

Delmon Poultry Company B.S.C.

Condensed interim financial information
for the three months period ended
31 March 2023
(Reviewed)

Delmon Poultry Company B.S.C.
Condensed interim financial information for the three months period ended 31 March 2023
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Delmon Poultry Company B.S.C.
Administration and contact details as at 31 March 2023

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 Talal Mohamed Abdulla Al Mannai Esam Abdulhameed Zainal Jaffar Mohamed Ali Al Dhaif Hasan Nabeel Ebrahim Al Mahroos Fouad Ebrahim Almutawa Abdulla Jasim Al Ahmed
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 Talal Mohamed Abdulla Al Mannai Fouad Ebrahim Yousif Almutawa
Governance Committee	Fouad Ebrahim Almutawa (Chairman) Abdulredha Mohamed Al Daylami Abdulla Jasim Al Ahmed Jaffar Mohamed Ali Al Dhaif
Nomination and Remuneration Committee	Yousuf Saleh Al-Saleh (Chairman) Abdulredha Mohamed Al Daylami Jaffar Mohamed Ali Al Dhaif Talal Mohamed Abdulla Al Mannai
Tenders and Procurement Committee	Esam Abdulhameed Zainal (Chairman) Hasan Nabeel Ebrahim Al Mahroos
Chief Executive Officer (CEO)	Abdulhadi Mirza Jaffar

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
17th Floor
Diplomatic Commercial Office Tower
PO Box 787
Manama
Kingdom of Bahrain

Internal Auditor

Grant Thornton - Abdulaal
12th 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 31 March 2023, 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 three 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 31 March 2023, and its financial performance and its cash flows for the three months then ended in accordance with International Accounting Standard 34 - *"Interim financial reporting"*.



Manama, Kingdom of Bahrain
10 May 2023




Delmon Poultry Company B.S.C.
Condensed interim statement of financial position as at 31 March 2023
(Reviewed)
(Expressed in Bahrain Dinars)

See Auditor's Report dated 10/5/23
Signed by BDO, CR No. 10201-04
Partner: Samson Kattuvattil
Reg. No. 239
Signature: 

	31 March 2023 (Reviewed)	31 December 2022 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	5,135,304	4,688,861
Right-of-use assets	552,412	565,033
Financial assets at fair value through other comprehensive income	3,196,180	3,149,453
Financial assets at fair value through profit or loss	679,241	710,463
Investments at amortised cost	250,000	250,000
	<u>9,813,137</u>	<u>9,363,810</u>
Current assets		
Inventories	3,194,035	2,972,473
Trade and other receivables	2,986,571	2,897,793
Cash and bank balances	899,290	1,284,813
	<u>7,079,896</u>	<u>7,155,079</u>
TOTAL ASSETS	<u>16,893,033</u>	<u>16,518,889</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	2,478,798	2,432,071
Retained earnings	2,284,014	2,159,991
Treasury shares	(122,398)	(122,398)
Total shareholders' equity	<u>14,314,806</u>	<u>14,144,056</u>
Non-current liabilities		
Non-current portion of lease liabilities	597,164	629,686
Non-current portion of deferred income	139,449	155,782
Employees' terminal benefits	50,030	47,266
	<u>786,643</u>	<u>832,734</u>
Current liabilities		
Current portion of lease liabilities	14,650	13,654
Current portion of deferred income	13,806	13,806
Trade and other payables	1,211,310	1,013,937
Short-term borrowings	551,818	500,702
	<u>1,791,584</u>	<u>1,542,099</u>
Total liabilities	<u>2,578,227</u>	<u>2,374,833</u>
TOTAL EQUITY AND LIABILITIES	<u>16,893,033</u>	<u>16,518,889</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 three months period ended 31 March 2023
(Reviewed)
(Expressed in Bahrain Dinars)

See Auditor's Report dated 10/5/23
Signed by BDO, CR No. 10201-04
Partner: Samson Kattuvattil
Reg. No. 239
Signature: 

