

**Trafco Group B.S.C.**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 SEPTEMBER 2020 (REVIEWED)**



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

### Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Trafco Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as of 30 September 2020, and the related interim consolidated statement of profit or loss account and other comprehensive income for three-month and nine-month periods then ended and the related interim consolidated statements of 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 the 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.

10 November 2020  
Manama, Kingdom of Bahrain

**Trafco Group B.S.C.**
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER  
COMPREHENSIVE INCOME**

For the period ended 30 September 2020 (Reviewed)

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2020	2019	2020	2019
		BD	BD	BD	BD
Revenue from contracts with customers	4	<b>9,128,708</b>	9,201,490	<b>28,247,702</b>	28,523,298
Costs of revenue		<b>(7,269,020)</b>	(7,092,218)	<b>(22,329,430)</b>	(22,315,692)
<b>GRASS PROFIT</b>		<b>1,859,688</b>	2,109,272	<b>5,918,272</b>	6,207,606
Other operating income		<b>95,832</b>	122,081	<b>202,730</b>	195,003
Personnel costs		<b>(952,752)</b>	(879,551)	<b>(2,922,464)</b>	(2,750,835)
General and administration expenses		<b>(156,175)</b>	(257,525)	<b>(733,943)</b>	(888,697)
Selling and distribution expenses		<b>(116,737)</b>	(230,615)	<b>(620,657)</b>	(617,958)
Depreciation on property, plant and equipment		<b>(105,117)</b>	(143,396)	<b>(311,718)</b>	(281,004)
Depreciation on right-of-use assets		<b>(155,856)</b>	(145,310)	<b>(331,700)</b>	(329,278)
<b>PROFIT FROM OPERATIONS</b>		<b>468,883</b>	574,956	<b>1,200,520</b>	1,534,837
Investment income		<b>21,549</b>	84,501	<b>580,344</b>	668,011
Other income	1	<b>141,122</b>	-	<b>563,935</b>	-
Share of results of an associate		<b>(36,357)</b>	(33,317)	<b>(62,090)</b>	(24,652)
Finance costs		<b>(33,309)</b>	(136,181)	<b>(112,137)</b>	(223,026)
Finance costs on lease liabilities		<b>(29,889)</b>	(44,807)	<b>(92,265)</b>	(112,997)
Foreign exchange gains, net		<b>23,768</b>	3,017	<b>31,324</b>	793
<b>PROFIT OF THE GROUP FOR THE PERIOD</b>		<b>555,767</b>	448,169	<b>2,109,631</b>	1,842,966
of which profit attributable to non-controlling interests		<b>(277,302)</b>	(206,879)	<b>(734,729)</b>	(543,464)
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF TRAFCO GROUP B.S.C.</b>		<b>278,465</b>	241,290	<b>1,374,902</b>	1,299,502
<b>BASIC AND DILUTED EARNINGS PER SHARE (FILS)</b>	6	<b>4</b>	3	<b>18</b>	17
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
- Gains on disposals of non-trading investments, net		<b>30,443</b>	17,791	<b>54,099</b>	126,197
- Net changes in fair value of non-trading investments		<b>364,739</b>	420,833	<b>(355,770)</b>	1,332,611
- Share of associate's other comprehensive (loss) income		<b>(11)</b>	4,438	<b>(31,042)</b>	(10,787)
		<b>395,171</b>	443,062	<b>(332,713)</b>	1,448,021
<i>Items to be reclassified to profit or loss in subsequent periods:</i>					
- Exchange differences on translation of foreign operations		<b>(9,770)</b>	956	<b>(32,191)</b>	636
<b>Other comprehensive income (loss) for the period</b>		<b>385,401</b>	444,018	<b>(364,904)</b>	1,448,657
<b>TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE PERIOD</b>		<b>941,168</b>	892,187	<b>1,744,727</b>	3,291,623
of which comprehensive income attributable to non-controlling interests		<b>(283,365)</b>	(217,039)	<b>(710,527)</b>	(565,499)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF TRAFCO GROUP B.S.C.</b>		<b>657,803</b>	675,148	<b>1,034,200</b>	2,726,124


  
Ebrahim Mohamed Ali Zainal  
Chairman


  
Yusuf Saleh Abdulla AlSaleh  
Vice Chairman


  
S Sridhar  
Group Chief Executive Officer

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.


# Trafco Group B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020 (Reviewed)

	<b>30 September 2020 (Reviewed) BD</b>	<b>31 December 2019 (Audited) BD</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,663,871	9,916,607
Right-of-use assets	1,950,749	2,241,007
Investment in an associate	1,480,137	1,573,269
Non-trading investments	12,294,289	12,275,423
	<b>25,389,046</b>	<b>26,006,306</b>
<b>Current assets</b>		
Inventories	7,871,349	8,414,823
Trade and other receivables	8,628,475	8,628,912
Cash, bank balances and short-term deposits	2,612,648	2,327,365
	<b>19,112,472</b>	<b>19,371,100</b>
<b>TOTAL ASSETS</b>	<b>44,501,518</b>	<b>45,377,406</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	8,067,505	8,067,505
Treasury shares	(1,644,095)	(1,644,095)
Share premium	3,386,502	3,386,502
Reserves	16,252,839	16,335,005
<b>Equity attributable to shareholders of Trafco</b>	<b>26,062,751</b>	<b>26,144,917</b>
Non-controlling interests	4,331,854	3,621,327
<b>Total equity</b>	<b>30,394,605</b>	<b>29,766,244</b>
<b>Non-current liabilities</b>		
Lease liabilities	1,526,184	1,803,064
Employees' end of service benefits	1,511,309	1,398,629
Term loans	833,218	747,292
Retentions payable	-	80,294
	<b>3,870,711</b>	<b>4,029,279</b>
<b>Current liabilities</b>		
Trade and other payables	5,137,608	6,393,612
Import loans	3,871,602	3,198,139
Lease liabilities	530,882	508,361
Bank overdrafts	208,846	1,010,086
Term loans	195,376	152,819
Contract and refund liabilities	291,888	318,866
	<b>10,236,202</b>	<b>11,581,883</b>
<b>Total liabilities</b>	<b>14,106,913</b>	<b>15,611,162</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>44,501,518</b>	<b>45,377,406</b>

