

Bahrain Cinema Company B.S.C.

Condensed consolidated interim financial
information for the quarter and six months
period ended 30 June 2017 (Unaudited)

Bahrain Cinema Company B.S.C.
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for the quarter and six months period ended 30 June 2017
(Unaudited)

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Bahrain Cinema Company B.S.C.
Administration and contact details as at 30 June 2017

Commercial registration no	1192 obtained on 11 August 1968	
Directors	Dr Esam Abdulla Yusuf Fakhro Ali Yusuf Ali Ubaydli Fareed Yusuf Khalil Almoayyed Jehad Yusuf Abdulla Amin Jalal Mohamed Yusuf Jalal Mohamed Ebrahim Khalil Kanoo Shawqi Ali Yusuf Fakhro	- Chairman - Vice-Chairman
Chief Executive Officer	Ahmed A. Rashed	
Audit committee	Shawqi Ali Yusuf Fakhro Fareed Yusuf Khalil Almoayyed Jalal Mohamed Yusuf Jalal	- Chairman
Registered office	Floor 27 Building 470, Road 1010 Block 410 Fakhro Tower PO Box 26573 Sanabis Kingdom of Bahrain	
Bankers	National Bank of Bahrain Bank of Bahrain and Kuwait Ahli United Bank National Bank of Kuwait Mashreq Bank Arab Bank	
Auditors	BDO 17 th Floor Diplomat Commercial Office Tower PO Box 787 Diplomatic Area Kingdom of Bahrain	
Registrar	Bahrain Bourse PO Box 3203 Manama Kingdom of Bahrain	
Support registrar	Karvy Computer Share W.L.L. PO Box 514 Manama Kingdom of Bahrain	

**Review report on the condensed consolidated interim financial information
to the Board of Directors of Bahrain Cinema Company B.S.C.*****Introduction***

We have reviewed the accompanying condensed consolidated interim statement of financial position of Bahrain Cinema Company B.S.C. ("the Company") and its subsidiary (collectively referred as "the Group") as at 30 June 2017, and the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in shareholders' equity and the condensed interim consolidated statement of cash flows for the quarter and six months period then ended, and selected explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated 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 consolidated 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 consolidated interim financial information does not present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2017, and of its consolidated financial performance and its consolidated cash flows for the quarter and six months period ended in accordance with International Financial Reporting Standard IAS 34 - "Interim Financial Reporting".

BDOManama, Kingdom of Bahrain
8 August 2017

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of financial position as at 30 June 2017
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	30 June 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	10,366,999	14,037,312
Capital work-in progress	5	6,833,029	4,316,533
Investment properties	6	7,758,015	7,758,015
Investment in joint ventures	7	2,744,797	3,902,871
Investment in an associate	8	21,083,549	-
Non-current portion of receivable on disposal of business operations	10	18,914,115	-
Financial assets at fair value through profit or loss	9	<u>7,451,616</u>	<u>8,059,021</u>
		<u>75,152,120</u>	<u>38,073,752</u>
Current assets			
Inventories		508,325	522,210
Trade and other receivables	10	6,144,349	2,874,753
Financial assets at fair value through profit or loss	9	299,720	248,259
Short-term fixed deposits		-	5,000,000
Cash and bank balances		<u>2,694,598</u>	<u>470,021</u>
		<u>9,646,992</u>	<u>9,115,243</u>
Total assets		<u>84,799,112</u>	<u>47,188,995</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	6,609,876	6,609,876
Share premium		1,084,396	1,084,396
Revaluation reserve		4,557,442	4,557,442
Statutory reserve		3,304,938	3,304,938
Charity reserve		244,595	215,335
Retained earnings		60,257,311	27,565,993
Treasury shares	11	<u>(276,781)</u>	<u>(276,781)</u>
		<u>75,781,777</u>	<u>43,061,199</u>
Non-current liabilities			
Employees' terminal benefits		334,508	296,299
Other employees' benefits		<u>3,913,056</u>	<u>-</u>
		<u>4,247,564</u>	<u>296,299</u>
Current liabilities			
Trade and other payables		<u>4,769,771</u>	<u>3,831,497</u>
Total equity and liabilities		<u>84,799,112</u>	<u>47,188,995</u>

