

Consolidated Financial Statements for BMMI B.S.C. for the year ended 31 December 2020

With the closure of the hospitality sector and travel restrictions, the pandemic resulted in severe downturn across most of the Group's businesses. Demand for essential goods rose in the ensuing panic while demand for non-essential goods and services plummeted. The impact on the Group's bottom line for the year 2020 is estimated at BD5.2 million. As significant uncertainty continues with respect to ease of lockdowns, social distancing norms and long-term impact of the pandemic on economic and social well-being, the Group strongly believes that the survival depends on adaptability and resilience of both its operations and its people.

Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

	2020	2019
	BD	BD
OPERATING ACTIVITIES		
Profit before income tax	2,790,291	7,762,878
Adjustments for:		
Depreciation of property, plant and equipment	3,425,992	3,180,828
Depreciation of right-of-use assets	2,138,332	1,693,995
Share of results of joint ventures	115,133	84,002
Losses on investment carried at fair value through profit or loss	82,635	32,529
Provision (reversal of provision) for slow moving and obsolete inventories	1,041,562	(246,013)
Allowance for expected credit losses	206,000	235,480
Provision for employees' end of service benefits	380,156	413,287
Finance costs	1,196,179	2,016,811
Gain on disposal of property, plant and equipment	-	(11,080)
Net investment income	(430,202)	(722,987)
Gain on disposal of a subsidiary	-	(324,473)
Gain on termination of a lease	(2,062)	-
Operating profit before working capital changes	10,944,016	14,115,257
Working capital changes:		
Inventories	(2,697,311)	(110,890)
Trade and other receivables	1,656,602	(3,716,326)
Trade and other payables	(2,703,226)	(1,878,521)
Net cash generated from operations	7,200,081	8,409,520
Income tax paid	(86,175)	(37,501)
Directors' remuneration paid	(193,500)	(193,500)
Employees' end of service benefits paid	(250,634)	(146,629)
Net movement in advances against employees' end of service benefits	60,090	(44,994)
Net cash flows from operating activities	6,729,862	7,986,896
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,360,001)	(1,261,827)
Proceeds from disposal of property, plant and equipment	4,562	96,906
Inflows from disposal of a joint venture	291,394	161,942
Proceeds from disposal of investments	3,343,721	2,306,335
Purchase of investments	(460,778)	-
Dividends and interest received	430,202	752,166
Net cash inflow on disposal of a subsidiary	-	16,770
Net cash flows from investing activities	2,249,100	2,072,292
FINANCING ACTIVITIES		
Dividends paid to shareholders of BMMI B.S.C.	(5,043,655)	(7,240,654)
Loans and borrowings availed	10,083,468	10,740,750
Loans and borrowings repaid	(11,122,282)	(12,154,076)
Interest expenses paid	(1,253,535)	(2,072,474)
Payment of principal amount of lease liabilities	(1,494,657)	(1,980,145)
Net movements in retentions payable	-	(1,250)
Net cash flows used in financing activities	(8,830,661)	(12,707,849)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	148,301	(2,648,661)
Net foreign exchange differences	(366,845)	538,286
Cash and cash equivalents at 1 January	1,442,547	3,552,922
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	1,224,003	1,442,547

Non-cash items:

	BD
Dividend and interest income receivable amounting to BD 57,356 (2019: BD 29,179) have been excluded from the movement of trade and other receivables.	
Unclaimed dividends pertaining to prior years amounting to BD 772,833 (2019: BD 122,617) have been excluded from the movement of trade and other payables.	
Unpaid donations to relating to the Charity Reserve amounting to BD 184,865 (2019: BD 168,692) have been excluded from the movements of trade and other payables.	
An uncollected amount of BD 291,394 (2019: BD 161,942) which pertain to disposal of investment in a joint venture and collected during the year has been adjusted in the movements of trade and other receivables.	
Disposal of an investment in a joint venture with carrying amount of BD 1,305,765 was adjusted against the following items:	
Purchase of property, plant and equipment	4,725,159
Loans and borrowings availed	(2,319,618)
Other payable	(895,252)
Net movement in retentions payable	(204,524)
	1,305,765

Audited by Ernst & Young and approved by the Board of Directors on 25 February 2021.


Abdulla Hassan Buhindi
Chairman


Shawki Ali Fakhroo
Vice Chairman

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020

	Equity attributable to shareholders of BMMI B.S.C.						
	Share capital	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	BD	BD	BD	BD	BD	BD	BD
At 1 January 2020	14,642,854	(1,430,101)	14,009,286	42,388,724	69,610,763	1,705,939	71,316,702
Profit (loss) for the year	-	-	-	4,028,086	4,028,086	(1,420,744)	2,607,342
Other comprehensive loss for the year	-	-	(1,206,693)	-	(1,206,693)	-	(1,206,693)
Total comprehensive (loss) income for the year	-	-	(1,206,693)	4,028,086	2,821,393	(1,420,744)	1,400,649
Final dividend for 2019	-	-	-	(4,270,822)	(4,270,822)	-	(4,270,822)
Gain on disposals of investments carried at fair value through other comprehensive income	-	-	(350,070)	350,070	-	-	-
Transfer to charity reserve	-	-	184,865	(184,865)	-	-	-
Distribution to Alosra Charitable Foundation	-	-	(184,865)	-	(184,865)	-	(184,865)
Balance at 31 December 2020	14,642,854	(1,430,101)	12,452,523	42,311,193	67,976,469	285,195	68,261,664
At 1 January 2019	14,642,854	(1,430,101)	13,678,045	39,368,046	66,258,844	3,262,049	69,520,893
Profit (loss) for the year	-	-	-	9,234,456	9,234,456	(1,556,110)	7,678,346
Other comprehensive income for the year	-	-	1,404,192	-	1,404,192	-	1,404,192
Total comprehensive income (loss) for the year	-	-	1,404,192	9,234,456	10,638,648	(1,556,110)	9,082,538
Final dividend for 2018	-	-	-	(4,270,822)	(4,270,822)	-	(4,270,822)
Interim dividend for 2019	-	-	-	(2,847,215)	(2,847,215)	-	(2,847,215)
Gain on disposals of investments carried at fair value through other comprehensive income	-	-	(1,072,951)	1,072,951	-	-	-
Transfer to charity reserve	-	-	168,692	(168,692)	-	-	-
Distribution to Alosra Charitable Foundation	-	-	(168,692)	-	(168,692)	-	(168,692)
Balance at 31 December 2019	14,642,854	(1,430,101)	14,009,286	42,388,724	69,610,763	1,705,939	71,316,702

