

Bahrain Family Leisure Company B.S.C.

Condensed interim financial information
for the quarter and six months period
ended 30 June 2020
(Unaudited)

Bahrain Family Leisure Company B.S.C.
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six months period ended 30 June 2020
(Unaudited)

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Bahrain Family Leisure Company B.S.C.
Administration and contact details as at 30 June 2020

Commercial registration no.	32196-01 obtained on 13 July 1994 32196-04 obtained on 5 August 2000 32196-05 obtained on 27 June 2001 32196-06 obtained on 21 November 2004 32196-07 obtained on 25 March 2006 32196-13 obtained on 21 August 2011 32196-14 obtained on 9 September 2014	
Directors	Mr. Abdul Latif Khalid Al Aujan Mr. Garfield Jones Mr. Adel Salman Kanoo Mr. Bashar Mohammed Ali Alhassan Mr. Sharif Mohammed Ahmadi Mr. Charbel Sarkis (Joined from 16 February 2020)	Chairman Vice-Chairman and Managing Director Director Director Director Director
Nominating and remuneration committees	Mr. Abdul Latif Khalid Al Aujan Mr. Adel Salman Kanoo Mr. Sharif Mohammed Ahmadi Mr. Charbel Sarkis (Joined from 16 February 2020)	Chairman
Audit committee	Mr. Charbel Sarkis (Joined from 16 February 2020) Mr. Bashar Mohammed Ali Alhassan Mr. Garfield Jones	Chairman
Executive Committee	Mr. Garfield Jones Mr. Adel Salman Kanoo Mr. Sharif Mohammed Ahmadi	Chairman
Corporate governance committee	Mr. Adel Salman Kanoo Mr. Sharif Mohammed Ahmadi Mr. Charbel Sarkis (Joined from 16 February 2020)	Chairman
Registered office	Gulf Executive Offices 10 th Floor, Block No. 338 Adliya, PO Box 11612 Manama Kingdom of Bahrain	
Registrars	Karvy Computershare W.L.L. PO Box 514, Manama, Kingdom of Bahrain Bahrain Clear B.S.C. (c) PO Box 3203, Manama, Kingdom of Bahrain	
Bankers	National Bank of Bahrain Bank of Bahrain and Kuwait	
Auditors	BDO 17 th Floor, Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	

Review report by the independent auditor to the Board of Directors of Bahrain Family Leisure Company B.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Bahrain Family Leisure Company B.S.C. ("the Company") as at 30 June 2020, the condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of changes in shareholders' equity, the condensed interim statement of cash flows for the quarter and six months period then ended, and selected explanatory notes. The management of the Company is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not present fairly, in all material respects, the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the quarter and six months period then ended in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*".



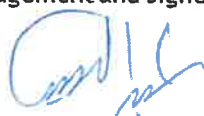
Manama, Kingdom of Bahrain
21 July 2020




Bahrain Family Leisure Company B.S.C.
Condensed interim statement of financial position as at 30 June 2020
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	30 June 2020 (Unaudited)	31 December 2019 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	320,379	379,198
Intangible assets	6	18,918	20,785
Right-of-use assets	7	513,606	782,245
Financial assets at fair value through profit or loss	8	<u>3,374,493</u>	<u>4,056,741</u>
		<u>4,227,396</u>	<u>5,238,969</u>
Current assets			
Inventories		26,358	29,496
Prepayments and other receivables		88,838	121,462
Cash and cash equivalents		<u>280,950</u>	<u>356,275</u>
		<u>396,146</u>	<u>507,233</u>
Total assets		<u>4,623,542</u>	<u>5,746,202</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	4,000,000	4,000,000
Statutory reserve		794,927	794,927
Capital reserve		68,245	68,245
Accumulated losses		(843,490)	(66,244)
Treasury shares		<u>(400,000)</u>	<u>(400,000)</u>
Total equity		<u>3,619,682</u>	<u>4,396,928</u>
Non-current liabilities			
Employees' terminal benefits		77,755	89,325
Non-current portion of lease liabilities	10	<u>361,383</u>	<u>560,904</u>
		<u>439,138</u>	<u>650,229</u>
Current liabilities			
Trade and other payables		377,643	463,114
Current portion of lease liabilities	10	<u>187,079</u>	<u>235,931</u>
		<u>564,722</u>	<u>699,045</u>
Total liabilities		<u>1,003,860</u>	<u>1,349,274</u>
Total equity and liabilities		<u>4,623,542</u>	<u>5,746,202</u>