The unaudited condensed consolidated interim financial information, set out on pages 4 to 21, were approved and authorised for issue by the Board of Directors on 8 August 2017 and signed on their behalf by:


Dr Esam Abdulla Fakhro
Chairman


Ali Yousuf Ubaydli
Vice-Chairman

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of profit or loss and other comprehensive income
for the quarter and six months period ended 30 June 2017
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Quarter ended 30 June 2017	Quarter ended 30 June 2016	Six months ended 30 June 2017	Six months ended 30 June 2016
Operating income		5,408,314	4,674,924	10,585,406	10,087,144
Operating costs		<u>(3,902,497)</u>	<u>(3,304,760)</u>	<u>(7,377,905)</u>	<u>(6,561,946)</u>
Operating profit for the period		<u>1,505,817</u>	<u>1,370,164</u>	<u>3,207,501</u>	<u>3,525,198</u>
Other operating (loss)/income	13	(257,861)	88,198	(153,985)	178,030
General and administrative expenses		<u>(4,532,237)</u>	<u>(593,094)</u>	<u>(5,195,994)</u>	<u>(1,258,668)</u>
(Loss)/profit from operations		<u>(3,284,281)</u>	<u>865,268</u>	<u>(2,142,478)</u>	<u>2,444,560</u>
Net share of (loss)/profit from investment in joint ventures	7	(1,011,375)	46,600	(930,256)	237,525
Gain on disposal of business operations	8	19,560,655	-	19,560,655	-
Fair value gain on retained interest in investment in associate	8	19,560,655	-	19,560,655	-
(Loss)/income from investments	12	(471,120)	87,246	(127,095)	(1,227,435)
Finance costs		<u>(15,085)</u>	<u>(15,789)</u>	<u>(34,355)</u>	<u>(37,256)</u>
		<u>37,623,730</u>	<u>118,057</u>	<u>38,029,604</u>	<u>(1,027,166)</u>
Net profit and other comprehensive income for the period		<u>34,339,449</u>	<u>983,325</u>	<u>35,887,126</u>	<u>1,417,394</u>
Basic earnings per share	14	<u>542fils</u>	<u>15fils</u>	<u>567fils</u>	<u>22fils</u>

The unaudited condensed consolidated interim financial information, set out on pages 4 to 21, were approved and authorised for issue by the Board of Directors on 8 August 2017 and signed on their behalf by:


 Dr Esam Abdulla Fakhro
 Chairman


 Ali Yousuf Ubaydli
 Vice-Chairman

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of changes in shareholders' equity for the six months period ended 30 June 2017
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Share capital	Share premium	Revaluation reserve	Statutory reserve	Charity reserve	Retained earnings	Treasury shares	Total
At 31 December 2015 - audited		6,609,876	1,507,536	4,557,442	3,304,938	116,375	25,981,244	(238,429)	41,838,982
Dividends for 2015	11	-	-	-	-	-	(3,185,725)	-	(3,185,725)
Transfer to charity reserve		-	-	-	-	40,730	(40,730)	-	-
Net profit and other comprehensive income for the period		-	-	-	-	-	1,417,394	-	1,417,394
At 30 June 2016 - unaudited		6,609,876	1,507,536	4,557,442	3,304,938	157,105	24,172,183	(238,429)	40,070,651
At 31 December 2016 - audited		6,609,876	1,084,396	4,557,442	3,304,938	215,335	27,565,993	(276,781)	43,061,199
Dividends for 2016	11	-	-	-	-	-	(3,166,548)	-	(3,166,548)
Transferred to charity reserve		-	-	-	-	29,260	(29,260)	-	-
Net profit and other comprehensive income for the period		-	-	-	-	-	35,887,126	-	35,887,126
At 30 June 2017- unaudited		6,609,876	1,084,396	4,557,442	3,304,938	244,595	60,257,311	(276,781)	75,781,771

