,727	(26,384,362)	(21,053,244)	115,951,925	111,576,469		
Operating liabilities	3,423,476	3,184,111	4,051,216	4,642,629	3,734,193	2,687,543	33,510,448	33,560,894	19,922,630	10,064,968	(17,226,766)	(12,104,569)	47,415,195	42,055,576		

Inter-segment transactions are eliminated upon consolidation and reflected in the "Adjustments and elimination" column.