

# TRAFCO records BD1.74m net profit

Recommends cash dividend at 17pc to shareholders

## Manama

**T**RAFCO Group yesterday reported a net profit of BD1.74 million for the financial year ending 31 Dec 2016 against BD1.72m in the previous year. Total sales stands at BD41.21m against BD41.06m in the previous year.

Announcing the result, Ebrahim Zainal, the Group's chairman said the board has also resolved to propose a cash dividend at a rate of 17 per cent of the paid up capital to shareholders against 16pc for the previous year.

The last quarter of 2016 recorded total sales of BD10.13m against BD10.28m for the same period of previous year, while the net profit for this year was BD411k against BD290k for last year.

The Group's subsidiary companies did perform well in general, with the exception of Bahrain Livestock Company in which the Group has a stake of around 36pc.

Awal Dairy Company owned 51pc by the Group reported an 8pc growth in total sales to BD14.5m against last year BD13.4m. Net profit was



Ebrahim Zainal reported a net profit of BD1.32m against BD0.73m in the previous year with higher GP, thanks to lower cost of raw material and packaging materials coupled with improvement in production and expansion of export market.

With regards to other subsidiary companies, the results were generally positive though limited. Trafco Logistics Company achieved a net profit of BD126k against BD73k the previous year. Metro Markets Company another wholly owned company that operates retail outlets for the group made a profit of BD53k on total

sales of BD2.8m.

As to Bahrain Water Bottling & Beverages Company which is fully owned by the Group, this year was a turn-around of profitability after many years of negative results. The company had a net profit of BD102k this year against a loss of BD44k in the previous year. The company's new 200 ml bottles of water under MARWA brand were well received by the consumers and the company has plans for expansion.

On the other hand, Bahrain Fresh Fruits Company, another wholly owned subsidiary booked a loss of BD116k due to reduced sales volume that resulted from discontinuation of one of its agency supplies and delays to replace with new products.

Bahrain Livestock Company in which the Group has a stake of around 36pc had a difficult year after the removal of Government subsidy on meat which was implemented on 1st October 2015. The company had to go into a complete management and operation reshuffling and based on a study performed by an international

business Consultants, it was decided that operation need to be shrunk, the slaughter house closed, and dealing in live animal to be discontinued. The company had to pay substantial compensation for retrenchment of a good number of the staff and start concentrating on import and distribution of chilled and frozen meat from different origins. In addition it intends to operate in added value activities in the meat sector to service the catering and other outlets. Due to all these drastic changes, reduced volume of turnover, and heavy cost of retrenchment the company suffered losses and the share of losses were consolidated in the group financials.

The Group investment portfolio achieved a net income for this year BD895k against BD 663k the previous year, including all trading profits and dividends received from its holdings in other companies. The 4th quarter of the year registered a net profit of BD273k in the portfolio against a profit of BD144k in the previous year.



## BAHRAIN FAMILY LEISURE COMPANY B.S.C.



### Statement of financial position as at 31 December 2016 (Expressed in Bahrain Dinars)

	2016	2015
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	350,429	466,296
Intangible assets	4,017	10,973
Financial assets at fair value through profit or loss	5,909,241	5,954,607
	<u>6,263,687</u>	<u>6,431,876</u>
<b>Current assets</b>		
Inventories	23,930	14,832
Prepayments and other receivables	150,373	66,729
Cash and cash equivalents	634,516	369,953
	<u>808,819</u>	<u>451,514</u>
<b>Total assets</b>	<u>7,072,506</u>	<u>6,883,390</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	4,000,000	4,000,000
Statutory reserve	693,139	677,576
Capital reserve	68,245	68,245
Retained earnings	2,286,422	2,146,354
Treasury shares	(400,000)	(400,000)
<b>Total equity</b>	<u>6,647,806</u>	<u>6,492,175</u>
<b>Non-current liabilities</b>		
Employees' terminal benefits	63,322	53,581
<b>Current liabilities</b>		
Trade and other payables	361,378	337,634
<b>Total liabilities</b>	<u>424,700</u>	<u>391,215</u>
<b>Total equity and liabilities</b>	<u>7,072,506</u>	<u>6,883,390</u>