  
 Ebrahim Mohamed Ali Zainal  
 Chairman

  
 Yusuf Saleh Abdulla AlSaleh  
 Vice Chairman

  
 S Sridhar  
 Group Chief Executive Officer

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

# Trafco Group B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2020 (Reviewed)

	Note	<i>Nine-month period ended</i>	
		<i>30 September</i>	
		<b>2020</b>	<b>2019</b>
		<b>BD</b>	<b>BD</b>
<b>OPERATING ACTIVITIES</b>			
Profit of the Group for the period		<b>2,109,631</b>	1,842,966
Adjustments for:			
Investment income - net		<b>(580,344)</b>	(668,011)
Depreciation of property, plant and equipment		<b>764,961</b>	712,024
Depreciation of right-of-use assets		<b>331,700</b>	303,024
Finance costs		<b>112,137</b>	223,026
Finance costs on lease liabilities		<b>92,265</b>	112,997
Provision for employees' end of service benefits		<b>194,565</b>	171,775
Share of results of an associate		<b>62,090</b>	24,652
Provision for slow moving and obsolete of inventories		<b>58,162</b>	38,754
Allowance for expected credit losses		<b>114,779</b>	31,936
Gain on disposals of property, plant and equipment		<b>(4,074)</b>	(6,752)
Operating profit before changes in working capital		<b>3,255,872</b>	2,786,391
Working capital changes:			
Inventories		<b>485,312</b>	(70,705)
Trade and other receivables		<b>(113,102)</b>	(78,511)
Trade and other payables		<b>(887,542)</b>	(1,110,270)
Contract and refund liabilities		<b>(26,978)</b>	20,104
Net cash generated from operations		<b>2,713,562</b>	1,547,009
Finance costs paid		<b>(94,180)</b>	(234,672)
Directors' remuneration paid		<b>(122,577)</b>	(160,502)
Employees' end of service benefits paid		<b>(81,885)</b>	(119,857)
Net cash flows from operating activities		<b>2,414,920</b>	1,031,978
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(513,420)</b>	(1,522,615)
Proceeds from disposals of property, plant and equipment		<b>5,269</b>	24,750
Proceeds from disposals of non-trading investments		<b>23,196</b>	293,792
Purchase of non-trading investments		<b>(343,733)</b>	(304,890)
Dividends and interest received		<b>579,104</b>	657,101
Short-term deposits with original maturities of more than three months		<b>(1,740,950)</b>	-
Net cash flows used in investing activities		<b>(1,990,534)</b>	(851,862)
<b>FINANCING ACTIVITIES</b>			
Dividends paid	9	<b>(1,423,304)</b>	(1,256,208)
Net movements in import loans		<b>673,463</b>	1,583,046
Net movements in term loans		<b>128,483</b>	461,893
Payment of principal portion of lease liabilities		<b>(295,801)</b>	(239,712)
Net movement in retentions payable		<b>(37,198)</b>	65,095
Finance costs paid on lease liabilities		<b>(92,265)</b>	(112,997)
Purchase of treasury shares		<b>-</b>	(777,999)
Net cash flows used in financing activities		<b>(1,046,622)</b>	(276,882)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(622,236)</b>	(96,766)
Foreign currency translation adjustments - net		<b>(32,191)</b>	636
Cash and cash equivalents at 1 January		<b>1,317,279</b>	1,801,109
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER (a)</b>		<b>662,852</b>	1,704,979

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

## Trafco Group B.S.C.

### INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the period ended 30 September 2020 (Reviewed)

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

	<i>Nine-month period ended 30 September</i>	
	<b>2020</b>	2019
	<b>BD</b>	<b>BD</b>
Cash, bank balances and short-term deposits	<b>2,612,648</b>	2,758,996
Less: Bank overdrafts	<b>(208,846)</b>	(1,054,017)
Less: Short term deposits	<b>(1,740,950)</b>	-
	<b>662,852</b>	<b>1,704,979</b>

**Non-cash item:**

Unclaimed dividends of BD 306,938 (2019: BD 111,521) pertaining to prior periods have been adjusted from the movement of trade and other payables.