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of cash flows
for the six months period ended 30 June 2017
(Unaudited) - (Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>Six months period ended 30 June 2017</u>	<u>Six months period ended 30 June 2016</u>
Operating activities			
Net profit for the period		35,887,126	1,417,394
Adjustments for:			
Depreciation	4	600,496	486,001
Write-off of AWAL assets		-	133,686
Net share of loss/(profit) from investment in joint ventures	7	930,256	(237,525)
Gain on disposal of business operations	8	(19,560,655)	-
Fair value gain on retained interest in investment in associate	8	(19,560,655)	-
Dividend income	12	(310,718)	(261,203)
Unrealised losses on financial assets at fair value through profit or loss	12	556,118	722,635
Profit from fixed deposit	12	(74,220)	(54,000)
Interest income from trading of bonds	12	(43,416)	(9,073)
Realised (gains)/losses on sale of financial assets at fair value through profit or loss	12	(669)	829,076
Loss/(gain) on sale of property, plant and equipment	13	338,234	(4,796)
Finance costs		34,355	37,256
Changes in operating assets and liabilities:			
Inventories		13,885	(141,492)
Employee terminal benefits		38,209	21,779
Other employee benefits		3,913,056	-
Trade and other receivables		(663,916)	387,918
Trade and other payables		<u>693,833</u>	<u>(1,126,234)</u>
Net cash provided by operating activities		<u>2,791,319</u>	<u>2,201,422</u>
Investing activities			
Purchase of property, plant and equipment	4	(314,206)	(558,889)
Additions to capital work-in-progress	5	(3,070,232)	(1,977,192)
Proceeds from sale of property, plant and equipment		-	4,798
Capital contribution to investment in joint venture		-	(77,765)
Purchase of financial assets at fair value through profit or loss	9	(9,149)	(217,991)
Proceeds from sale of financial assets at fair value through profit or loss		9,644	5,486,013
Net movement in short term fixed deposits		5,000,000	(2,400,000)
Profit from fixed deposit received	12	74,220	54,000
Interest income from trading of bonds received	12	43,416	9,073
Dividend received from joint ventures		227,818	356,037
Dividend income received	12	<u>310,718</u>	<u>261,203</u>
Net cash provided by investing activities		<u>2,272,229</u>	<u>939,287</u>
Financing activities			
Dividends paid		(2,804,616)	(3,185,725)
Finance costs paid		<u>(34,355)</u>	<u>(37,256)</u>
Net cash used in financing activities		<u>(2,838,971)</u>	<u>(3,222,981)</u>
Net increase/(decrease) in cash and cash equivalents		2,224,577	(82,272)
Cash and cash equivalents, beginning of the period		<u>470,021</u>	<u>1,122,564</u>
Cash and cash equivalents, end of the period		<u>2,694,598</u>	<u>1,040,292</u>

Bahrain Cinema Company B.S.C.
Selected explanatory notes to the condensed consolidated interim financial information
for the quarter and six months period ended 30 June 2017
(Unaudited)
(Expressed in Bahrain Dinars)

1 Organisation and activities

Bahrain Cinema Company B.S.C. (“the Company”) and its subsidiary collectively referred as “the Group”). The Company is a public Bahraini shareholding company incorporated under Royal Decree dated 30 November 1967, is registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 1192 obtained on 11 August 1968.

The principal activities of the Group are the screening of films, advertisements and operation of restaurants, providing leisure and amusement related services, real estate activities with own or leased property.

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

These condensed consolidated interim financial statements include assets and liabilities and the result of operations of the branches which operate under commercial registration numbers 1192-1, 1192-2, 1192-9, 1192-16, 1192-18, 1192-19, 1192-20, 1192-21, 1192-22, 1192-23, 1192-24, 1192-25, 1192-26, 1192-27 and 1192-28.

These condensed consolidated interim financial statements also include results of Saar Cinema Complex which is not an independent entity with no separate commercial registration number and operates under commercial registration number 1192-19 of Bahrain Cinema Company (please see Note 2 for details).

2 Structure of the Group

The structure of the Group is as follows:

Subsidiary company

<u>Name of subsidiary</u>	<u>Country of Incorporation</u>	<u>Principal activities</u>	<u>Effective ownership interest 2017</u>	<u>Effective ownership interest 2016</u>
Aradous Properties Management W.L.L.*	Kingdom of Bahrain	Managing and leasing of properties	100%	100%

* 2% of the shares in the entity, although registered in the names of related parties, are held on behalf, and for the beneficial interest, of the Group.