	Three months period ended 31 March 2023 (Reviewed)	Three months period ended 31 March 2022 (Reviewed)
Sales	4,881,574	4,569,726
Cost of sales	<u>(4,539,029)</u>	<u>(4,280,286)</u>
Gross profit for the period	342,545	289,440
Other income	60,608	44,844
Other operating expenses	<u>(193,047)</u>	<u>(209,590)</u>
Profit from operations	210,106	124,694
Finance costs	(23,732)	(7,167)
Investment income	126,990	130,027
Unrealised fair value (losses)\gains on financial assets at fair value through profit or loss	(36,364)	49,556
Share of loss in an associate	<u>-</u>	<u>(23,627)</u>
Net profit for the period	<u>277,000</u>	<u>273,483</u>
Basic earnings per share (fils)	<u>9.05</u>	<u>8.94</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 three months period ended 31 March 2023
(Reviewed)
(Expressed in Bahrain Dinars)

See Auditor's Report dated 10/5/23
Signed by BDO, CR No. 10201-04
Partner: Samson Kattuvattil
Reg. No. 239
Signature: 

	Three months period ended 31 March <u>2023</u> (Reviewed)	Three months period ended 31 March <u>2022</u> (Reviewed)
Net profit for the period	277,000	273,483
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Valuation gains on financial assets at fair value through other comprehensive income	46,727	257,431
<i>Items that may be reclassified into profit or loss:</i>		
Company's share in associate's other comprehensive loss	-	(4,173)
Other comprehensive income for the period	<u>46,727</u>	<u>253,258</u>
Total comprehensive income for the period	<u>323,727</u>	<u>526,741</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 three months period ended 31 March 2023
(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 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
Net profit for the period	-	-	-	-	-	273,483	-	273,483
Other comprehensive income for the period	-	-	-	-	253,258	-	-	253,258
Dividends for 2021 (Note 5)	-	-	-	-	-	(152,977)	-	(152,977)
At 31 March 2022 (Reviewed)	3,120,928	1,560,464	3,993,000	1,000,000	2,579,852	2,408,832	(122,398)	14,540,678
At 31 December 2022 (Audited)	3,120,928	1,560,464	3,993,000	1,000,000	2,432,071	2,159,991	(122,398)	14,144,056
Net profit for the period	-	-	-	-	-	277,000	-	277,000
Other comprehensive income for the period	-	-	-	-	46,727	-	-	46,727
Dividends for 2022 (Note 5)	-	-	-	-	-	(152,977)	-	(152,977)
At 31 March 2023 (Reviewed)	3,120,928	1,560,464	3,993,000	1,000,000	2,478,798	2,284,014	(122,398)	14,314,806

Delmon Poultry Company B.S.C.**Condensed interim statement of cash flows for the three months period ended 31 March 2023****(Reviewed)****(Expressed in Bahrain Dinars)**

	Three months period ended 31 March 2023 (Reviewed)	Three months period ended 31 March 2022 (Reviewed)
Operating activities		
Net profit for the period	277,000	273,483
Adjustments for:		
Depreciation of property, plant and equipment	95,484	106,457
Amortisation of right-of-use assets	12,621	7,878
Finance costs	23,732	7,167
Unrealised fair value losses\ (gains) on financial assets at fair value through profit or loss	36,364	(49,556)
Unrealised foreign exchange gains	(5,143)	-
Share of loss of associate	-	23,627
Interest and dividends income	(126,990)	(130,027)
Changes in operating assets and liabilities:		
Inventories	(221,562)	391,556
Trade and other receivables	(88,778)	(349,882)
Trade and other payables	197,374	161,102
Employees' terminal benefits, net	2,764	1,959
Net cash provided by operating activities	<u>202,866</u>	<u>443,764</u>
Investing activities		
Purchase of property, plant and equipment	(541,927)	(269,555)
Interest and dividends income received	126,990	130,027
Net cash used in investing activities	<u>(414,937)</u>	<u>(139,528)</u>
Financing activities		
Principal repayment of lease liabilities	(31,526)	(24,330)
Net movement in short-term borrowings	51,116	(97,969)
Net movement in deferred income	(16,333)	(3,450)
Finance cost paid	(23,732)	(7,167)
Dividends paid	<u>(152,977)</u>	<u>(152,977)</u>
Net cash used in financing activities	<u>(173,452)</u>	<u>(285,893)</u>
Net (decrease)/increase in cash and cash equivalents	(385,523)	18,343
Cash and cash equivalents, beginning of the period	1,284,813	1,124,427
Cash and cash equivalents, end of the period	<u>899,290</u>	<u>1,142,770</u>