# Trafco Group B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2020 (Reviewed)

	Attributable to Trafco's shareholders													Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Fair value reserves	Reserves				Total reserves	Total Trafco's shareholders			
							Foreign currency reserves	Retained earnings - distributable	Retained earnings not-distributable	Proposed appropriations					
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD		
Balance at 1 January 2020	8,067,505	(1,644,095)	3,386,502	3,923,300	1,415,000	6,353,401	(36,610)	3,086,316	427,232	1,166,366	16,335,005	26,144,917	3,621,327	29,766,244	
Profit for the period	-	-	-	-	-	-	-	1,374,902	-	-	1,374,902	1,374,902	734,729	2,109,631	
Other comprehensive loss for the period	-	-	-	-	-	(324,285)	(16,417)	-	-	-	(340,702)	(340,702)	(24,202)	(364,904)	
Total comprehensive (loss) income for the period	-	-	-	-	-	(324,285)	(16,417)	1,374,902	-	-	1,034,200	1,034,200	710,527	1,744,727	
Dividends (note 9)	-	-	-	-	-	-	-	-	-	(1,116,366)	(1,116,366)	(1,116,366)	-	(1,116,366)	
Transfer to general reserve	-	-	-	-	50,000	-	-	-	-	(50,000)	-	-	-	-	
Gains on disposals of non-trading investments, net	-	-	-	-	-	(54,099)	-	54,099	-	-	-	-	-	-	
<b>Balance at 30 September 2020</b>	<b>8,067,505</b>	<b>(1,644,095)</b>	<b>3,386,502</b>	<b>3,923,300</b>	<b>1,465,000</b>	<b>5,975,017</b>	<b>(53,027)</b>	<b>4,515,317</b>	<b>427,232</b>	<b>-</b>	<b>16,252,839</b>	<b>26,062,751</b>	<b>4,331,854</b>	<b>30,394,605</b>	

	Attributable to Trafco's shareholders													Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Fair value and other reserves	Reserves				Total reserves	Total Trafco's shareholders			
							Foreign currency reserve	Retained earnings - distributable	Retained earnings not-distributable	Proposed appropriations					
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD		
Balance at 1 January 2019	8,067,505	(866,096)	3,386,502	3,786,542	1,365,000	5,266,927	(34,527)	2,881,774	353,474	1,434,829	15,054,019	25,641,930	3,106,227	28,748,157	
Profit for the period	-	-	-	-	-	-	-	1,299,502	-	-	1,299,502	1,299,502	543,464	1,842,966	
Other comprehensive income (loss) for the period	-	-	-	-	-	1,468,551	(41,929)	-	-	-	1,426,622	1,426,622	22,035	1,448,657	
Total comprehensive income (loss) for the period	-	-	-	-	-	1,468,551	(41,929)	1,299,502	-	-	2,726,124	2,726,124	565,499	3,291,623	
Treasury shares purchased during the period	-	(777,999)	-	-	-	-	-	-	-	-	-	(777,999)	-	(777,999)	
Dividends (note 9)	-	-	-	-	-	-	-	-	-	(1,367,729)	(1,367,729)	(1,367,729)	-	(1,367,729)	
Dividends relating to treasury shares	-	-	-	-	-	-	-	17,100	-	(17,100)	-	-	-	-	
Transfer to general reserve	-	-	-	-	50,000	-	-	-	-	(50,000)	-	-	-	-	
Gains on disposals of non-trading investments, net	-	-	-	-	-	(126,197)	-	126,197	-	-	-	-	-	-	
<b>Balance at 30 September 2019</b>	<b>8,067,505</b>	<b>(1,644,095)</b>	<b>3,386,502</b>	<b>3,786,542</b>	<b>1,415,000</b>	<b>6,609,281</b>	<b>(76,456)</b>	<b>4,324,573</b>	<b>353,474</b>	<b>-</b>	<b>16,412,414</b>	<b>26,222,326</b>	<b>3,671,726</b>	<b>29,894,052</b>	

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

## 1 CORPORATE INFORMATION

Trafco Group B.S.C. ('the Company' or 'Trafco') is a public joint stock company, the shares of which are listed and publicly traded on Bahrain Bourse. The Company was incorporated in the Kingdom of Bahrain by Amiri Decree No. 10 of November 1977. The Company operates in accordance with the provisions of the Bahrain Commercial Companies Law under commercial registration (CR) number 8500 issued by the Ministry of Industry, Commerce and Tourism. The postal address of the Company's registered office is PO Box 20202, Manama, Kingdom of Bahrain. The Company's principal activity is trading in food products.

The Group comprises of the Company, its subsidiaries and an associate the details of which were disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2019.

During the nine-month period ended 30 September 2020, there was an outbreak of coronavirus (COVID-19). The existing and anticipated effects of the outbreak on the global economy is expected to continue to evolve. Authorities have taken various measures to contain the spread and announced various support measures to counter possible adverse implications. The Group has recognised an other income of BD 141,122 and BD 563,935 related to the assistance provided by the Government of the Kingdom of Bahrain during the three-month and nine-month periods ended 30 September 2020, respectively. The Group has been closely monitoring the latest developments in the current evolving situation. Although these developments caused disruptions in the Group's operations as of 30 September 2020, the scale and duration of these developments remain uncertain at this stage. The Group has considered the potential impacts of the current economic volatility in determining the reported amounts of the Group's financial and non-financial assets and liabilities as at 30 September 2020. However, market remains volatile and the recorded amounts remain sensitive to market fluctuations, the extent of which is presently undeterminable.

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 10 November 2020.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### **Basis of preparation**

The interim condensed consolidated financial statements for the nine-month period ended 30 September 2020 have been 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 2019. In addition, results for the nine-month period ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

### **New and amended standards and interpretations adopted by the Group**

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 2019, except for the adoption of new standards, interpretations and amendments as of 1 January 2020.