### Statement of profit or loss and other comprehensive income for the year ended 31 December 2016 (Expressed in Bahrain Dinars)

	2016	2015
Operating income	1,238,640	1,278,830
Operating costs	(1,059,249)	(1,107,117)
Operating gross profit	<u>179,391</u>	<u>171,713</u>
<b>Expenses</b>		
Staff costs	(75,797)	(131,856)
General and administrative expenses	(53,114)	(65,896)
Selling and advertising expenses	(46,169)	(69,858)
Depreciation on property, plant and equipment	(14,122)	(20,273)
Amortisation of intangible assets	(6,949)	(10,152)
Directors' fees	(25,450)	(30,600)
<b>Total expenses</b>	<u>(221,601)</u>	<u>(328,635)</u>
<b>Loss before investment and other income/(loss)</b>	<u>(42,210)</u>	<u>(156,922)</u>
Investment and other income/(loss)	197,841	(909,151)
<b>Net profit/(loss) and other comprehensive income/(loss) for the year</b>	<u>155,631</u>	<u>(1,066,073)</u>
<b>Basic and diluted earnings/(loss) per share</b>	<u>Fils 4.32</u>	<u>Fils (29.61)</u>

### Statement of cash flows for the year ended 31 December 2016 (Expressed in Bahrain Dinars)

	2016	2015
<b>Operating activities</b>		
Net profit/(loss) for the year	155,631	(1,066,073)
Adjustments for:		
Depreciation on property, plant and equipment	119,977	129,195
Unrealised fair value losses on financial assets at fair value through profit or loss	45,366	1,145,466
Amortisation of intangible assets	6,949	10,152
Capital work-in-progress written-off	-	260
Interest income	(4,899)	(1,034)
Dividend income	(229,046)	(229,046)
Profit on disposal of property, plant and equipment	(3,050)	(49)
Changes in operating assets and liabilities:		
Inventories	(9,098)	6,335
Prepayments and other receivables	(83,647)	3,109
Trade and other payables	27,030	1,662
Employees' terminal benefits, net	9,741	(4,446)
Net cash provided by/(used in) operating activities	<u>34,954</u>	<u>(4,469)</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(4,110)	(27,007)
Proceeds from disposal of property, plant and equipment	3,050	725
Interest received	4,899	1,034
Dividend received	229,046	229,046
Net cash provided by investing activities	<u>232,885</u>	<u>203,798</u>
<b>Net increase in cash and cash equivalents</b>	<u>267,839</u>	<u>199,329</u>
Cash and cash equivalents, beginning of the year	318,018	118,689
Cash and cash equivalents, end of the year	<u>585,857</u>	<u>318,018</u>

### Statement of changes in shareholders' equity for the year ended 31 December 2016 (Expressed in Bahrain Dinars)

	Share capital	Statutory reserve	Capital reserve	Retained earnings	Treasury shares	Total
At 31 December 2014	4,000,000	677,576	68,245	3,212,427	(400,000)	7,558,248
Net loss and other comprehensive loss for the year	-	-	-	(1,066,073)	-	(1,066,073)
At 31 December 2015	4,000,000	677,576	68,245	2,146,354	(400,000)	6,492,175
Net profit and other comprehensive income for the year	-	-	-	155,631	-	155,631
Transferred to statutory reserve (Note 12)	-	15,563	-	(15,563)	-	-
At 31 December 2016	4,000,000	693,139	68,245	2,286,422	(400,000)	6,647,806

These financial statements, set out on pages 16 to 37, were approved and authorised for issue by the Board of Directors on 20 February 2017 and signed on their behalf by:

Abdul Latif Khalid Al Aujan  
Chairman

Aqeel Raees  
Vice Chairman and  
Managing Director