

BMMI B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 SEPTEMBER 2019 (REVIEWED)



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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 September 2019, and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the nine-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
31 October 2019
Manama, Kingdom of Bahrain

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

As at 30 September 2019 (Reviewed)

	30 September 2019 (Reviewed) BD	31 December 2018 (Audited) BD	30 September 2018 (Reviewed) BD
ASSETS			
Non-current assets			
Property, plant and equipment	49,025,076	50,537,209	50,957,828
Investment properties	9,457,725	9,457,725	9,457,725
Right-of-use assets	5,237,739	-	-
Investments in joint ventures	1,577,341	1,653,435	1,649,535
Investments	11,987,675	12,208,384	12,570,923
	<u>77,285,556</u>	<u>73,856,753</u>	<u>74,636,011</u>
Current assets			
Inventories	12,350,066	11,580,851	11,755,027
Trade and other receivables	25,043,644	20,572,463	22,906,916
Bank balances and cash	2,767,141	5,566,402	3,814,234
	<u>40,160,851</u>	<u>37,719,716</u>	<u>38,476,177</u>
TOTAL ASSETS	<u>117,446,407</u>	<u>111,576,469</u>	<u>113,112,188</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14,642,854	14,642,854	14,642,854
Treasury shares	(1,430,101)	(1,430,101)	(2,699,662)
Other reserves	14,421,979	13,678,045	12,927,895
Retained earnings	38,491,581	39,368,046	36,217,162
Equity attributable to shareholders of BMMI B.S.C.	<u>66,126,313</u>	<u>66,258,844</u>	<u>61,088,249</u>
Non-controlling interests	2,073,021	3,262,049	3,644,904
Total equity	<u>68,199,334</u>	<u>69,520,893</u>	<u>64,733,153</u>
Non-current liabilities			
Loans and borrowings	15,463,228	17,290,378	17,844,895
Lease liabilities	4,251,494	-	-
Employees' end of service benefits	1,904,478	1,724,848	1,478,041
	<u>21,619,200</u>	<u>19,015,226</u>	<u>19,322,936</u>
Current liabilities			
Trade and other payables	13,157,008	14,460,231	16,823,340
Loans and borrowings	6,966,883	5,331,442	6,602,419
Bank overdrafts	5,235,709	2,013,480	4,360,171
Lease liabilities	1,061,615	-	-
Retentions payable	1,174,121	1,175,371	1,175,371
Income tax payable	32,537	59,826	94,798
	<u>27,627,873</u>	<u>23,040,350</u>	<u>29,056,099</u>
Total liabilities	<u>49,247,073</u>	<u>42,055,576</u>	<u>48,379,035</u>
TOTAL EQUITY AND LIABILITIES	<u>117,446,407</u>	<u>111,576,469</u>	<u>113,112,188</u>



Abdulla Hassan Buhindi
Chairman



Shawki Ali Fakhrro
Vice Chairman

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

BMMI B.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine-month period ended 30 September 2019 (Reviewed)

	Note	Three-month period ended		Nine-month period ended	
		30 September		30 September	
		2019	2018	2019	2018
		BD	BD	BD	BD
Revenue from contracts with customers	10	26,729,209	26,898,424	77,202,246	75,863,306
Costs of revenue		(19,106,363)	(19,431,916)	(54,841,507)	(54,170,092)
GROSS PROFIT		7,622,846	7,466,508	22,360,739	21,693,214
Other operating income		471,873	577,200	1,516,049	1,775,380
Selling and distribution expenses		(2,131,239)	(2,638,084)	(7,512,295)	(7,877,645)
General and administrative expenses		(3,530,184)	(3,601,541)	(10,579,118)	(11,290,785)
PROFIT FROM OPERATIONS		2,433,296	1,804,083	5,785,375	4,300,164
Net investment income		130,997	145,435	684,607	695,240
Share of results of joint ventures		(27,099)	27,326	(76,094)	43,351
Net loss on investments carried at fair value through profit or loss		(29,560)	(561)	(18,136)	(81,475)
Finance costs		(620,570)	(434,132)	(1,533,814)	(1,153,086)
PROFIT BEFORE INCOME TAX		1,887,064	1,542,151	4,841,938	3,804,194
Income tax expense		(9,928)	(6,638)	(31,643)	(33,684)
PROFIT OF THE GROUP FOR THE PERIOD		1,877,136	1,535,513	4,810,295	3,770,510
of which loss attributable to non-controlling interests		418,079	476,945	1,189,028	1,319,788
PROFIT FOR THE PERIOD OF THE GROUP ATTRIBUTABLE TO SHAREHOLDERS OF BMMI B.S.C.		2,295,215	2,012,458	5,999,323	5,090,298
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	12	16	15	42	37