The new standards, interpretations and amendments which apply for the first time in 2020, do not have significant impact on the interim condensed consolidated financial statements of the Group, other than as disclosed below.



## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### **New standards, interpretations and amendments adopted by the Group (continued)**

#### *Amendments to IFRS 3: Definition of a Business*

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the interim condensed consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

#### *Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform*

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

#### *Amendments to IAS 1 and IAS 8: Definition of Material*

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”.

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim condensed consolidated financial statements of, nor is there expected to be any future impact to the Group.

#### *Conceptual Framework for Financial Reporting issued on 29 March 2018*

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the interim condensed consolidated financial statements of the Group.

#### *Amendment to IFRS 16: COVID-19-Related Rent Concessions*

COVID-19-Related Rent Concessions, issued in May 2020, added certain paragraphs in IFRS 16. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if certain conditions are met. A lessee shall apply that amendment for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including for financial statements not authorised for issue at 28 May 2020. This amendment had no impact on the interim condensed consolidated financial statements of the Group.

## 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 2019.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2020 (Reviewed)

**4 REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table presents the disaggregation of the Group's revenue from contracts with customers for the three-month periods ended 30 September 2020 and 30 September 2019:

	<i>Foods stuff</i>				<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Total</i>	
	<i>Wholesale operations</i>		<i>Retail operations</i>		<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>								
<b>Types of revenue</b>												
Sale of goods	<b>3,979,423</b>	3,884,090	<b>307,406</b>	452,331	<b>4,123,519</b>	4,133,940	<b>552,894</b>	570,017	-	-	<b>8,963,242</b>	9,040,378
Rendering of services	-	-	-	-	-	-	-	-	<b>165,466</b>	161,112	<b>165,466</b>	161,112
<b>Total revenue</b>	<b>3,979,423</b>	3,884,090	<b>307,406</b>	452,331	<b>4,123,519</b>	4,133,940	<b>552,894</b>	570,017	<b>165,466</b>	161,112	<b>9,128,708</b>	9,201,490
<b>Geographic markets</b>												
Bahrain	<b>3,979,423</b>	3,884,090	<b>307,406</b>	452,331	<b>3,130,598</b>	3,325,453	<b>552,894</b>	570,017	<b>165,466</b>	161,112	<b>8,135,787</b>	8,393,003
Kuwait and other countries	-	-	-	-	<b>992,921</b>	808,487	-	-	-	-	<b>992,921</b>	808,487
<b>Total revenue</b>	<b>3,979,423</b>	3,884,090	<b>307,406</b>	452,331	<b>4,123,519</b>	4,133,940	<b>552,894</b>	570,017	<b>165,466</b>	161,112	<b>9,128,708</b>	9,201,490
<b>Timing of revenue recognition</b>												
At a point in time	<b>3,979,423</b>	3,884,090	<b>307,406</b>	452,331	<b>4,123,519</b>	4,133,940	<b>552,894</b>	570,017	-	-	<b>8,963,242</b>	9,040,378
Over the time	-	-	-	-	-	-	-	-	<b>165,466</b>	161,112	<b>165,466</b>	161,112
<b>Total revenue</b>	<b>3,979,423</b>	3,884,090	<b>307,406</b>	452,331	<b>4,123,519</b>	4,133,940	<b>552,894</b>	570,017	<b>165,466</b>	161,112	<b>9,128,708</b>	9,201,490

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2020 (Reviewed)

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

The following table presents the disaggregation of the Group's revenue from contracts with customers for the nine-month periods ended 30 September 2020 and 30 September 2019:

	<i>Foods stuff</i>				<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Total</i>	
	<i>Wholesale operations</i>		<i>Retail operations</i>		<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>								
<b>Types of revenue</b>												
Sale of goods	<b>12,632,898</b>	12,846,426	<b>1,142,551</b>	1,366,704	<b>12,348,196</b>	12,010,961	<b>1,651,426</b>	1,760,707	-	-	<b>27,775,071</b>	27,984,798
Rendering of services	-	-	-	-	-	-	-	-	<b>472,631</b>	538,500	<b>472,631</b>	538,500
<b>Total revenue</b>	<b>12,632,898</b>	12,846,426	<b>1,142,551</b>	1,366,704	<b>12,348,196</b>	12,010,961	<b>1,651,426</b>	1,760,707	<b>472,631</b>	538,500	<b>28,247,702</b>	28,523,298
<b>Geographic markets</b>												
Bahrain	<b>12,632,898</b>	12,846,426	<b>1,142,551</b>	1,366,704	<b>9,186,237</b>	9,718,875	<b>1,651,426</b>	1,760,707	<b>472,631</b>	538,500	<b>25,085,743</b>	26,231,212
Kuwait and other countries	-	-	-	-	<b>3,161,959</b>	2,292,086	-	-	-	-	<b>3,161,959</b>	2,292,086
<b>Total revenue</b>	<b>12,632,898</b>	12,846,426	<b>1,142,551</b>	1,366,704	<b>12,348,196</b>	12,010,961	<b>1,651,426</b>	1,760,707	<b>472,631</b>	538,500	<b>28,247,702</b>	28,523,298
<b>Timing of revenue recognition</b>												
At a point in time	<b>12,632,898</b>	12,846,426	<b>1,142,551</b>	1,366,704	<b>12,348,196</b>	12,010,961	<b>1,651,426</b>	1,760,707	-	-	<b>27,775,071</b>	27,984,798
Over the time	-	-	-	-	-	-	-	-	<b>472,631</b>	538,500	<b>472,631</b>	538,500
<b>Total revenue</b>	<b>12,632,898</b>	12,846,426	<b>1,142,551</b>	1,366,704	<b>12,348,196</b>	12,010,961	<b>1,651,426</b>	1,760,707	<b>472,631</b>	538,500	<b>28,247,702</b>	28,523,298

# Trafco Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2020 (Reviewed)

### 5 SEASONALITY OF RESULTS

Net investment income and other income for the nine-month period ended 30 September 2020 amounting to BD 580,344 (2019: BD 668,011) and BD 563,935 (2019: nil) respectively are of seasonal nature.