The unaudited condensed interim financial information were approved, authorised for issue by the management and signed on their behalf by:



Abdul Latif Khalid Al Aujan
Chairman



Garfield Jones
Vice-Chairman and
Managing Director

Bahrain Family Leisure Company B.S.C.
Condensed interim statement of profit or loss and other comprehensive income
for the quarter and six months period ended 30 June 2020
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Quarter ended 30 June 2020 (Unaudited)	Quarter ended 30 June 2019 (Unaudited)	Six months period ended 30 June 2020 (Unaudited)	Six months period ended 30 June 2019 (Unaudited)
Operating income		24,791	305,420	309,168	713,985
Operating costs		<u>(145,858)</u>	<u>(323,196)</u>	<u>(462,956)</u>	<u>(681,968)</u>
Operating profit for the period		<u>(121,067)</u>	<u>(17,776)</u>	<u>(153,788)</u>	<u>32,017</u>
Expenses					
General and administrative expenses		(27,621)	(36,566)	(62,742)	(69,215)
Selling and advertising expenses		-	(14,748)	(1,935)	(31,450)
Finance cost on lease liabilities		(6,161)	(11,110)	(14,239)	(20,684)
Directors' fees		<u>(7,850)</u>	<u>(14,350)</u>	<u>(15,750)</u>	<u>(22,000)</u>
Total expenses		<u>(41,632)</u>	<u>(76,774)</u>	<u>(94,666)</u>	<u>(143,349)</u>
Loss before investment and other income/(loss)		(162,699)	(94,550)	(248,454)	(111,332)
Investment and other income/(loss)	11	<u>36,077</u>	<u>(1,287,392)</u>	<u>(528,792)</u>	<u>(1,143,867)</u>
Net loss and other comprehensive loss for the period		<u>(126,622)</u>	<u>(1,381,942)</u>	<u>(777,246)</u>	<u>(1,255,199)</u>
Basic and diluted loss per share	12	<u>Fils(3.52)</u>	<u>Fils(38.39)</u>	<u>Fils(21.59)</u>	<u>Fils(34.87)</u>

The unaudited condensed interim financial information were approved, authorised for issue by the management and signed on their behalf by:



Abdul Latif Khalid Al Aujan
Chairman



Garfield Jones
Vice-Chairman and
Managing Director

Bahrain Family Leisure Company B.S.C.
Condensed interim statement of changes in shareholders' equity for the quarter and six months period ended 30 June 2020
(Unaudited)
(Expressed in Bahrain Dinars)

	Share capital	Statutory reserve	Capital reserve	Accumulated losses	Treasury shares	Total
At 31 December 2018 (Audited)	4,000,000	794,927	68,245	1,534,030	(400,000)	5,997,202
Net loss and other comprehensive loss for the period	-	-	-	(1,255,199)	-	(1,255,199)
At 30 June 2019 (Unaudited)	<u>4,000,000</u>	<u>794,927</u>	<u>68,245</u>	<u>278,831</u>	<u>(400,000)</u>	<u>4,742,003</u>
At 31 December 2019 (Audited)	4,000,000	794,927	68,245	(66,244)	(400,000)	4,396,928
Net loss and other comprehensive loss for the period	-	-	-	(777,246)	-	(777,246)
At 30 June 2020 (Unaudited)	<u>4,000,000</u>	<u>794,927</u>	<u>68,245</u>	<u>(843,490)</u>	<u>(400,000)</u>	<u>3,619,682</u>

