

Delmon Poultry Company B.S.C.

Condensed interim financial information
for the quarter and nine months ended
30 September 2022
(Reviewed)

Delmon Poultry Company B.S.C.
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Delmon Poultry Company B.S.C.
Administration and contact details as at 30 September 2022

Commercial registration	10700-1 obtained on 21 July 1980 10700-2 obtained on 2 March 2017 10700-3 obtained on 26 January 2019
Board of directors	Abdul Rahman Mohamed Jamsheer (Chairman) Abdulhussain Khalil Dewani (Vice Chairman) Yousuf Saleh Al-Saleh Abdulredha Mohamed Al Daylami Talat Mohamed Abdulla Al Mannai Esam Abdulhameed Zainal Jaffar Mohamed Ali Al Dhaif Mohamed Jehad Bukamal - up to 31 January 2022 Hassan Nabeel Al Mahroos Fouad Ebrahim Almutawa Abdulla Jasim Al Ahmed - from 8 March 2022
Executive Committee	Yousuf Saleh Al-Saleh (Chairman) Abdul Rahman Mohamed Jamsheer Esam Abdulhameed Zainal Abdulla Jasim Al Ahmed
Audit Committee	Abdulhussain Khalil Dewani (Chairman) Hasan Nabeel Ebrahim Al Mahroos Talat Mohamed Abdulla Al Mannai Fouad Ebrahim Yousif Almutawa
Governance Committee	Fouad Ebrahim Almutawa (Chairman) Abdulredha Mohamed Al Daylami Jaffar Mohamed Ali Al Dhaif Abdulla Jasim Al Ahmed
Nomination and Remuneration Committee	Yousuf Saleh Al-Saleh (Chairman) Abdulredha Mohamed Al Daylami Jaffar Mohamed Ali Al Dhaif Talat Mohamed Abdulla Al Mannai
Chief Executive Officer (CEO)	Abdulahadi Mirza Jaffar

Delmon Poultry Company B.S.C.
Administration and contact details as at 30 September 2022 (continued)

Offices and plants	Administration and chicken processing plant Hamala, PO Box 20535 Telephone 17608282 Fax 17601930 Email: info@dawajen.bh Website: www.dawajen.bh Feedmill - Mina Salman Telephone 17727705 Chicks Hatchery - Al-Buhair Telephone 17624832
Principal bankers	Ahli United Bank National Bank of Bahrain National Bank of Kuwait Bahrain Islamic Bank Bank of Bahrain and Kuwait Kuwait Finance House Arab bank
Auditors	BDO 17 th Floor Diplomatic Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain
Internal Auditor	Grant Thornton - Abdulaal 12 th Floor, Al Nakeel Tower Seef District PO Box 11175 Kingdom Of Bahrain
Share registrar	Bahrain Clear B.S.C (c) PO Box 3203 Manama Kingdom of Bahrain

Review report on the condensed interim financial information to the Board of Directors of Delmon Poultry Company B.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Delmon Poultry Company B.S.C. ("the Company") as at 30 September 2022, the condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in shareholders' equity, the condensed interim statement of cash flows for the quarter and nine months then ended and selected explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of this condensed interim financial information 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 September 2022, and its financial performance and its cash flows for the quarter and nine months then ended in accordance with International Accounting Standard 34 - *"Interim financial reporting"*.