The total assets and net profit/(loss) for the period of the above subsidiary have been extracted from the unaudited management accounts prepared as at, and for the period ended, 30 June 2017.

Bahrain Cinema Company B.S.C.
Selected explanatory notes to the condensed consolidated interim financial information
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2 Structure of the Group (continued)

Joint ventures

<u>Name of joint ventures</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective ownership interest 2017</u>	<u>Effective ownership interest 2016</u>
Saar Cinema Complex	Kingdom of Bahrain	Screening of films	31%	31%
Qatar Bahrain International Cinema W.L.L.	State of Qatar	Screening of films	23%	23%
Al Murjan Restaurant Management W.L.L.	State of Qatar	Restaurant operations	50%	50%

The Group is a party to joint arrangements with the above entities, as arrangement confers joint control over the operations and the decision making process.

Associate

<u>Name of joint venture</u>	<u>Country of Incorporation</u>	<u>Principal activities</u>	<u>Effective ownership interest 2017</u>	<u>Effective ownership interest 2016</u>
Vox Cineco Cinemas Company W.L.L.	Kingdom of Bahrain	Screening of films, sale of food and beverages	50%	-

The Group entered in to an agreement with Majid Al Futtaim Cinemas Bahrain Co. S.P.C. on 27 September 2016 to form a new company Vox Cineco Cinemas Company W.L.L. (commercial registration number 108609-1 obtained on 21 December 2016). This agreement was endorsed by the shareholders in an extraordinary general meeting held on 7 November 2016. Subsequently in the month of December 2016, the Management of the Group has also signed a memorandum of understanding with the Majid Al Futtaim Cinemas Bahrain Co. S.P.C. to revise certain clauses of the original contract signed on 27 September 2016. On completion of conditions of this transaction as mutually agreed by the parties in the agreement the Group has recorded its investment in associate and resultant gain on disposal of business operations on 30 June 2017.

Bahrain Cinema Company B.S.C. sold 50% of its cinemas operations in City Center Bahrain to Majid Al Futtaim Cinemas Bahrain Co. S.P.C. under the agreement and both partners agreed to push down their respective 50% share in City Center Cinema business to this new Company. This new company is to run the cinema operations within the Kingdom of Bahrain. Based on contractual terms, Bahrain Cinema Company B.S.C. has the power to participate in (but not control) the financial and operating policy decisions of Vox Cineco Cinemas Company W.L.L. and accordingly this investment has been classified as an associate. Vox Cineco Cinemas Company W.L.L. is in the process of obtaining license to run the film screening operations.

As per the agreed terms of the agreement, Bahrain Cinema Company B.S.C. is required to contribute BD500,000 representing 50% of the authorized and paid up capital of new company, Vox Cineco Cinemas Company W.L.L. As at 30 June 2017 licenses required to run the operations have not been received and accordingly, share capital payment is not made by either partner.

3 Basis of preparation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting". The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the annual audited consolidated financial statements of the Group for the year ended 31 December 2016. The interim condensed consolidated financial information should be read in conjunction with the 2016 annual audited consolidated financial statements.

Improvements/amendments to IFRS/IAS 2014/2016 cycles

Improvements/amendments to IFRS/IAS issued in 2014/2016 cycle contained numerous amendments to IFRS 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 Group's annual audited consolidated financial statements beginning on or after 1 January 2017 with earlier adoption permitted. No material changes to accounting policies are expected as a result of these amendments.

Standards, amendments and interpretations effective and adopted in 2017

The following new standard, amendment to existing standard or interpretation to published standard is mandatory for the first time for the financial year beginning 1 January 2017 and has been adopted in the preparation of these condensed consolidated interim financial statements:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 7	Statement of cash flows	1 January 2017

On January 7, 2016, the IASB issued amendments to IAS 7- Disclosure Initiative. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. One way to meet this new disclosure requirement is to provide reconciliation between the opening and closing balances for liabilities from financing activities. The Group has adopted the amendments to IAS 7 in its condensed consolidated interim financial statements for the period beginning on 1 January 2017.