Bahrain Family Leisure Company B.S.C.
Condensed interim statement of cash flows for the quarter and six months period ended
30 June 2020
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Six months period ended 30 June 2020 (Unaudited)	Six months period ended 30 June 2019 (Unaudited)
Operating activities			
Net loss for the period		(777,246)	(1,255,199)
Adjustments for:			
Depreciation property, plant and equipment	5	63,283	79,205
Amortisation of intangible assets	6	1,867	1,904
Amortization of right- of- use asset	7	121,252	131,590
Unrealised fair value losses on financial assets at fair value through profit or loss	11	680,952	1,432,451
Dividend income	11	(142,939)	(286,508)
Interest income	11	(2,566)	(1,079)
Finance cost on lease liabilities	10	14,239	20,684
Rent concessions on lease liabilities	11	(18,237)	-
Loss on modification of lease	11	11,067	-
Loss on termination of lease	11	947	-
Changes in operating assets and liabilities:			
Inventories		3,138	33,751
Prepayments and other receivables		15,563	8,601
Trade and other payables		(85,471)	(183,337)
Employees' terminal benefits, net		<u>(11,570)</u>	<u>1,935</u>
Net cash used in operating activities		<u>(125,721)</u>	<u>(16,002)</u>
Investing activities			
Purchase of property, plant and equipment	5	(4,464)	(8,953)
Purchase of Intangible assets		-	(770)
Dividend received	11	142,939	286,508
Interest received	11	<u>2,566</u>	<u>1,079</u>
Net cash provided by investing activities		<u>141,041</u>	<u>277,864</u>
Financing activities			
Lease liability paid	10	<u>(90,645)</u>	<u>(139,056)</u>
Net cash used in financing activities		<u>(90,645)</u>	<u>(139,056)</u>
Net (decrease)/increase in cash and cash equivalents		(75,325)	122,806
Cash and cash equivalents, beginning of the period		<u>356,275</u>	<u>172,372</u>
Cash and cash equivalents, end of the period		<u>280,950</u>	<u>295,178</u>

Bahrain Family Leisure Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2020 (Unaudited)
(Expressed in Bahrain Dinars)

1 Organisation and activities

Bahrain Family Leisure Company B.S.C. (“the Company”) is a Bahraini public shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain. The Company obtained its commercial registration number 32196 on 13 July 1994.

The principal activities of the Company are operating restaurants, providing services related to family entertainment, supply of amusement related equipment and investing in businesses with similar objectives to those of the Company.

Until 2011, the Company operated two franchise restaurants, one under the name of “Ponderosa Steakhouse” and other under the name of “Bennigan’s Restaurant”. In 2012, the Company established a new restaurant under the name of “Cucina Italiana” and also started catering service under the name “Kazbah Catering”. In 2014, “Ponderosa Steakhouse” was closed and a new restaurant was opened under the name of “Bayti”. In 2015, “Bayti” operations have been discontinued. In 2017, the Company has opened a new restaurant “Bennigan’s Restaurant” (Amwaj). In 2018, the Company has opened new restaurant under the name of “Bayti” in Oasis mall Juffair.

The registered office of the Company is in the Kingdom of Bahrain.

These unaudited condensed interim financial information, set out on pages 4 to 18, were approved and authorised for issue by the Management on 21 July 2020.

Name and status of the divisions:

<u>Name</u>	<u>Commercial registration number</u>	<u>Status</u>
Bahrain Family Leisure Company	32196-01	Active
Kazbah	32196-04	Active
Ponderosa steak house	32196-05	Active
Kids Fun	32196-06	Active
Bennigan’s	32196-07	Active
Cucina Italiana	32196-13	Active
Bayti	32196-14	Active

2 Basis of preparation

The condensed interim financial information has been presented in accordance with International Accounting Standard 34 - “*Interim Financial Reporting*”. The condensed interim financial information should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2019. The financial information has been presented in Bahrain Dinars (BD) which is also the functional currency of the Company.

The condensed interim financial information have been prepared using going concern assumption under the historical cost convention, except for the valuation of financial assets at fair value through profit or loss which are carried at their fair values.

Bahrain Family Leisure Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the quarter and
six months period ended 30 June 2020 (Unaudited)
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2 Basis of preparation (continued)

Improvements/amendments to IFRS/IAS

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company's future accounting year with earlier adoption.