Abdulla Hassan Buhindi
Chairman



Shawki Ali Fakhro
Vice Chairman

BMMI B.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine-month period ended 30 September 2019 (Reviewed)

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
PROFIT OF THE GROUP FOR THE PERIOD	1,877,136	1,535,513	4,810,295	3,770,510
OTHER COMPREHENSIVE INCOME (LOSS)				
<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	87,433	205,791	765,427	(81,250)
<i>Items to be reclassified to the interim consolidated statement of income in subsequent periods:</i>				
- Exchange differences on translation of foreign operations	545,250	(25,316)	389,448	(787,713)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	632,683	180,475	1,154,875	(868,963)
TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE PERIOD	2,509,819	1,715,988	5,965,170	2,901,547
of which loss attributable to non-controlling interests	418,079	476,945	1,189,028	1,319,788
TOTAL COMPREHENSIVE INCOME OF THE GROUP ATTRIBUTABLE TO SHAREHOLDERS OF BMMI B.S.C.	2,927,898	2,192,933	7,154,198	4,221,335



Abdulla Hassan Buhindi
Chairman



Shawki AlinFakhroo
Vice Chairman

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

For the nine-month period ended 30 September 2019 (Reviewed)

	<i>Nine-month period ended 30 September</i>	
	2019	2018
	<i>BD</i>	<i>BD</i>
	<i>Note</i>	
OPERATING ACTIVITIES		
Profit before tax	4,841,938	3,804,194
Adjustments for:		
Net investment income	(684,607)	(695,240)
Depreciation of property, plant and equipment	2,345,466	2,361,182
Depreciation of right-of-use assets	4 884,546	-
Net loss on investments carried at fair value through profit or loss	18,136	81,475
Provision for employees' end of service benefits	296,566	259,241
Finance costs	1,533,814	1,153,086
Share of results joint ventures	76,094	(43,351)
(Reversal of provision) provision for slow moving and expired inventories	(202,590)	254,000
Allowance for expected credit losses	292,762	369,862
Operating profit before working capital changes	9,402,125	7,544,449
Working capital changes:		
Inventories	(566,625)	(1,023,196)
Trade and other receivables	(4,756,019)	(854,938)
Trade and other payables	(1,353,232)	581,054
Cash flows generated from operations	2,726,249	6,247,369
Income tax paid	(58,932)	(37,696)
Directors' remuneration paid	(137,000)	(137,000)
Employees' end of service benefits paid	(116,936)	(266,338)
Net cash flows from operating activities	2,413,381	5,806,335
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(833,333)	(789,853)
Dividends and interest received	676,683	579,956
Proceeds from disposals of investments	968,000	172,879
Proceeds from disposals of joint ventures	-	283,916
Additions in investments	-	(90,909)
Additions in investment property	-	(194,802)
Net cash flows from (used in) investing activities	811,350	(38,813)
FINANCING ACTIVITIES		
Dividends paid to shareholders of BMMI B.S.C.	(7,099,720)	(6,398,659)
Loans and borrowings repaid	(4,798,612)	(5,276,382)
Loans and borrowings availed	4,606,903	5,528,460
Interest expenses paid	(1,533,814)	(1,153,086)
Payment of principal amount of lease liabilities	(809,176)	-
Net movements in retentions payable	(1,250)	(424,585)
Net cash flows used in financing activities	(9,635,669)	(7,724,252)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,410,938)	(1,956,730)
Net foreign exchange differences	389,448	(787,713)
Cash and cash equivalents as at 1 January	3,552,922	2,198,506
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER (A)	(2,468,568)	(545,937)

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

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

For the nine-month period ended 30 September 2019 (Reviewed)