### 6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of Trafco by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased by the Company and held as treasury shares, as follows:

	<i>Three-month period ended</i> <i>30 September (Reviewed)</i>		<i>Nine-month period ended</i> <i>30 September (Reviewed)</i>	
	<b>2020</b>	2019	<b>2020</b>	2019
Profit for the period attributable to shareholders of TRAFCO – (BD)	<b>278,465</b>	241,290	<b>1,374,902</b>	1,299,502
Weighted average number of shares, net of treasury shares	<b>74,424,401</b>	74,424,401	<b>74,424,401</b>	75,547,383
Basic and diluted earnings per share (fils)	<b>4</b>	3	<b>18</b>	17

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

### 7 FINANCIAL INSTRUMENTS

Set out below is an overview of the financial instruments held by the Group as at 30 September 2020 and 31 December 2019:

	<i>Amortised cost</i> <i>BD</i>	<i>Fair value through other comprehensive income</i> <i>BD</i>	<i>Total</i> <i>BD</i>
<b><i>Financial assets</i></b>			
<b><i>At 30 September 2020 (Reviewed)</i></b>			
Non-trading investments	-	12,294,289	12,294,289
Trade and other receivables	8,264,266	-	8,264,266
Cash, bank balances and short-term deposits	2,612,648	-	2,612,648
	<b>10,876,914</b>	<b>12,294,289</b>	<b>23,171,203</b>
<b><i>Financial assets</i></b>			
<b><i>At 31 December 2019 (Audited)</i></b>			
Non-trading investments	-	12,275,423	12,275,423
Trade and other receivables	8,093,960	-	8,093,960
Cash, bank balances and short-term deposits	2,327,365	-	2,327,365
	<b>10,421,325</b>	<b>12,275,423</b>	<b>22,696,748</b>

**7 FINANCIAL INSTRUMENTS (continued)**

	<b>30 September 2020 (Reviewed) BD</b>	<b>31 December 2019 (Audited) BD</b>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	<b>3,139,587</b>	4,640,524
Import loans	<b>3,871,602</b>	3,198,139
Lease liabilities	<b>2,057,066</b>	2,311,425
Term loans	<b>1,028,594</b>	900,111
Contract and refund liabilities	<b>291,888</b>	318,866
Bank overdrafts	<b>208,846</b>	1,010,086
Retentions payable	-	80,294
	<b>10,597,583</b>	<b>12,459,445</b>

**8 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) Bank balances and cash, short term deposits, bank overdrafts, trade and other receivables, retentions payable and trade and other payables approximate their carrying amounts largely due to the short-term maturities.
- b) Term loans, import loans and lease liabilities are evaluated by the Group based on parameters such as interest rates. As at 30 September 2020 and as at 31 December 2019, the carrying amounts are not materially different from their fair values; and
- c) Fair value of quoted equity investments and quoted debt instruments is derived from quoted market prices in active markets or in the case of unquoted non-trading investments using market multiples or other appropriate valuation methodologies.

The fair values of financial assets and liabilities are not materially different from their carrying values as at 30 September 2020 and as at 31 December 2019.

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

The Group does not have any non-financial assets or liabilities which have been remeasured at fair value as at 30 September 2020 and as at 31 December 2019.

**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.

**8 FAIR VALUE MEASUREMENT (continued)**

**Fair value hierarchy (continued)**

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

	<b>30 September 2020 (Reviewed)</b>			
	<b>Quoted prices in active markets</b>	<b>Significant observable inputs</b>	<b>Significant unobservable inputs</b>	<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>BD</b>	<b>BD</b>	<b>BD</b>	<b>BD</b>
<b>Assets measured at fair value</b>				
<i>Non-trading investments:</i>				
- Quoted equity investments	<b>7,705,488</b>	-	-	<b>7,705,488</b>
- Unquoted equity investments	-	-	<b>4,102,456</b>	<b>4,102,456</b>
- Quoted debt instruments	<b>486,345</b>	-	-	<b>486,345</b>
	<b>8,191,833</b>	-	<b>4,102,456</b>	<b>12,294,289</b>
	<b>31 December 2019 (Audited)</b>			
	<b>Quoted prices in active markets</b>	<b>Significant observable inputs</b>	<b>Significant unobservable inputs</b>	<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>BD</b>	<b>BD</b>	<b>BD</b>	<b>BD</b>
<b>Assets measured at fair value</b>				
<i>Non-trading investments:</i>				
- Quoted equity investments	8,259,966	-	-	8,259,966
- Unquoted equity investments	-	-	3,715,457	3,715,457
- Quoted debt instruments	300,000	-	-	300,000
	<b>8,559,966</b>	-	<b>3,715,457</b>	<b>12,275,423</b>

**Liabilities measured at fair value:**

There were no liabilities measured at fair value as of 30 September 2020 and as of 31 December 2019.