Standards, amendments and interpretations issued and effective in 2020 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2020 or subsequent periods, but is not relevant to the Company's operations:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 1	Presentation of financial statements	1 January 2020
IAS 8	Accounting policies, changes in accounting estimates and errors	1 January 2020
IFRS 3	Business combinations	1 January 2020
IFRS 7	Financial instruments: Disclosures	1 January 2020
IFRS 9	Financial instruments	1 January 2020

Standards, amendments and interpretations issued but not yet effective in 2020

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 June 2020. They have not been adopted in preparing the financial statements for the period ended 30 June 2020 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 17	Insurance contracts	1 January 2021

There would have been no change in the operational results of the Company for the period ended 30 June 2020 had the Company early adopted any of the above standards applicable to the Company.

Early adoption of amendments or standards in 2020

The Company did not early-adopt any new or amended standards in 2020. The Company does not believe that the early adoption of these standards and interpretation will have a material impact on the financial statements once adopted.

3 Significant accounting policies and critical accounting judgments, estimates and assumptions

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the annual audited financial statements of the Company prepared as at, and for the year ended 31 December 2019, as described in those annual audited financial statements, except for amendments to IFRS 16: *COVID-19 Related Rent Concessions*, which were adopted on 1 June 2020.

Details of the impact this amendment has had are given below. Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

Amendments to IFRS 16: COVID-19-Related Rent Concessions

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The Company has elected to utilise the practical expedient for all rent concessions that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of the Company, occurred from April 2020 to June 2020.

Accounting for the rent concessions as lease modifications would have resulted in the Company remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Company is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The effect of applying the practical expedient is disclosed in Note 4(b).

Bahrain Family Leisure Company B.S.C.

**Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2020 (Unaudited)
(Expressed in Bahrain Dinars)**

3 Significant accounting policies and critical accounting judgments, estimates and assumptions

There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods. However, as discussed in Note 4, the effects of COVID-19 have required significant judgments and estimates to be made, including:

- a) Whether rent concessions satisfy the criteria to be accounted for using the practical expedient introduced by the amendments to IFRS 16;
- b) Assessing whether the entity has reasonable assurance as to whether it will comply with the conditions attached to government grants; and
- c) Determining which information obtained subsequent to period end provides evidence of conditions that existed as at the end of the reporting period ('adjusting events after the reporting period') and which do not ('non-adjusting events after the reporting period'). For disclosure of non-adjusting events after the reporting period, refer to Note 16.

Additionally, while the changes in the following estimates and judgments have not had a material impact on a Company, the effects of COVID-19 have required revisions to:

- a) Estimates of customer returns and the determination of a Company's methodology for estimating the transaction price for sales subject to rights of return;
- b) Estimates of expected credit losses attributable to accounts receivable arising from sales to customers on credit terms, including the incorporation of forward-looking information to supplement historical credit loss rates; and
- c) The methodology used to estimate the fair value of equity instruments classified as level 3 in the fair value hierarchy, as their valuation techniques incorporate significant unobservable inputs.

4 Significant events and transactions

The World Health Organisation declared coronavirus and COVID-19 a global health emergency on 30 January 2020. Since then, a Company has experienced significant disruption to its operations in the following respects:

- The closure of many retail locations due to local governments mandating that shopping centres and other 'non-essential' businesses cease normal operations;
- Disruptions in the supply of inventory from major suppliers;
- Decreased demand for certain products as a consequence of social distancing requirements and recommendations; and
- Significant uncertainty concerning when government lockdowns will be lifted, social distancing requirements will be eased and the long-term effects of the pandemic on the demand for a Company's primary products.

4 Significant events and transactions

Based on the nature of operations and the industry in which it operates, the Company's management assessed the significant impact of COVID-19 in the below areas:

- Decrease in operating income;
- Rent concessions;
- Government grants;
- Going concern; and
- Commitments and contingencies.

(a) Decrease in operating income

Company has experienced a significant reduction in its operating income since pandemic effect was widespread during the period ended 30 June 2020. The Company is engaged in operating restaurants, providing services related to family entertainment, supply of amusement related equipment. All of the restaurants operated by the Company were closed during the period causing the decrease in operating income by BD404,817 as compared to the prior period. The Company has reported a total operating income of BD309,168 for the six months period ended as compared to BD713,985 in the corresponding previous period.