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

	<i>Nine-month period ended</i>	
	<i>30 September</i>	
	<i>2019</i>	<i>2018</i>
	<i>BD</i>	<i>BD</i>
Cash, bank balances and short-term deposits	2,767,141	3,814,234
Bank overdrafts	(5,235,709)	(4,360,171)
Cash and cash equivalents as at 30 September	(2,468,568)	(545,937)

Non-cash items

- Dividend and interest income receivable amounting to BD 7,924 (2018: BD 115,284) has been excluded from the movement of trade and other receivables.
- Unclaimed dividends pertaining to prior years amounting to BD 18,317 (2018: BD 419,646) 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 nine-month period ended 30 September 2019 (Reviewed)

	Equity attributable to shareholders of BMMI B.S.C.						Total equity BD
	Share capital BD	Treasury shares BD	Other reserves (note 9) BD	Retained earnings BD	Total BD	Non-controlling interests 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	-	-	-	5,999,323	5,999,323	(1,189,028)	4,810,295
Other comprehensive income for the period	-	-	1,154,875	-	1,154,875	-	1,154,875
Total comprehensive income (loss) for the period	-	-	1,154,875	5,999,323	7,154,198	(1,189,028)	5,965,170
Final dividend for 2018 (note 8)	-	-	-	(4,270,822)	(4,270,822)	-	(4,270,822)
Interim dividend for 2019 (note 8)	-	-	-	(2,847,215)	(2,847,215)	-	(2,847,215)
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)
Balance at 30 September 2019	14,642,854	(1,430,101)	14,421,979	38,491,581	66,126,313	2,073,021	68,199,334

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

BMMI B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 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	38,545,599	63,976,287	4,964,692	68,940,979
Profit (loss) for the period	-	-	-	5,090,298	5,090,298	(1,319,788)	3,770,510
Other comprehensive loss for the period	-	-	(868,963)	-	(868,963)	-	(868,963)
Total comprehensive (loss) income for the period	-	-	(868,963)	5,090,298	4,221,335	(1,319,788)	2,901,547
Final dividend for 2017 (note 8)	-	-	-	(4,162,313)	(4,162,313)	-	(4,162,313)
Interim dividend for 2018 (note 8)	-	-	-	(2,774,875)	(2,774,875)	-	(2,774,875)
Loss on disposal 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)	-	(172,185)
Balance at 30 September 2018	14,642,854	(2,699,662)	12,927,895	36,217,162	61,088,249	3,644,904	64,733,153

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

At 30 September 2019 (Reviewed)

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 the Group also owns a five-star hotel in Kingdom of Bahrain. 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 31 October 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 September 2019</i> <i>(Reviewed)</i>	<i>31 December 2018</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	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, U.S.A.	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.

At 30 September 2019 (Reviewed)

1 CORPORATE INFORMATION (continued)

<i>Name</i>	<i>Ownership interest</i>		<i>Country of incorporation</i>	<i>Principal activities</i>
	<i>30 September 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	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.
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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
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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.
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* 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 September 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 nine-month period ended 30 September 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>
Assets	
Right-of-use assets (note 4)	<u>6,006,777</u>
	<i>BD</i>
Liabilities	
Lease liabilities (note 9)	<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.

At 30 September 2019 (Reviewed)

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:

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

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
Remeasurement of right-of-use assets	115,508	-	-	115,508
Depreciation for the period	(664,264)	(208,881)	(11,401)	(884,546)
As at 30 September 2019	<u>4,634,712</u>	<u>580,225</u>	<u>22,802</u>	<u>5,237,739</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2019 (Reviewed)

5 FINANCIAL INSTRUMENTS

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

	<i>Amortised cost (Reviewed) BD</i>	<i>Fair value through profit or loss (Reviewed) BD</i>	<i>Fair value through other comprehensive income (Reviewed) BD</i>	<i>Total (Reviewed) BD</i>
Financial assets:				
Investments	-	2,341,636	9,646,039	11,987,675
Trade and other receivables	19,933,148	-	-	19,933,148
Bank balances and cash	2,767,141	-	-	2,767,141
	22,700,289	2,341,636	9,646,039	34,687,964
Financial liabilities:				
Trade and other payables	11,749,457	-	-	11,749,457
Loans and borrowings	22,430,111	-	-	22,430,111
Lease liabilities	5,313,109	-	-	5,313,109
Bank overdrafts	5,235,709	-	-	5,235,709
Retentions payable	1,174,121	-	-	1,174,121
	45,902,507	-	-	45,902,507

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>
Financial assets:				
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
	23,076,551	2,359,772	9,848,612	35,284,935
Financial liabilities:				
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
	37,267,810	-	-	37,267,810

At 30 September 2019 (Reviewed)

6 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:

- a) 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;
- b) 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 September 2019 and at 31 December 2018; and
- c) 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, net assets value, 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.