Retained earnings include non-distributable reserves amounting to BD 340,000 relating to the subsidiaries as at 31 December 2020.
Retained earnings include non-distributable reserves amounting to BD 405,681 relating to the subsidiaries as at 31 December 2019.

Consolidated Statement of Income for the Year Ended 31 December 2020

	2020	2019
	BD	BD
Revenue	96,410,423	104,333,781
Cost of revenue	(75,474,234)	(73,371,755)
GROSS PROFIT	20,936,189	30,962,026
Other operating income	3,374,784	2,584,913
Selling and distribution expenses	(9,026,207)	(9,387,791)
General and administrative expenses	(11,530,730)	(14,985,915)
PROFIT FROM OPERATIONS	3,754,036	9,173,233
Net investment income	430,202	722,987
Share of results of joint ventures	(115,133)	(84,002)
Net losses on investments carried at fair value through profit or loss	(82,635)	(32,529)
Finance costs	(1,196,179)	(2,016,811)
PROFIT BEFORE INCOME TAX	2,790,291	7,762,878
Income tax expense	(182,949)	(84,532)
PROFIT OF THE GROUP FOR THE YEAR	2,607,342	7,678,346
of which loss attributable to non-controlling interests	1,420,744	1,556,110
PROFIT OF THE GROUP FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS OF BMMI B.S.C.	4,028,086	9,234,456
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	28	65

Consolidated Statement of Comprehensive Income

	2020	2019
	BD	BD
PROFIT OF THE GROUP FOR THE YEAR	2,607,342	7,678,346
OTHER COMPREHENSIVE (LOSS) INCOME		
Items not to be reclassified to the consolidated statement of income in subsequent years:		
Net changes in fair value of investments classified as fair value through other comprehensive income	(809,215)	838,572
Items to be reclassified to the consolidated statement of income in subsequent years:		
Exchange differences on translation of foreign operations	(397,478)	479,957
Foreign exchange loss reclassified to consolidated statement of income on disposal of a subsidiary	-	85,663
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	(1,206,693)	1,404,192
TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE YEAR	1,400,649	9,082,538
of which loss attributable to non-controlling interests	1,420,744	1,556,110
TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS OF BMMI B.S.C.	2,821,393	10,638,648

Recommendation

The Board of Directors of BMMI B.S.C. resolved, at its meeting held 25 February 2021, to recommend the distribution of dividend for the year end 31 December 2020 to the shareholders whose names are registered on the Company's register on the Record Date. This is subject to the approval of the Company's shareholders in the upcoming Annual General Meeting. The proposed distribution is as follow:

- Cash Dividend: 25 % of share nominal value, equivalent to 0.025 fils per share, amounting to BD 3,559,018.

Consolidated Statement of Financial Position as at 31 December 2020

	2020	2019
	BD	BD
ASSETS		
Non-current assets		
Property, plant and equipment	51,162,558	48,538,585
Right-of-use assets	6,382,691	7,778,597
Investment property	9,457,725	9,457,725
Investments in joint ventures	148,535	1,569,433
Investments	6,933,299	10,708,092
	74,084,808	78,052,432
CURRENT ASSETS		
Inventories	13,583,804	11,928,055
Trade and other receivables	21,463,932	23,560,572
Bank balances and cash	4,611,543	4,814,777
	39,659,279	40,303,404
TOTAL ASSETS	113,744,087	118,355,836
EQUITY & LIABILITIES		
Equity		
Share capital	14,642,854	14,642,854
Treasury shares	(1,430,101)	(1,430,101)
Other reserves	12,452,523	14,009,286
Retained earnings	42,311,193	42,388,724
Equity attributable to shareholders of BMMI B.S.C.	67,976,469	69,610,763
Non-controlling interests	285,195	1,705,939
TOTAL EQUITY	68,261,664	71,316,702
Non-current liabilities		
Loans and borrowings	15,402,572	14,875,992
Lease liabilities	5,274,324	6,408,530
Employees' end of service benefits	2,125,198	1,935,586
	22,802,094	23,220,108
Current liabilities		
Trade and other payables	9,209,162	11,798,604
Loans and borrowings	7,086,726	6,332,502
Bank overdrafts	3,387,540	3,372,230
Lease liabilities	1,463,830	1,083,917
Retentions payable	1,378,645	1,174,121
Income tax payable	154,426	57,652
	22,680,329	23,819,026
Total liabilities	45,482,423	47,039,134
TOTAL EQUITY & LIABILITIES	113,744,087	118,355,836