BDO

Manama, Kingdom of Bahrain
11 December 2022



Delmon Poultry Company B.S.C.
Condensed interim statement of financial position as at 30 September 2022 (Reviewed)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>30 September 2022 (Reviewed)</u>	<u>31 December 2021 (Audited)</u>
ASSETS			
Non-current assets			
Property, plant and equipment		4,478,672	3,915,299
Investment in an associate	8	-	1,343,476
Right-of-use assets		572,911	596,545
Financial assets at fair value through other comprehensive income		3,131,187	3,076,441
Financial assets at fair value through profit or loss		711,566	722,118
Investments at amortised cost		250,000	250,000
		<u>9,144,336</u>	<u>9,903,879</u>
Current assets			
Inventories		3,208,233	2,158,910
Trade and other receivables		3,641,039	3,096,731
Cash and bank balances		1,117,676	1,124,427
		<u>7,966,948</u>	<u>6,380,068</u>
TOTAL ASSETS		<u>17,111,284</u>	<u>16,283,947</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		3,120,928	3,120,928
Statutory reserve		1,560,464	1,560,464
General reserve		3,993,000	3,993,000
Development and raw material reserve		1,000,000	1,000,000
Investment fair value reserve		2,413,805	2,326,594
Retained earnings		1,782,391	2,288,326
Treasury shares		(122,398)	(122,398)
Total shareholders' equity		<u>13,748,190</u>	<u>14,166,914</u>
Non-current liabilities			
Non-current portion of lease liabilities		596,992	623,721
Non-current portion of deferred income		159,233	169,586
Employees' terminal benefits		45,532	39,934
		<u>801,757</u>	<u>833,241</u>
Current liabilities			
Current portion of lease liabilities		40,969	27,812
Trade and other payables		1,425,422	1,074,129
Short-term borrowings		1,081,140	168,045
Current portion of deferred income		13,806	13,806
		<u>2,561,337</u>	<u>1,283,792</u>
Total liabilities		<u>3,363,094</u>	<u>2,117,033</u>
TOTAL EQUITY AND LIABILITIES		<u>17,111,284</u>	<u>16,283,947</u>


These condensed interim financial information, were approved and authorised for issue by the Board of Directors and signed on its behalf by:


Abdul Rahman Mohamed Jamsheer
Chairman


Abdulhussain Khalil Dewani
Vice chairman


Abdulhadi Mirza Jaffar
Chief Executive Officer

Delmon Poultry Company B.S.C.
Condensed interim statement of profit or loss
for the quarter and nine months period ended 30 September 2022
(Reviewed)
(Expressed in Bahrain Dinars)

See Auditor's Report dated 11-12-2022
Signed by BDO, CR No. 10201-04
Partner: Nath Venkitachalam Viswanath
Reg. No. 151
Signature: 

	Quarter ended 30 September 2022 (Reviewed)	Quarter ended 30 September 2021 (Reviewed)	Nine months period ended 30 September 2022 (Reviewed)	Nine months period ended 30 September 2021 (Reviewed)
Sales	4,677,332	3,769,271	13,722,256	11,134,009
Cost of sales	<u>(4,553,247)</u>	<u>(3,719,188)</u>	<u>(13,229,244)</u>	<u>(10,656,102)</u>
Gross profit for the period	124,085	50,083	493,012	477,907
Other income	19,603	124,369	94,688	278,682
Other operating expenses	<u>(189,671)</u>	<u>(176,200)</u>	<u>(640,049)</u>	<u>(577,682)</u>
(Loss)/profit from operations	(45,983)	(1,748)	(52,349)	178,907
Investments income	36,797	9,099	181,419	173,550
Share of loss in an associate company (Note 8)	-	(13,562)	(29,277)	(75,673)
Loss on disposal of associate company (Note 8)	-	-	(401,884)	-
Finance costs	(20,560)	(14,849)	(40,314)	(36,563)
Unrealised fair value (losses)/gains on financial assets at fair value through profit or loss	<u>(28,494)</u>	<u>25,707</u>	<u>(10,553)</u>	<u>82,294</u>
Net (loss)/profit for the period	<u>(58,240)</u>	<u>4,647</u>	<u>(352,958)</u>	<u>322,515</u>
Basic earnings per share (fils)	<u>(1.90)</u>	<u>0.15</u>	<u>(11.54)</u>	<u>10.54</u>


These condensed interim financial information, were approved and authorised for issue by the Board of Directors and signed on its behalf by:


Abdul Rahman Mohamed Jamsheer
Chairman


Abdulhussain Khalil Dewani
Vice chairman


Abdulhadi Mirza Jaffar
Chief Executive Officer

Delmon Poultry Company B.S.C.
Condensed interim statement of comprehensive income
for the quarter and nine months ended 30 September 2022
(Reviewed)
(Expressed in Bahrain Dinars)

See Auditor's Report dated 11-12-2022
Signed by BDO, CR No. 10201-04
Partner: Nath Venkitachalam Viswanath
Reg. No. 151
Signature: 