(b) Rent concessions

As discussed in Note 2, the Company has elected to apply the practical expedient introduced by the amendments to IFRS 16 to all rent concessions that satisfy the criteria. Substantially all of the rent concessions entered into during the six-month period ended 30 June 2020 satisfy the criteria to apply the practical expedient.

The application of the practical expedient has resulted in the reduction of total lease liabilities of BD18,237. The effect of this reduction has been recorded in the statement of profit or loss and other comprehensive income in the period in which the event or condition that triggers those payments occurs.

(c) Government grants

The Company has applied for government support programs introduced in response to the global pandemic. The Company has received a government grant of BD8,680 relating to supporting the payroll of the Company's employees and LMRA fees. The Company has elected to present this government grant by reducing the related staff cost. The Company had to commit to spending the assistance on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Company does not have any unfulfilled obligations relating to this program.

(d) Going concern

The Company has incurred a net loss of BD777,246 during the six months period ended 30 June 2020. The current period losses have increased the accumulated losses to BD843,490 as at 30 June 2020 raising concern on the going concern status of the Company.

The Company has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Company's future performance, capital and liquidity. The impact of Covid-19 may contribute to evolve, but at the present time the projections show that the Company has ample resources to continue to operational existence and its going concern positions remain largely unaffected and unchanged from 31 December 2019. As a result, this interim condensed financial information has been appropriately prepared on a going concern basis.

Bahrain Family Leisure Company B.S.C.

**Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2020 (Unaudited)
(Expressed in Bahrain Dinars)**

4 Significant events and transactions (continued)

(e) Commitments and contingent liabilities

The Company has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Company, customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no issued were noted.

The below table summarizes the impact of COVID-19 at this condensed interim financial information for the six-month period ended 30 June 2020:

<u>Financial statement area</u>	<u>Nature of impact</u>	<u>Amount <BD></u>
Operating Income	Decrease	404,817
Rent concessions received	Increase	18,237
Government grants	Increase	8,680
Accumulated losses	Increase	777,246

No other significant impact has been noted by the management on other financial statement areas during the period ended 30 June 2020.

Bahrain Family Leisure Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the quarter and
six months period ended 30 June 2020 (Unaudited)
(Expressed in Bahrain Dinars)

5 Property, plant and equipment

	Buildings on leasehold land	Kitchen equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost					
At 31 December 2018 (Audited)	1,100,288	500,899	1,001,166	61,103	2,663,456
Additions during the year	-	10,187	13,668	750	24,605
Disposals	-	-	-	(1,825)	(1,825)
At 31 December 2019 (Audited)	1,100,288	511,086	1,014,834	60,028	2,686,236
Additions during the period	-	-	4,464	-	4,464
Disposals	-	(245)	-	-	(245)
At 30 June 2020 (Unaudited)	<u>1,100,288</u>	<u>510,841</u>	<u>1,019,298</u>	<u>60,028</u>	<u>2,690,455</u>
Accumulated depreciation					
At 31 December 2018 (Audited)	984,794	406,325	700,594	58,774	2,150,487
Charge for the year	53,086	24,226	79,572	1,481	158,365
On disposals	-	-	-	(1,814)	(1,814)
At 31 December 2019 (Audited)	1,037,880	430,551	780,166	58,441	2,307,038
Charge for the period	22,919	11,354	28,836	174	63,283
On disposals	-	(245)	-	-	(245)
At 30 June 2020 (Unaudited)	<u>1,060,799</u>	<u>441,660</u>	<u>809,002</u>	<u>58,615</u>	<u>2,370,076</u>
Net book value					
At 30 June 2020 (Unaudited)	<u>39,489</u>	<u>69,181</u>	<u>210,296</u>	<u>1,413</u>	<u>320,379</u>
At 31 December 2019 (Audited)	<u>62,408</u>	<u>80,535</u>	<u>234,668</u>	<u>1,587</u>	<u>379,198</u>

6 Intangible assets

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Cost		
Opening balance	291,336	289,916
Additions during the period/year	-	1,420
Closing balance	<u>291,336</u>	<u>291,336</u>
Accumulated amortisation		
Opening balance	270,551	266,847
Amortisation charge for the period/year	1,867	3,704
Closing balance	<u>272,418</u>	<u>270,551</u>
Net book value	<u>18,918</u>	<u>20,785</u>

Bahrain Family Leisure Company B.S.C.

Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2020 (Unaudited)
(Expressed in Bahrain Dinars)

7 Right-of-use assets

	<u>Office building</u>	<u>Outlets/ Restaurants</u>	<u>Total</u>
Balance as at 31 December 2019 (Audited)	77,884	704,361	782,245
Lease termination during the period	(9,745)	-	(9,745)
Lease modifications during the period	-	(137,642)	(137,642)
Amortisation charge for the period	<u>(30,560)</u>	<u>(90,692)</u>	<u>(121,252)</u>
Balance as at 30 June 2020 (Reviewed)	<u>37,579</u>	<u>476,027</u>	<u>513,606</u>

8 Financial assets at fair value through profit or loss

	<u>30 June 2020</u> (Unaudited)	<u>31 December 2019</u> (Audited)
Opening balance	4,056,741	5,730,662
Unrealised fair value loss for the period / year (Note 11)	(680,952)	(1,666,688)
Disposals	<u>(1,296)</u>	<u>(7,233)</u>
Closing balance	<u>3,374,493</u>	<u>4,056,741</u>

9 Share capital

	<u>30 June 2020</u> (Unaudited)	<u>31 December 2019</u> (Audited)
Authorised 200,000,000 (2019: 200,000,000) Ordinary shares of 100 fils each	<u>20,000,000</u>	<u>20,000,000</u>
Issued and fully paid-up 40,000,000 (2019: 40,000,000) Ordinary shares of 100 fils each	4,000,000	4,000,000
Less: Treasury shares 4,000,000 (2019: 4,000,000) Ordinary shares of 100 fils each	<u>(400,000)</u>	<u>(400,000)</u>
	<u>3,600,000</u>	<u>3,600,000</u>

Treasury shares were acquired consistent with the Ministry of Industry and Commerce's approval to purchase up to 10% of the Company's issued and fully paid-up share capital. The nominal value of these shares has been disclosed as deduction from reserves. The difference between the nominal value of the acquired shares, and the purchase price, was credited to the capital reserve.

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Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2020 (Unaudited)
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10 Lease liabilities

	30 June 2020 <u>(Unaudited)</u>	31 December 2019 <u>(Audited)</u>
At 1 January	796,835	-
Additions during the year	-	1,000,732
Interest expense during the period/year	14,239	40,360
Termination of lease contracts	(8,798)	-
Lease modification	(144,932)	-
Rent concessions (Note 11)	(18,237)	-
Lease payments during the period/year	<u>(90,645)</u>	<u>(244,257)</u>
At 31 December	548,462	796,835
Less: current lease liabilities	<u>(187,079)</u>	<u>(235,931)</u>
Non-current lease liabilities	<u>361,383</u>	<u>560,904</u>
Maturity analysis - contractual undiscounted cash flows:		
	30 June 2020 <u>(Unaudited)</u>	31 December 2019 <u>(Audited)</u>
Less than one year	199,049	267,088
More than one year and less than five years	354,914	534,352
More than five years	<u>10,800</u>	<u>61,050</u>
Total undiscounted lease	<u>564,763</u>	<u>862,490</u>

11 Investment and other income / (loss)

	Quarter ended <u>30 June 2020</u> (Unaudited)	Quarter ended <u>30 June 2019</u> (Unaudited)	Six months period ended <u>30 June 2020</u> (Unaudited)	Six months period ended <u>30 June 2019</u> (Unaudited)
Unrealised fair value losses on financial assets at fair value through profit or loss account (Note 8)	(125,837)	(1,289,044)	(680,952)	(1,432,451)
Loss on termination of lease	-	-	(947)	-
Loss on modification of lease	-	-	(11,067)	-
Rent concessions (Note 10)	18,237	-	18,237	-
Dividend income	142,939	-	142,939	286,508
Interest income	705	990	2,566	1,079
Miscellaneous income	<u>33</u>	<u>662</u>	<u>432</u>	<u>997</u>
	<u>36,077</u>	<u>(1,287,392)</u>	<u>(528,792)</u>	<u>(1,143,867)</u>

Bahrain Family Leisure Company B.S.C.

Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2020 (Unaudited)
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12 Basic and diluted loss per share

Basic and diluted loss per share is calculated by dividing the net profit or loss attributable to the shareholders by the weighted average number of ordinary shares issued during the period, excluding the treasury shares purchased and held by the Company.

	Quarter ended <u>30 June 2020</u> (Unaudited)	Quarter ended <u>30 June 2019</u> (Unaudited)	Six months period ended <u>30 June 2020</u> (Unaudited)	Six months period ended <u>30 June 2019</u> (Unaudited)
Net loss attributable to the shareholders	<u>(126,622)</u>	<u>(1,381,942)</u>	<u>(777,246)</u>	<u>(1,255,199)</u>
Weighted average number of ordinary shares	<u>36,000,000</u>	<u>36,000,000</u>	<u>36,000,000</u>	<u>36,000,000</u>
Basic and diluted loss per share	<u>Fils(3.52)</u>	<u>Fils(38.39)</u>	<u>Fils(21.59)</u>	<u>Fils(34.87)</u>

The Company does not have any potentially dilutive ordinary shares, hence the diluted earnings per share and basic earnings per share are identical.

13 Transactions and balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the shareholders, directors, key management personnel and their close family members and such other companies over which the Company or its shareholders, directors, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management and are on arm's length basis.

Transactions with related parties are as follows:

<u>Related party</u>	<u>Related party Relationship</u>	<u>Type of transaction</u>	<u>Period ended 30 June 2020 (Unaudited)</u>	<u>Period ended 30 June 2019 (Unaudited)</u>
Directors	Directors	Attendance fees for attending board meetings	15,750	22,000
Gulf Hotels Group B.S.C.	Shareholder	AGM meeting hall rent etc.	696	824
Abdul Latif Al Aujan Food International	Common shareholder	Purchase of food items	3,548	6,748
Bahrain Gas	Common shareholder	Purchase of cooking gas	1,621	2,189

Bahrain Family Leisure Company B.S.C.

**Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2020 (Unaudited)
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13 Transactions and balances with related parties (continued)

A summary of related party balances is as follows:

	30 June <u>2020</u> (Unaudited)	31 December <u>2019</u> (Audited)
<i>Amounts due to related parties</i>		
Gulf Hotels Group B.S.C. - Shareholder	579	-
Abul Latif Al Aujan Food International - Common Shareholder	1,176	4,356
Bahrain Gas W.L.L. - Common Shareholder	<u>1,159</u>	<u>792</u>
	<u>2,914</u>	<u>5,148</u>

14 Interim financial information

The interim net profit for the quarter and six months period ended 30 June 2020 may not represent a proportionate share of the annual net profit due to the variability in the receipt of dividend and investment income.

15 Segment reporting

The Company's activities are restricted to operating restaurants which are subject to similar risks and returns. The Company also owns certain investments. The ownership and returns on these investments do not form a separate business segment. Hence no business segmental information has been presented.

The Company operates only in the Kingdom of Bahrain and, hence, no geographical segmental information is presented in this unaudited condensed interim financial information.

16 Subsequent events

Based on the communication received from Bahrain Bourse, the Company is required to transfer the unclaimed dividend to Bahrain Clear's account with CBB latest by 31 July 2020. No funds have been transferred to the designated account as on the date of these financial statements. Any default in making such transfer may result in financial penalty. The Company's management is currently evaluating the liquidity position of the Company in consultation with the Board of Directors and aims to address the matter in an appropriate manner.

The Government of Bahrain has announced to pay 50% of salaries of private company workers in sectors that were hard-hit by the coronavirus pandemic. The new payment will start in July and continue for a three-month period. The Company is also in the process of negotiation with lessors for additional rent concessions of their restaurant outlets. If the negotiations would be successful, the rent concessions will result in reduction in lease liabilities. The Health Ministry of Kingdom of Bahrain has announced that the restaurants in Bahrain will stay closed to in-house diners. The Company is engaged in operating restaurants and providing services related to the family entertainment, hence the Company operating income is expected to be further reduced.

There were no other significant events subsequent to 30 June 2020 and occurring before the date of signing of the financial statements that would have a significant impact on these financial statements.