During the nine-month period ended 30 September 2020 and year ended 31 December 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and there are no transfers into or out of Level 3 fair value measurements.

Level 3 equity securities have been estimated using fair value provided by the investment managers or other appropriate valuation techniques including fair values determined based on unobservable inputs using market multiples or other appropriate valuation methodologies.

Movement in the fair values of financial assets classified as level 3 category was as follows:

	<b>30 September 2020 (Reviewed) BD</b>	<b>31 December 2019 (Audited) BD</b>
At beginning of the period / year	<b>3,715,457</b>	3,886,101
Change in fair values	<b>386,999</b>	(170,644)
At end of the period / year	<b>4,102,456</b>	<b>3,715,457</b>

## 9 DIVIDENDS

At the annual general meeting of the shareholders held on 30 March 2020, a final cash dividend of 15 fils per share, excluding treasury shares, totaling BD 1,116,366 for the year ended 31 December 2019 was declared and paid (30 September 2019: At the annual general meeting of the shareholders held on 31 March 2019, a final cash dividend of 18 fils per share, excluding treasury shares, totaling BD 1,367,729 for the year ended 31 December 2018 was declared and paid). Dividends payable are included within 'Trade and other payables' in the interim consolidated statement of financial position as at 30 September 2020 and as at 31 December 2019.

## 10 COMMITMENTS AND CONTINGENCIES

The Group has no capital expenditure commitments as of 30 September 2020 [31 December 2019 (Audited): BD 135,482].

Tender, advance payment and performance guarantees issued by banks on behalf of the Group, in the normal course of business, outstanding as at 30 September 2020 amounted to BD 844,548 [31 December 2019 (Audited): BD 845,548].

## 11 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on their products and services and has six reportable operating segments as follows:

Wholesale operations	Import and distribution of foodstuff.
Retail operations	Import and distribution of foodstuff through supermarkets.
Investments	Investment in quoted and unquoted securities (including investments in an associate).
Dairy products and beverages	Production, processing and distribution of dairy products, juices, ice-cream, bottling of water and other items.
Fruits and vegetables	Import and distribution of fruits, vegetables and other food items.
Storage and logistics	Providing of storage and logistics services.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained later in a table, is measured differently from operating profit or loss in the interim condensed consolidated financial statements.

Transfer prices between operating segments are set in a manner similar to transactions with third parties.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, investment in an associate, right-of-use assets, inventories, trade and other receivables, cash, bank balances and short-term deposits. Whilst the majority of the assets can be directly attributed to individual business segments, the carrying amounts of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

**11 SEGMENT REPORTING (continued)**

Segment liabilities include all operating liabilities and consist primarily of term loans, import loans, lease liabilities, trade and other payables and bank overdrafts. Whilst the majority of the liabilities can be directly attributed to individual business segments, the carrying amounts of certain liabilities used jointly by two or more segments is allocated to the segments on a reasonable basis.

Inter-segment revenues, transactions, assets and liabilities are eliminated upon consolidation and reflected in the adjustment and eliminations column.

Revenue from operations for the nine-month period ended 30 September 2020 in the State of Kuwait and Kingdom of Saudi Arabia amounted to BD 3,161,959 (2019: BD 2,292,086) and loss for the nine-month period ended 30 September 2020 amounted to BD 168,342 (2019: BD 124,616). The remaining revenue and profit for the nine-month period is generated from the primary geographical segment in the Kingdom of Bahrain.

At 30 September 2020, total assets in the State of Kuwait and Kingdom of Saudi Arabia amounted to BD 1,365,048 [31 December 2019 (Audited): BD 1,675,031] and total liabilities amounted to BD 1,558,054 [31 December 2019 (Audited): BD 1,541,588]. All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.



Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2020 (Reviewed)

11 SEGMENT REPORTING (continued)

Three-month period ended 30 September 2020 (Reviewed)

The following table presents the details of segmental operating results for the three-month periods ended 30 September 2020 and 30 September 2019:

	<i>Foodstuff</i>				<i>Investments</i>		<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Adjustments and eliminations</i>		<i>Total</i>			
	<i>Wholesale operations</i>		<i>Retail operations</i>				<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>														
Revenue - third parties	3,979,423	3,884,090	307,406	452,331	-	-	4,123,519	4,133,940	552,894	570,017	165,466	161,112	-	-	9,128,708	9,201,490		
Revenue - inter segments	205,786	225,569	-	-	-	-	8,992	13,913	653	92	42,840	36,761	(258,271)	(276,335)	-	-		
Total revenue	4,185,209	4,109,659	307,406	452,331	-	-	4,132,511	4,147,853	553,547	570,109	208,306	197,873	(258,271)	(276,335)	9,128,708	9,201,490		
Costs of revenue (excluding depreciation)	(3,574,029)	(3,538,833)	(274,386)	(392,524)	-	-	(3,040,269)	(2,717,927)	(453,855)	(485,279)	(58,978)	(47,488)	286,868	185,832	(7,114,649)	(6,996,219)		
<b>Gross profit</b>	<b>611,180</b>	<b>570,826</b>	<b>33,020</b>	<b>59,807</b>	<b>-</b>	<b>-</b>	<b>1,092,242</b>	<b>1,429,926</b>	<b>99,692</b>	<b>84,830</b>	<b>149,328</b>	<b>150,385</b>	<b>28,597</b>	<b>(90,503)</b>	<b>2,014,059</b>	<b>2,205,271</b>		
Other operating income	48,707	87,025	3,749	10,178	-	-	95,753	27,629	14,055	2,288	6,331	6,481	(72,763)	(11,520)	95,832	122,081		
Other expenses (excluding depreciation)	(590,445)	(523,691)	(41,596)	(59,369)	-	-	(478,203)	(772,516)	(93,676)	(91,496)	(38,289)	(34,297)	16,545	113,678	(1,225,664)	(1,367,691)		
Depreciation on property, plant and equipment	(22,035)	(29,614)	(5,502)	(6,181)	-	-	(143,389)	(119,489)	(16,790)	(12,922)	(75,899)	(75,316)	4,127	4,127	(259,488)	(239,395)		
Depreciation on right-of-use assets	(28,013)	(27,645)	(19,043)	(17,464)	-	-	(107,518)	(98,919)	(1,282)	(1,282)	-	-	-	-	(155,856)	(145,310)		
<b>(Loss) profit from operations</b>	<b>19,394</b>	<b>76,901</b>	<b>(29,372)</b>	<b>(13,029)</b>	<b>-</b>	<b>-</b>	<b>458,885</b>	<b>466,631</b>	<b>1,999</b>	<b>(18,582)</b>	<b>41,471</b>	<b>47,253</b>	<b>(23,494)</b>	<b>15,782</b>	<b>468,883</b>	<b>574,956</b>		
Investment income - (including share of results from an associate)	-	-	-	-	296,224	255,016	-	-	-	-	-	-	(311,032)	(203,832)	(14,808)	51,184		
Other income	6,517	-	2,592	-	-	-	114,595	-	5,466	-	11,952	-	-	-	141,122	-		
Finance costs	(28,028)	(92,736)	(223)	(1,793)	-	-	(479)	(2,301)	(5,660)	(17,481)	(21,348)	(25,721)	22,429	3,851	(33,309)	(136,181)		
Finance costs on lease liabilities	(15,644)	(16,820)	(2,122)	(2,426)	-	-	(12,003)	(28,109)	(120)	2,548	-	-	-	-	(29,889)	(44,807)		
Foreign exchange gains (loss) - net	-	-	-	-	-	-	23,768	3,017	-	-	-	-	-	-	23,768	3,017		
<b>(Loss) profit for the period</b>	<b>(17,761)</b>	<b>(32,655)</b>	<b>(29,125)</b>	<b>(17,248)</b>	<b>296,224</b>	<b>255,016</b>	<b>584,766</b>	<b>439,238</b>	<b>1,685</b>	<b>(33,515)</b>	<b>32,075</b>	<b>21,532</b>	<b>(312,097)</b>	<b>(184,199)</b>	<b>555,767</b>	<b>448,169</b>		

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2020 (Reviewed)

11 SEGMENT REPORTING (continued)

Nine-month period ended 30 September 2020 (Reviewed)

The following table presents the details of segmental operating results for the nine-month periods ended 30 September 2020 and 30 September 2019:

	<i>Foodstuff</i>				<i>Investments</i>		<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Adjustments and eliminations</i>		<i>Total</i>			
	<i>Wholesale operations</i>		<i>Retail operations</i>				<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>			<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Revenue - third parties	12,632,898	12,846,426	1,142,551	1,366,704	-	-	12,348,196	12,010,961	1,651,426	1,760,707	472,631	538,500	-	-	28,247,702	28,523,298		
Revenue - inter segments	702,724	733,905	-	-	-	-	122,788	41,782	1,375	4,260	128,790	102,022	(955,677)	(881,969)	-	-		
Total revenue	13,335,622	13,580,331	1,142,551	1,366,704	-	-	12,470,984	12,052,743	1,652,801	1,764,967	601,421	640,522	(955,677)	(881,969)	28,247,702	28,523,298		
Costs of revenue (excluding depreciation)	(11,492,476)	(11,695,588)	(1,040,497)	(1,190,263)	-	-	(8,658,065)	(8,152,812)	(1,367,722)	(1,450,228)	(153,948)	(161,404)	836,521	765,623	(21,876,187)	(21,884,672)		
Gross profit	1,843,146	1,884,743	102,054	176,441	-	-	3,812,919	3,899,931	285,079	314,739	447,473	479,118	(119,156)	(116,346)	6,371,515	6,638,626		
Other operating income	153,295	178,985	9,600	30,147	-	-	177,128	48,258	27,735	27,223	17,813	22,391	(182,841)	(112,001)	202,730	195,003		
Other expenses (excluding depreciation)	(1,813,298)	(1,771,400)	(123,291)	(158,351)	-	-	(2,191,057)	(2,141,487)	(258,469)	(274,083)	(108,788)	(95,899)	217,839	183,730	(4,277,064)	(4,257,490)		
Depreciation on property, plant and equipment	(67,887)	(72,901)	(17,050)	(16,053)	-	-	(413,617)	(373,348)	(50,741)	(37,653)	(228,048)	(224,451)	12,382	12,382	(764,961)	(712,024)		
Depreciation on right-of-use of assets	(83,630)	(82,937)	(56,333)	(40,210)	-	-	(187,147)	(202,282)	(4,590)	(3,849)	-	-	-	-	(331,700)	(329,278)		
(Loss) Profit from operations	31,626	136,490	(85,020)	(8,026)	-	-	1,198,226	1,231,072	(986)	26,377	128,450	181,159	(71,776)	(32,235)	1,200,520	1,534,837		
Investment income - net (including share of results of an associate)	-	-	8,252	-	1,323,396	1,339,538	-	-	-	-	-	-	(813,394)	(696,179)	518,254	643,359		
Other income	155,708	-	10,203	-	-	-	354,284	-	26,487	-	17,253	-	-	-	563,935	-		
Finance costs	(88,472)	(103,416)	(2,684)	(4,903)	-	-	(2,253)	(6,011)	(24,395)	(42,089)	(66,109)	(78,037)	71,776	11,430	(112,137)	(223,026)		
Finance costs on lease liabilities	(47,356)	(50,664)	(6,422)	(5,148)	-	-	(37,964)	(56,647)	(523)	(538)	-	-	-	-	(92,265)	(112,997)		
Foreign exchange gains, net	-	-	-	-	-	-	31,324	793	-	-	-	-	-	-	31,324	793		
Profit (loss) for the period	51,506	(17,590)	(75,671)	(18,077)	1,323,396	1,339,538	1,543,617	1,169,207	583	(16,250)	79,594	103,122	(813,394)	(716,984)	2,109,631	1,842,966		
Capital expenditure	119,926	628,655	-	36,408	-	-	370,774	741,812	1,359	77,656	21,361	38,084	-	-	513,420	1,522,615		