	Quarter ended 30 September 2022 (Reviewed)	Quarter ended 30 September 2021 (Reviewed)	Nine months period ended 30 September 2022 (Reviewed)	Nine months period ended 30 September 2021 (Reviewed)
Net (loss)/profit for the period	(58,240)	4,647	(352,958)	322,515
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss:</i>				
Unrealised fair value gains on financial assets at fair value through other comprehensive income	234,950	197,567	56,766	229,590
<i>Items that may be reclassified into profit or loss</i>				
Company's share in associate's net change in investments at fair value	-	4,821	267	4,230
Reversal of reserve on disposal of associate company	-	-	30,178	-
Other comprehensive income for the period	<u>234,950</u>	<u>202,388</u>	<u>87,211</u>	<u>233,820</u>
Total comprehensive income/(loss) for the period	<u>176,710</u>	<u>207,035</u>	<u>(265,747)</u>	<u>556,335</u>

These condensed interim financial information, were approved and authorised for issue by the Board of Directors and signed on its behalf by:



Abdul Rahman Mohamed Jamsheer
Chairman



Abdulhussain Khalil Dewani
Vice chairman



Abdulhadi Mirza Jaffar
Chief Executive Officer

Delmon Poultry Company B.S.C.
Condensed interim statement of changes in shareholders' equity for the nine months ended 30 September 2022
(Reviewed)
(Expressed in Bahrain Dinars)

	Share capital	Statutory reserve	General reserve	Development and raw material reserve	Investment fair value reserve	Retained earnings	Treasury shares	Total
At 31 December 2020 (Audited)	3,120,928	1,560,464	3,993,000	1,000,000	2,091,665	2,340,271	(122,398)	13,983,930
Dividends for 2020 (Note 5)	-	-	-	-	-	(305,951)	-	(305,951)
Total comprehensive income for the period	-	-	-	-	233,820	322,515	-	556,335
At 30 September 2021 (Reviewed)	3,120,928	1,560,464	3,993,000	1,000,000	2,325,485	2,356,835	(122,398)	14,234,314
At 31 December 2021 (Audited)	3,120,928	1,560,464	3,993,000	1,000,000	2,326,594	2,288,326	(122,398)	14,166,914
Dividends for 2021 (Note 5)	-	-	-	-	-	(152,977)	-	(152,977)
Total comprehensive loss for the period	-	-	-	-	87,211	(352,958)	-	(265,747)
At 30 September 2022 (Reviewed)	3,120,928	1,560,464	3,993,000	1,000,000	2,413,805	1,782,391	(122,398)	13,748,190

Delmon Poultry Company B.S.C.
Condensed interim statement of cash flows for the nine months ended 30 September 2022
(Reviewed)
(Expressed in Bahrain Dinars)

	Nine months period ended 30 September 2022 <u>(Reviewed)</u>	Nine months period ended 30 September 2021 <u>(Reviewed)</u>
Operating activities		
Net (loss)/profit for the period	(352,958)	322,515
Adjustments for:		
Depreciation	313,417	336,484
Amortisation of right-of-use assets	23,634	20,490
Finance costs	40,314	36,563
Gain on disposal of property, plant and equipment	-	(60)
Gain on disposal of financial assets at fair value through other comprehensive income	(982)	(1,092)
Unrealised fair value losses/(gains) on financial assets at fair value through profit or loss	10,553	(82,294)
Loss on disposal of associate	401,884	-
Share of loss of associate	29,277	75,673
Interest and dividend income	(181,419)	(173,550)
Changes in operating assets and liabilities:		
Inventories	(1,049,323)	(592,741)
Trade and other receivables	(544,308)	(744,653)
Trade and other payables	351,293	(93,303)
Employees' terminal benefits, net	<u>5,598</u>	<u>1,507</u>
Net cash used in operating activities	<u>(953,020)</u>	<u>(894,461)</u>
Investing activities		
Purchase of property, plant and equipment	(876,791)	(204,047)
Proceeds from maturity of investment at amortised cost	-	250,000
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,002	3,320
Proceeds from disposal of company	942,760	-
Proceeds from disposal of property, plant and equipment	-	60
Interest and dividend income received	<u>181,419</u>	<u>173,550</u>
Net cash provided by investing activities	<u>250,390</u>	<u>222,883</u>
Financing activities		
Principal repayment of lease liabilities	(13,572)	(16,994)
Net movement in deferred income	(10,353)	(10,354)
Net movement in short-term borrowing	913,095	182,995
Dividends paid	(152,977)	(306,478)
Finance costs paid	<u>(40,314)</u>	<u>(36,563)</u>
Net cash provided by/(used in) financing activities	<u>695,879</u>	<u>(187,394)</u>
Net decrease in cash and cash equivalents	(6,751)	(858,972)
Cash and cash equivalents, beginning of the period	<u>1,124,427</u>	<u>2,798,434</u>
Cash and cash equivalents, end of the period	<u>1,117,676</u>	<u>1,939,462</u>

1 Organisation and activities

Delmon Poultry Company B.S.C. ("the Company") is a public shareholding company registered with the Ministry of Commerce, Industry and Tourism in the Kingdom of Bahrain and operates under commercial registration numbers 10700-1 obtained on 21 July 1980, commercial registration number 10700-2 obtained on 2 March 2017 and commercial registration number 10700-3 obtained on 26 January 2019.