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 in active markets Level 1 (Reviewed) BD</i>	<i>Significant observable inputs Level 2 (Reviewed) BD</i>	<i>Significant unobservable inputs Level 3 (Reviewed) BD</i>	
30 September 2019				
Assets measured at fair value:				
<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	7,486,944	-	-	7,486,944
- unquoted investments	-	-	2,159,095	2,159,095
<i>Fair value through profit or loss:</i>				
- quoted investments	2,341,636	-	-	2,341,636
	9,828,580	-	2,159,095	11,987,675
	9,828,580	-	11,616,820	21,445,400

At 30 September 2019 (Reviewed)

6 FAIR VALUE MEASUREMENT (continued)**Fair value hierarchy (continued)**

	<i>Fair value measurement using</i>			<i>Total</i>
	<i>Quoted prices in active markets Level 1 (Audited) BD</i>	<i>Significant observable inputs Level 2 (Audited) BD</i>	<i>Significant unobservable inputs Level 3 (Audited) BD</i>	
<i>31 December 2018</i>				<i>BD</i>
<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
	<u>10,126,917</u>	<u>-</u>	<u>2,081,467</u>	<u>12,208,384</u>
	<u>10,126,917</u>	<u>-</u>	<u>11,539,192</u>	<u>21,666,109</u>

Liabilities measured at fair value:

There were no liabilities measured at fair value as of 30 September 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, net assets value, or other appropriate valuation techniques.

During the period ended 30 September 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 movements 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	-	77,628	77,628
At 30 September 2019 (Reviewed)	<u>9,457,725</u>	<u>2,159,095</u>	<u>11,616,820</u>

BMMI B.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 30 September 2019 (Reviewed)

7 SHARE CAPITAL

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

8 DIVIDENDS

At the annual general meeting of the shareholders held on 20 March 2019, the final cash dividend of 30 fils per share, excluding treasury shares, amounting to BD 4,270,822 (30 September 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 1,041,476 [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 September 2018: 20 fils per share, excluding treasury shares, amounting to BD 2,774,875).

9 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:

	30 September 2019 (Reviewed) BD
Non-current lease liabilities	4,251,494
Current lease liabilities	1,061,615
	5,313,109

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

	30 September 2019 (Reviewed) BD
As at 1 January 2019 on adoption of IFRS 16 (note 2)	6,006,777
Remeasurement of lease liabilities	115,508
Interest expense for the period	213,280
Payments during the period	(1,022,456)
As at 30 September 2019	5,313,109

BMMI B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2019 (Reviewed)

10 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 September 2019 and 30 September 2018.

	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	2018
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Types of revenue												
Sales of goods	8,905,403	9,175,640	11,984,938	13,033,206	-	-	570,527	312,840	-	-	21,460,868	22,521,686
Catering and other services	-	-	-	-	3,950,604	3,434,625	205,041	23,885	-	-	4,155,645	3,458,510
Room services	-	-	-	-	-	-	356,675	454,944	-	-	356,675	454,944
Shipping services	-	-	-	-	-	-	-	-	756,021	463,284	756,021	463,284
Total revenue from contracts with customers	8,905,403	9,175,640	11,984,938	13,033,206	3,950,604	3,434,625	1,132,243	791,669	756,021	463,284	26,729,209	26,898,424
Geographical markets												
Bahrain	8,132,472	8,535,333	11,984,938	13,033,206	1,966,306	1,036,674	1,132,243	791,669	756,021	463,284	23,971,980	23,860,166
African countries	-	-	-	-	1,984,298	2,397,951	-	-	-	-	1,984,298	2,397,951
GCC and other Arab countries	772,931	640,307	-	-	-	-	-	-	-	-	772,931	640,307
Total revenue from contracts with customers	8,905,403	9,175,640	11,984,938	13,033,206	3,950,604	3,434,625	1,132,243	791,669	756,021	463,284	26,729,209	26,898,424
Timing of revenue recognition												
At point in time	8,905,403	9,175,640	11,984,938	13,033,206	-	-	570,527	312,840	-	-	21,460,868	22,521,686
Over the time	-	-	-	-	3,950,604	3,434,625	561,716	478,829	756,021	463,284	5,268,341	4,376,738
Total revenue from contracts with customers	8,905,403	9,175,640	11,984,938	13,033,206	3,950,604	3,434,625	1,132,243	791,669	756,021	463,284	26,729,209	26,898,424