1 Organisation and activities

Delmon Poultry Company B.S.C. ("the Company") is a public shareholding company registered with the Ministry of Commerce and Industry 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

Theses condensed interim financial information, set out on pages 5 to 15 was approved and authorised for issue by the Board of Directors and signed on 10 May 2023.

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 2022, 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.

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 2023 but not relevant

The following new amendments to existing standards and interpretations to published standards are mandatory for accounting period beginning on or after 1 January 2023 or subsequent periods, but are 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 2023
IAS 8	Accounting policies, changes in accounting estimates and errors	1 January 2023
IAS 12	Income taxes	1 January 2023
IFRS 17	Insurance contracts	1 January 2023

New standard, interpretation and amendments issued but not yet effective in 2023

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 31 March 2023. They have not been adopted in preparing the condensed interim financial information for the period ended 31 March 2023 and will or may have an effect on the Company's future financial statements. In all cases, the Company 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>
IAS 1	Presentation of financial statements	1 January 2024
IFRS 16	Leases	1 January 2024

Early adoption of amendments or standards in 2023

The Company did not early-adopt any new or amended standards in 2023. There would have been no change in the condensed financial position and operational results of the Company for the period ended 31 March 2023 had the Company early adopted the above standard.

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 2022, as described in those annual audited financial statements.

4 Earnings per share

	Three months period ended 31 March 2023 (Reviewed)	Three months period ended 31 March 2022 (Reviewed)
Net profit for the period	<u>277,000</u>	<u>273,483</u>
Weighted average number of shares outstanding	<u>30,595,344</u>	<u>30,595,344</u>
Earnings per share (fils)	<u>9.05</u>	<u>8.94</u>

The earnings per share has been computed on the basis of net profit for the three months ended 31 March 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 2023 has approved cash dividends of BD152,977 for the year ended 31 December 2022 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 2022 (2021:BD152,977).

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
for the three months period ended 31 March 2023
(Reviewed)
(Expressed in Bahrain Dinars)

6 Transactions and balances with related parties (continued)

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

	31 March 2023			31 December 2022		31 March 2022	
	<u>Receivables</u>	<u>Sales</u>	<u>Purchases</u>	<u>Receivables</u>	<u>Payables</u>	<u>Sales</u>	<u>Purchases</u>
Major shareholders	42,318	42,981	-	205,942	-	358,175	-
Entities controlled by directors	<u>65,426</u>	<u>162,809</u>	<u>158,945</u>	<u>998</u>	<u>(9,186)</u>	<u>78,833</u>	<u>103,510</u>
Total	<u>107,744</u>	<u>205,790</u>	<u>158,945</u>	<u>206,940</u>	<u>(9,186)</u>	<u>437,008</u>	<u>103,510</u>

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:

	Three months ended 31 March 2023	Three months ended 31 March 2022
Board of directors attendance fees	<u>11,000</u>	<u>20,500</u>

7 Property, plant and equipment

Additions to property, plant and equipment during the three months period ended 31 March 2023 amounted to BD 541,927 (31 March 2022: BD269,555). There were no disposals of property, plant and equipment during the three months period ended 31 March 2023 (31 March 2022: BDNil). Depreciation in the property, plant and equipment during the three months period ended 31 March 2023 amounted to BD95,484 (31 March 2022: BD106,457)

Delmon Poultry Company B.S.C.
Selected explanatory notes to the condensed interim financial information
for the three months period ended 31 March 2023
(Reviewed)
(Expressed in Bahrain Dinars)

8 Segmental information:

As at and for the three months period ended 31 March 2023 (Reviewed):