The principal objectives of the Company include establishing or investing in:

- Facilities for processing, packing and storing of fresh and frozen chicken;
- Feed factories;
- Integrated project for broiler meat;
- Wholesale and retail distribution networks affording easy accessibility for consumers; and
- Participate in incorporation of companies operate similar or supporting activities in Bahrain or abroad.

The Company is also allowed to invest its surplus funds in all types of investments.

Current operations, all in Bahrain, are as follows:

- Chicken processing plant at Hamala
- Feedmill at Mina Salman
- Chicks hatchery at Al-Buhair

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

Name and status of the divisions:

<u>Name</u>	<u>Commercial registration number</u>	<u>Status</u>
Delmon Poultry Company	10700-1	Active
Delmon Poultry Company	10700-2	Active
Delmon Poultry Company	10700-3	Active

These condensed interim financial information, set out on pages 5 to 16 was approved and authorised for issue by the Board of Directors and signed on 11 December 2022.

2 Basis of preparation

Basis of presentation

The condensed interim financial information has been prepared 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 prepared as at, and for the year ended, 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards.

The preparation of condensed interim financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

These condensed interim financial information have been prepared using the going concern assumption under the historical cost convention, except for financial assets at fair value which are carried at their fair values and investment in associate which is equity accounted.

These condensed interim financial information has been presented in Bahraini Dinar (BD) which is also the functional currency of the Company.

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
for the quarter and nine months ended 30 September 2022
(Reviewed)
(Expressed in Bahrain Dinars)

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 period with earlier adoption.

Standards, amendments and interpretations issued and effective in 2022 but not relevant

The following new amendments to existing standard and interpretation to published standard are mandatory for accounting period beginning on or after 1 January 2022 or subsequent periods, but are not relevant to the Company's operations:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IFRS 1	Subsidiary as a first-time adopter	1 January 2022
IFRS 3	Reference to the conceptual framework	1 January 2022
IAS 16	Property, plant and equipment - proceeds before intended use	1 January 2022
IAS 37	Onerous contracts - cost of fulfilling a contract	1 January 2022
IFRS 9	Derecognition of financial liabilities	1 January 2022

New standard, interpretation and amendments issued but not yet effective in 2022

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 September 2022. They have not been adopted in preparing the condensed interim financial information for the period ended 30 September 2022 and will or may have an effect on the entity's future financial statements. In all cases, the Company intends to apply these standards from application date as indicated in the table below:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 1	Disclosure of accounting policies	1 January 2023
IAS 1	Classification of liabilities as current or non-current	1 January 2023
IAS 8	Definition of accounting estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

Early adoption of amendments or standards in 2022

The Company did not early-adopt any new or amended standards in 2022. There would have been no change in the financial position and operational results of the Company for the period ended 30 September 2022 had the Company early adopted the above standard.

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
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3 Significant accounting policies

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 2021, as described in those annual audited financial statements.

4 Earnings per share

	Quarter ended 30 September 2022	Quarter ended 30 September 2021	Nine months ended 30 September 2022	Nine months ended 30 September 2021
Net (loss)/profit for the period	<u>(58,240)</u>	<u>4,647</u>	<u>(352,958)</u>	<u>322,515</u>
Weighted average number of shares outstanding	<u>30,595,344</u>	<u>30,595,344</u>	<u>30,595,344</u>	<u>30,595,344</u>
Earnings per share (fils)	<u>(1.90)</u>	<u>0.15</u>	<u>(11.54)</u>	<u>10.54</u>

The earnings per share has been computed on the basis of net (loss)/profit for the nine months ended 30 September divided by the weighted average number of shares outstanding for the period total of 31,209,277, net of 613,933 treasury shares. The Company does not have any potentially dilutive ordinary shares, hence the diluted earnings per share and basic earnings per share are identical.