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At 30 September 2019 (Reviewed)

10 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 nine-month periods ended 30 September 2019 and 30 September 2018.

	Retail operations		Wholesales operations		Contract services and supply		Hospitality		Investment, shipping and other activities		Total	
	2018		2018		2018		2018		2018		2018	
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Types of revenue												
Sales of goods	27,229,572	27,753,925	34,075,461	33,892,625	-	-	1,861,801	1,273,059	-	-	63,166,834	62,919,609
Catering and other services	-	-	-	-	10,218,512	9,595,587	290,036	103,446	-	-	10,508,548	9,699,033
Room services	-	-	-	-	-	-	1,461,035	1,481,416	-	-	1,461,035	1,481,416
Shipping services	-	-	-	-	-	-	-	-	2,065,829	1,763,248	2,065,829	1,763,248
Total revenue from contracts with customers	27,229,572	27,753,925	34,075,461	33,892,625	10,218,512	9,595,587	3,612,872	2,857,921	2,065,829	1,763,248	77,202,246	75,863,306
Geographical markets												
Bahrain	24,872,582	25,851,581	34,075,461	33,892,625	4,365,292	3,039,906	3,612,872	2,857,921	2,065,829	1,763,248	68,992,036	67,405,281
African countries	-	-	-	-	5,853,220	6,555,681	-	-	-	-	5,853,220	6,555,681
GCC and other Arab countries	2,356,990	1,902,344	-	-	-	-	-	-	-	-	2,356,990	1,902,344
Total revenue from contracts with customers	27,229,572	27,753,925	34,075,461	33,892,625	10,218,512	9,595,587	3,612,872	2,857,921	2,065,829	1,763,248	77,202,246	75,863,306
Timing of revenue recognition												
At point in time	27,229,572	27,753,925	34,075,461	33,892,625	-	-	1,861,801	1,273,059	-	-	63,166,834	62,919,609
Over the time	-	-	-	-	10,218,512	9,595,587	1,751,071	1,584,862	2,065,829	1,763,248	14,035,412	12,943,697
Total revenue from contracts with customers	27,229,572	27,753,925	34,075,461	33,892,625	10,218,512	9,595,587	3,612,872	2,857,921	2,065,829	1,763,248	77,202,246	75,863,306

At 30 September 2019 (Reviewed)

11 SEASONALITY OF RESULTS

Dividend income of BD 542,975 (30 September 2018: BD 511,840) included in investment income is of a seasonal nature.

12 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>Nine-month period ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
Profit for the period attributable to shareholders of BMMI (BD)	<u>2,295,215</u>	<u>2,012,458</u>	<u>5,999,323</u>	<u>5,090,298</u>
Weighted average number of shares (net of treasury shares)	<u>142,360,732</u>	<u>138,743,750</u>	<u>142,360,732</u>	<u>138,743,750</u>
Basic and diluted earnings per share (fils)	<u>16</u>	<u>15</u>	<u>42</u>	<u>37</u>

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

13 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>Nine-month period ended</i>		<i>Nine-month period ended 30</i>	
	<i>30 September 2019</i>		<i>September 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	<u>60,503</u>	<u>965,927</u>	<u>-</u>	<u>8,000</u>

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

	<i>As at 30 September 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	280	-	-	13,497	293,526	-
Other related parties	22,921	-	178,120	26,701	-	109,458
	<u>23,201</u>	<u>-</u>	<u>178,120</u>	<u>40,198</u>	<u>293,526</u>	<u>109,458</u>

At 30 September 2019 (Reviewed)

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

Outstanding balances as at 30 September 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 nine-month period ended 30 September 2019 and 30 September 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:

	30 September 2019 (Reviewed)	31 December 2018 (Audited)
Number of shares	4,067,817	4,655,110
Percentage of holding	2.778%	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>Nine-month period ended 30 September (Reviewed)</i>	
	2019	2018
	BD	BD
Short-term benefits	585,797	574,454
Employees' end of service benefits	24,824	24,906
	610,621	599,360

Included in short term benefits is directors' fees of BD 104,250 (2018: BD 104,250).