	<i>Foodstuff</i>				<i>Investments</i>		<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Adjustments and eliminations</i>		<i>Total</i>			
	<i>Wholesale operations</i>		<i>Retail operations</i>				<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>30 September 2020</i>	<i>31 December 2019</i>	<i>30 September 2020</i>	<i>31 December 2019</i>			<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Assets	14,102,275	14,845,921	732,631	1,015,667	20,399,616	20,338,707	14,003,208	13,319,075	1,482,628	1,977,026	3,341,850	4,026,880	(9,560,690)	(10,145,870)	44,501,518	45,377,406		
Liabilities	8,810,761	8,861,699	501,695	717,097	-	-	4,222,992	5,632,488	877,789	1,553,218	1,785,001	2,562,033	(2,091,325)	(3,715,373)	14,106,913	15,611,162		

**12 RELATED PARTY TRANSACTIONS**

Related parties represent associated companies, major shareholders, companies having common directors and key management personnel of the Group, 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 profit or loss and other comprehensive income account for the nine-month periods ended 30 September 2020 and 30 September 2019 respectively are as follows:

	<b>Nine-month period ended 30 September 2020 (Reviewed)</b>			
	<b>Revenue BD</b>	<b>Purchase of goods and services BD</b>	<b>Other income BD</b>	<b>Expenses BD</b>
Associated companies	334	19,024	5,157	-
Companies with common directors	280,954	579,287	245,692	156,323
	<b>281,288</b>	<b>598,311</b>	<b>250,849</b>	<b>156,323</b>
	<b>Nine-month period ended 30 September 2019 (Reviewed)</b>			
	<b>Revenue BD</b>	<b>Purchase of goods and services BD</b>	<b>Other income BD</b>	<b>Expenses BD</b>
Associated companies	29,607	7,469	-	-
Companies with common directors	316,293	672,187	367,542	222,000
	<b>345,900</b>	<b>679,656</b>	<b>367,542</b>	<b>222,000</b>

Balances with related parties included in the interim consolidated statement of financial position as at 30 September 2020 and as at 31 December 2019 are as follows:

	<b>At 30 September 2020 (Reviewed)</b>		<b>At 31 December 2019 (Audited)</b>	
	<b>Due from related parties BD</b>	<b>Due to related parties BD</b>	<b>Due from related parties BD</b>	<b>Due to related parties BD</b>
Associated companies	8,342	4,170	30,473	2,991
Companies with common directors	117,074	196,424	148,915	350,696
	<b>125,416</b>	<b>200,594</b>	<b>179,388</b>	<b>353,687</b>

**Terms and conditions of transactions with related parties**

Transactions are made at prices agreed mutually. Outstanding balances at the period-end and year-end arose in the normal course of business are unsecured, interest free and settlement occurs in cash.

**12 RELATED PARTY TRANSACTIONS (continued)**

***Compensation of key management personnel***

The remuneration of directors and other members of key management personnel during nine-month period ended was as follows:

	<i>Nine-month period ended 30 September (Reviewed)</i>	
	<b>2020</b>	2019
	<b>BD</b>	<b>BD</b>
Short-term benefits	<b>279,405</b>	324,416
Employees' end of service benefits	<b>30,265</b>	14,029
	<b>309,670</b>	338,445

**13 COMPARATIVES**

The corresponding figures in the interim consolidated statement of profit or loss account and other comprehensive income have been reclassified in order to conform to the presentation for the current period. Such reclassification does not affect previously reported profit or the Group's equity and the reclassification is as follows:

	<i>As previously reported BD</i>	<i>Re- classification BD</i>	<i>Reclassified BD</i>
General and administration expenses	944,604	(55,907)	888,697
Finance costs on lease liabilities	-	112,997	112,997
Finance costs	280,116	(57,090)	223,026
Depreciation on property, plant and equipment	610,282	(329,278)	281,004
Depreciation on right-of-use assets	-	329,278	329,278