5 Appropriations

The Annual General Meeting of shareholders held on 22 March 2022 has approved cash dividends of BD152,977 for the year ended 31 December 2021 at 5 fils per share representing 5% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2021 (2020:BD305,951).

6 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 entities over which the Company exercises significant influence, major shareholders, directors and executive management of the Company.

Transactions with entities controlled by directors, or over which they exert significant influence are as per the fixed contract price agreed by the Company, government and those entities. Other related party transactions are authorised by the management and conducted on an arm's length basis or on normal commercial terms.

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
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6 Transactions and balances with related parties (continued)

The related party transactions and balances included in these condensed interim financial information are as follows:

	<u>30 September 2022</u>				<u>31 December 2021</u>		<u>30 September 2021</u>	
	<u>Receivables</u>	<u>Sales</u>	<u>Other (*)</u>	<u>Purchases</u>	<u>Receivables</u>	<u>Payables</u>	<u>Sales</u>	<u>Purchases</u>
Major shareholders	507,523	1,604,808	942,760	-	227,771	-	536,173	-
Entities controlled by directors	<u>50,247</u>	<u>407,215</u>	<u>-</u>	<u>426,038</u>	<u>1,329</u>	<u>(42,383)</u>	<u>291,747</u>	<u>367,812</u>
Total	<u>557,770</u>	<u>2,012,023</u>	<u>942,760</u>	<u>426,038</u>	<u>229,100</u>	<u>(42,383)</u>	<u>827,920</u>	<u>367,812</u>

(*) During the period, the Company has disposed all its investment in Bahrain Livestock Company B.S.C. (c) to a related party for proceeds of BD942,760.

Key management personnel of the Company comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation is as follows:

	<u>Nine months ended 30 September 2022</u>	<u>Nine months ended 30 September 2021</u>
Board of directors attendance fees	53,000	46,500
Executive directors' remuneration	<u>1,345</u>	<u>-</u>
	<u>54,345</u>	<u>46,500</u>

7 Property, plant and equipment

Additions to property, plant and equipment during the nine months period ended 30 September 2022 amounted to BD876,791 (30 September 2021: BD204,047). Disposals of property, plant and equipment during the nine months period ended 30 September 2022 amounted to BDNil (30 September 2021: BD1,792). Depreciation in the property, plant and equipment during the nine months period ended 30 September 2022 amounted to BD313,417 (30 September 2021: BD336,484).

8 Investment in an associate

	<u>Carrying amount</u>	<u>Goodwill</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
Opening balance	1,282,392	61,084	1,343,476	1,442,090
Company's share in loss for the period/year	(29,277)	-	(29,277)	(112,501)
Company's share of the associate's net change in fair value of the investments and other reserves for the period/year	267	-	267	13,887
Reversal of reserve on disposal of associate company	30,178	-	30,178	-
Disposals during the period/year	<u>(1,283,560)</u>	<u>(61,084)</u>	<u>(1,344,644)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,343,476</u>

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
for the quarter and nine months ended 30 September 2022
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8 Investment in an associate (continued)

During the period, the Company has disposed all its investment in associate to a related party and the summary of the transaction is as follows:

	Nine months ended 30 September 2022	Nine months ended 30 September 2021
Proceeds from disposal	942,760	-
Less: carrying amount of the investment	<u>(1,344,644)</u>	<u>-</u>
Loss on disposal	<u>(401,884)</u>	<u>-</u>

9 Segmental information

As at and for the nine months period ended 30 September 2022 (Reviewed)