14 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 2,316,666 [31 December 2018 (Audited): BD 2,766,974] as at 30 September 2019, from which it is anticipated that no material liabilities will arise.

Capital commitments

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

The Group has commitments relating to confirmed purchase orders of BD 1,189,139 as of 30 September 2019 [31 December 2018 (Audited): BD 2,766,974].

15 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. 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:

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

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

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

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

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.

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.

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15 OPERATING SEGMENTS (continued)

Three-month period ended 30 September (Reviewed)

	Retail operations		Wholesales operations		Contract services and supply		Hospitality		Investments, shipping and other activities				Adjustments and eliminations		Total	
	2019		2019		2019		2019		2018		2019		2018		2019	
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Revenue - external customers	8,905,403	9,175,640	11,984,938	13,033,206	3,950,604	3,434,625	1,132,243	791,669	756,021	463,284	-	-	-	-	26,729,209	26,898,424
Revenue - inter-segment	-	-	396,357	11,069	-	-	14,981	26,081	2,190,021	1,476,086	(2,601,359)	(1,513,236)	-	-	-	-
Total revenue	8,905,403	9,175,640	12,381,295	13,044,275	3,950,604	3,434,625	1,147,224	817,750	2,946,042	1,939,370	(2,601,359)	(1,513,236)	26,729,209	26,898,424		
Costs of revenue	(6,009,083)	(6,624,213)	(9,562,878)	(9,604,165)	(2,992,749)	(2,529,395)	(374,886)	(420,630)	(2,768,126)	(1,766,749)	2,601,359	1,513,236	(19,106,363)	(19,431,916)		
Gross profit	2,896,320	2,551,427	2,818,417	3,440,110	957,855	905,230	772,338	397,120	177,916	172,621	-	-	7,622,846	7,466,508		
Other operating income	191,436	201,420	400	-	1,851	7,652	129,769	330,618	306,406	167,704	(157,989)	(130,194)	471,873	577,200		
Net investment income	-	-	-	-	-	-	-	-	130,997	145,435	-	-	130,997	145,435		
Share of results of joint ventures	-	-	-	-	7,000	(30,000)	-	-	(34,099)	57,326	-	-	(27,099)	27,326		
Loss on investments came at FVTPL	-	-	-	-	-	-	-	-	(29,560)	(561)	-	-	(29,560)	(561)		
Other expenses, excluding depreciation and income tax expense	(1,120,173)	(1,344,933)	(1,546,610)	(1,540,643)	(714,692)	(781,144)	(515,359)	(669,706)	(715,626)	(1,125,618)	-	-	(4,612,460)	(5,462,044)		
Depreciation	(366,864)	(131,673)	(76,229)	(58,706)	(26,053)	(33,322)	(622,821)	(514,315)	43,004	(39,565)	-	-	(1,048,963)	(777,581)		
Finance costs	(9,199)	(29,014)	(154)	(40)	(9,928)	(6,638)	(556,743)	(258,726)	(210,463)	(276,546)	157,989	130,194	(620,570)	(434,132)		
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	(9,928)	(6,638)		
Profit (loss) for the period	1,591,520	1,247,227	1,195,824	1,840,721	216,033	61,778	(794,816)	(715,009)	(331,425)	(899,204)	-	-	1,877,136	1,535,513		
Of which loss attributable to non-controlling interests	-	-	-	-	-	-	418,079	476,945	-	-	-	-	418,079	476,945		
Profit (loss) attributable to BMMI B.S.C.	1,591,520	1,247,227	1,195,824	1,840,721	216,033	61,778	(376,737)	(238,064)	(331,425)	(899,204)	-	-	2,295,215	2,012,458		