	<u>Chicken</u>	<u>Feeds</u>	<u>Chicks</u>	<u>Investments</u>	<u>Unallocated</u>	<u>Total</u>
Sales	3,093,494	1,238,999	549,081	-	-	4,881,574
Cost of sales	<u>(2,636,282)</u>	<u>(1,421,628)</u>	<u>(481,119)</u>	-	-	<u>(4,539,029)</u>
Gross profit/(loss)	457,212	(182,629)	67,962	-	-	342,545
Other income	16,990	1,120	1,493	-	41,005	60,608
Other operating expenses	<u>(112,122)</u>	<u>(60,463)</u>	<u>(20,462)</u>	-	-	<u>(193,047)</u>
Profit/(loss) from operations	362,080	(241,972)	48,993	-	41,005	210,106
Investments income	-	-	-	126,990	-	126,990
Finance costs	(1,503)	(2,850)	(534)	-	(18,845)	(23,732)
Unrealised fair value losses on financial assets at fair value through profit or loss	-	-	-	(36,364)	-	(36,364)
Net profit/(loss) for the period	<u>360,577</u>	<u>(244,822)</u>	<u>48,459</u>	<u>90,626</u>	<u>22,160</u>	<u>277,000</u>
Total Company's assets	<u>3,631,086</u>	<u>4,075,813</u>	<u>1,994,494</u>	<u>4,125,422</u>	<u>3,066,218</u>	<u>16,893,033</u>
Total Company's liabilities	<u>622,357</u>	<u>708,060</u>	<u>412,961</u>	<u>-</u>	<u>834,849</u>	<u>2,578,227</u>

As at 31 December 2022 and for the three months period ended 31 March 2022 (Reviewed):

	<u>Chicken</u>	<u>Feeds</u>	<u>Chicks</u>	<u>Investments</u>	<u>Unallocated</u>	<u>Total</u>
Sales	2,825,460	1,324,266	420,000	-	-	4,569,726
Cost of sales	<u>(2,430,388)</u>	<u>(1,433,877)</u>	<u>(416,021)</u>	-	-	<u>(4,280,286)</u>
Gross profit/(loss)	395,072	(109,611)	3,979	-	-	289,440
Other income	1,020	-	28,712	-	15,112	44,844
Other operating expenses	<u>(118,814)</u>	<u>(70,334)</u>	<u>(20,442)</u>	-	-	<u>(209,590)</u>
Profit/(loss) from operations	277,278	(179,945)	12,249	-	15,112	124,694
Investments income	-	-	-	130,027	-	130,027
Share of loss in an associate	-	-	-	(23,627)	-	(23,627)
Finance costs	(1,536)	(3,159)	-	-	(2,472)	(7,167)
Unrealised fair value gains on financial assets at fair value through profit or loss	-	-	-	49,556	-	49,556
Net profit/(loss) for the period	<u>275,742</u>	<u>(183,104)</u>	<u>12,249</u>	<u>155,956</u>	<u>12,640</u>	<u>273,483</u>
Total Company's assets	<u>4,103,182</u>	<u>4,050,930</u>	<u>1,515,689</u>	<u>4,109,917</u>	<u>2,739,171</u>	<u>16,518,889</u>
Total Company's liabilities	<u>558,961</u>	<u>812,105</u>	<u>206,925</u>	<u>-</u>	<u>796,842</u>	<u>2,374,833</u>

10 Interim results

The interim net profit for the three months period ended 31 March 2023 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.

11 Subsequent events

There were no significant events subsequent to 31 March 2023 and occurring before the date of signing of the condensed interim financial information that would have a significant impact on these condensed interim financial information.

Schedule (1): Quantities produced and sold

	Three months period ended 31 March 2023	Three months period ended 31 March 2022
Quantities sold		
Chicken	2,164,304 KG	2,201,661 KG
Feed	7,281 ton	8,627 ton
Chicks	2,671,084 chicks	2,118,783 chicks
Quantities produced		
Chicken	2,182,599 KG	2,279,625 KG
Feed	7,093 ton	8,487 ton
Chicks	2,700,960 chicks	2,098,660 chicks