	<u>Chicken</u>	<u>Feeds</u>	<u>Chicks</u>	<u>Investments</u>	<u>Unallocated</u>	<u>Total</u>
Sales	7,904,397	4,394,175	1,423,684	-	-	13,722,256
Cost of sales	<u>(6,927,367)</u>	<u>(4,942,149)</u>	<u>(1,359,728)</u>	<u>-</u>	<u>-</u>	<u>(13,229,244)</u>
Gross profit/(loss)	977,030	(547,974)	63,956	-	-	493,012
Other income	2,827	9,077	29,241	-	53,543	94,688
Other operating expenses	<u>(334,986)</u>	<u>(239,274)</u>	<u>(65,789)</u>	<u>-</u>	<u>-</u>	<u>(640,049)</u>
Profit/(loss) from operations	644,871	(778,171)	27,408	-	53,543	(52,349)
Investments income	-	-	-	181,419	-	181,419
Share of loss in an associate	-	-	-	(29,277)	-	(29,277)
Loss on disposal of associate company	-	-	-	(401,884)	-	(401,884)
Finance costs	(4,536)	(8,793)	(1,674)	-	(25,311)	(40,314)
Unrealised fair value losses on financial assets at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,553)</u>	<u>-</u>	<u>(10,553)</u>
Net profit/(loss) for the period	<u>640,335</u>	<u>(786,964)</u>	<u>25,734</u>	<u>(260,295)</u>	<u>28,232</u>	<u>(352,958)</u>
Total Company's assets	<u>4,060,188</u>	<u>5,135,263</u>	<u>1,282,266</u>	<u>4,485,613</u>	<u>2,147,954</u>	<u>17,111,284</u>
Total Company's liabilities	<u>553,909</u>	<u>1,242,649</u>	<u>115,922</u>	<u>-</u>	<u>1,450,614</u>	<u>3,363,094</u>

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
for the quarter and nine months ended 30 September 2022
(Reviewed)
(Expressed in Bahrain Dinars)

9 Segmental information (continued)

As at 31 December 2021 and for the nine months ended 30 September 2021 (Reviewed)

	<u>Chicken</u>	<u>Feeds</u>	<u>Chicks</u>	<u>Investments</u>	<u>Unallocated</u>	<u>Total</u>
Sales	6,606,485	3,145,258	1,382,266	-	-	11,134,009
Cost of sales	<u>(5,983,145)</u>	<u>(3,539,948)</u>	<u>(1,133,009)</u>	-	-	<u>(10,656,102)</u>
Gross profit/(loss)	623,340	(394,690)	249,257	-	-	477,907
Other income	10,201	240	17,874	-	250,367	278,682
Other operating expenses	<u>(324,558)</u>	<u>(191,024)</u>	<u>(62,100)</u>	-	-	<u>(577,682)</u>
Profit/(loss) from operations	308,983	(585,474)	205,031	-	250,367	178,907
Investments income	-	-	-	173,550	-	173,550
Share of loss in an associate	-	-	-	(75,673)	-	(75,673)
Finance costs	-	-	-	-	(36,563)	(36,563)
Unrealised fair value gains on financial assets at fair value through profit or loss	-	-	-	82,294	-	82,294
Net profit/(loss) for the period	<u>308,983</u>	<u>(585,474)</u>	<u>205,031</u>	<u>180,171</u>	<u>213,804</u>	<u>322,515</u>
Total Company's assets	<u>4,325,353</u>	<u>3,485,098</u>	<u>871,791</u>	<u>5,396,045</u>	<u>2,205,660</u>	<u>16,283,947</u>
Total Company's liabilities	<u>633,800</u>	<u>413,507</u>	<u>179,989</u>	<u>-</u>	<u>889,737</u>	<u>2,117,033</u>

10 COVID-19 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 disruption to its operations in the following respects:

- Disruptions in the supply of inventory from its suppliers where the costs of the raw materials and the shipping costs increased;
- Fluctuation demand for certain products as a consequence of social distancing requirements and recommendations; and
- 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.

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:

- Going concern; and
- Commitment and contingent liabilities.

10 COVID-19 events and transactions (continued)

(a) Going concern

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 2021. As a result, this condensed interim financial information has been appropriately prepared on a going concern basis.

(b) 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 material issued were noted.

11 Interim results

The interim net profit for the nine months period ended 30 September 2022 may not represent a proportionate share of the annual net profit or loss due to the nature of the Company's activities, timing of the receipt of dividend and investment income.

12 Subsequent events

There were no significant events subsequent to 30 September 2022 and occurring before the date of signing the condensed interim financial information that are expected to have a significant impact on these condensed interim financial information.

Schedule (1): Quantities produced and sold

	Nine months period ended <u>30 September 2022</u>	Nine months period ended <u>30 September 2021</u>
Quantities sold		
Chicken	5,942,519 KG	5,423,254 KG
Feed	25,933 ton	22,224 ton
Chicks	6,991,088 chicks	6,890,937 chicks
Quantities produced		
Chicken	6,024,012 KG	5,497,043 KG
Feed	25,844 ton	22,203 ton
Chicks	6,943,230 chicks	7,025,272 chicks