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

15 OPERATING SEGMENTS (continued)

Nine-month period ended 30 September (Reviewed)

	Retail operations		Wholesales operations		Contract services and supply		Hospitality		Investments, 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	27,229,572	27,753,925	34,075,461	33,892,625	10,218,512	9,595,587	3,612,872	2,857,921	2,065,829	1,763,248	-	-	77,202,246	75,863,306		
Revenue - inter-segment	-	-	720,323	440,549	-	-	39,479	26,081	4,890,201	1,914,046	(5,650,003)	(2,380,676)	-	-		
Total revenue	27,229,572	27,753,925	34,795,784	34,333,174	10,218,512	9,595,587	3,652,351	2,884,002	6,956,030	3,677,294	(5,650,003)	(2,380,676)	77,202,246	75,863,306		
Costs of revenue	(18,074,605)	(18,879,987)	(27,344,497)	(26,427,739)	(7,510,837)	(6,945,533)	(1,235,268)	(1,322,247)	(6,326,243)	(3,075,262)	5,650,003	2,380,676	(54,841,507)	(54,170,092)		
Gross profit	9,154,967	8,873,938	7,451,287	7,905,435	2,707,615	2,750,054	2,417,083	1,561,755	629,787	602,032	-	-	22,360,739	21,693,214		
Other operating income	653,295	646,154	18,708	-	27,942	30,451	130,007	456,712	1,160,063	963,269	(473,966)	(321,206)	1,516,049	1,775,380		
Net investment income	-	-	-	-	-	-	-	-	684,607	695,240	-	-	684,607	695,240		
Share of results of joint ventures	-	-	-	-	(48,464)	(90,000)	-	-	(27,630)	133,351	-	-	(76,094)	43,351		
Loss on investments carried at FVTPL	-	-	-	-	-	-	-	-	(18,136)	(81,475)	-	-	(18,136)	(81,475)		
Other expenses, excluding depreciation and income tax expense	(3,856,374)	(4,032,172)	(4,512,486)	(4,438,835)	(2,148,285)	(2,459,467)	(1,954,320)	(2,353,619)	(2,389,936)	(3,523,155)	-	-	(14,861,401)	(16,807,248)		
Depreciation	(619,516)	(399,888)	(206,927)	(199,535)	(76,082)	(85,244)	(1,728,346)	(1,534,847)	(599,141)	(141,668)	-	-	(3,230,012)	(2,361,182)		
Finance costs	(31,683)	(66,465)	(12,036)	(94)	-	(163)	(1,435,458)	(1,024,986)	(528,603)	(382,584)	473,966	321,206	(1,533,814)	(1,153,086)		
Income tax expense	-	-	-	-	(31,643)	(33,684)	-	-	-	-	-	-	(31,643)	(33,684)		
Profit (loss) for the period	5,300,689	5,021,567	2,738,546	3,266,971	431,083	111,947	(2,571,034)	(2,894,985)	(1,088,989)	(1,734,990)	-	-	4,810,295	3,770,510		
Of which loss attributable to non-controlling interests	-	-	-	-	-	-	1,189,028	1,319,788	-	-	-	-	1,189,028	1,319,788		
Profit (loss) attributable to BMMI B.S.C.	5,300,689	5,021,567	2,738,546	3,266,971	431,083	111,947	(1,382,006)	(1,575,197)	(1,088,989)	(1,734,990)	-	-	5,999,323	5,090,298		
Capital expenditure	52,512	445,203	86,683	-	292,546	149,848	157,672	-	243,920	194,802	-	-	833,333	789,653		

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

	Retail operations		Wholesales operations		Contract services and supply		Hospitality		Investments, shipping and other activities		Adjustments and eliminations		Total	
	31 December 2019		31 December 2018		30 September 2019		31 December 2018		30 September 2019		31 December 2018		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
Operating assets	8,564,507	6,510,279	17,164,155	18,244,408	11,668,809	6,564,906	39,733,569	41,575,393	68,331,400	59,634,727	(28,016,033)	(21,053,244)	117,446,407	111,576,469
Operating liabilities	5,381,209	3,184,111	3,816,483	4,642,629	4,617,787	2,687,543	33,875,273	33,560,894	20,588,839	10,084,968	(19,032,518)	(12,104,569)	49,247,073	42,055,576

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