Standards, amendments and interpretations issued and effective in 2017 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2017 or subsequent periods, but is not relevant to the Group's operations:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 12	Income taxes	1 January 2017

Bahrain Cinema Company B.S.C.
Selected explanatory notes to the condensed consolidated interim financial information
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3 Basis of preparation (continued)

Standards, amendments and interpretations issued but not yet effective in 2017

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 June 2017. They have not been adopted in preparing the financial statements for the period ended 30 June 2017 and are expected to affect the entity in the period of initial application. In all cases, the entity 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>
IFRS 1	First time adoption of International Financial Reporting Standards	1 January 2018
IAS 28	Investment in associates	1 January 2018
IAS 40	Investment properties	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRIC 22	Foreign currency transactions and advance consideration	1 January 2018
IFRS 16	Leases	1 January 2019

There would have been no change in the operational results of the Group for the period ended 30 June 2017 had the Group early adopted any of the above standards applicable to the Group except for IFRS15, the impact of which is being assessed by the Group.

Early adoption of amendments or standards in 2017

The Group did not early-adopt any new or amended standards in 2017.

Bahrain Cinema Company B.S.C.
Selected explanatory notes to the condensed consolidated interim financial information
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4 Property, plant and equipment

	Freehold land and buildings	Building on leasehold land/leasehold improvements	Fixtures, furniture and office equipment	Motor vehicles	Total
Cost or valuation					
At 31 December 2015 (audited)	5,210,784	2,598,389	13,213,821	189,311	21,212,305
Additions	821,716	-	806,993	25,572	1,654,281
Transferred from capital work-in-progress (Note 5)	-	-	1,883,952	-	1,883,952
Disposals	-	-	-	(24,192)	(24,192)
Write-off - Tagging	-	-	(1,332,071)	-	(1,332,071)
Write-off - Awal	(539,906)	-	(1,328,910)	-	(1,868,816)
At 31 December 2016 (audited)	5,492,594	2,598,389	13,243,785	190,691	21,525,459
Additions	-	-	310,006	4,200	314,206
Transferred from capital work-in-progress (Note 5)	-	-	553,736	-	553,736
Transferred to associate company (Note 8)	-	(649,587)	(3,180,465)	-	(3,830,052)
Disposals on sale of business Operations (Note 8)	-	(649,587)	(2,626,729)	-	(3,276,316)
Disposals	-	-	(676,862)	-	(676,862)
At 30 June 2017 (unaudited)	<u>5,492,594</u>	<u>1,299,215</u>	<u>7,623,471</u>	<u>194,891</u>	<u>14,610,171</u>
Accumulated depreciation					
At 31 December 2015 (audited)	483,432	1,400,710	7,480,743	101,447	9,466,332
Charge for the year	11,369	123,247	908,251	31,640	1,074,507
On disposals	-	-	-	(24,190)	(24,190)
Write-off - Tagging	-	-	(1,293,367)	-	(1,293,367)
Write-off - Awal	(483,432)	-	(1,251,703)	-	(1,735,135)
At 31 December 2016 (audited)	11,369	1,523,957	5,843,924	108,897	7,488,147
Charge for the period	20,543	61,623	501,448	16,882	600,496
Transferred to associate company (Note 8)	-	(234,221)	(1,519,201)	-	(1,753,422)
Disposals on sale of business operations (Note 8)	-	(234,221)	(1,528,450)	-	(1,762,671)
On disposals	-	-	(329,378)	-	(329,378)
At 30 June 2017 (unaudited)	<u>31,912</u>	<u>1,117,138</u>	<u>2,968,343</u>	<u>125,779</u>	<u>4,243,172</u>
Net book value					
At 30 June 2017 (unaudited)	<u>5,460,682</u>	<u>182,077</u>	<u>4,655,128</u>	<u>69,112</u>	<u>10,366,999</u>
At 31 December 2016 (audited)	<u>5,481,225</u>	<u>1,074,432</u>	<u>7,399,861</u>	<u>81,794</u>	<u>14,037,312</u>

Bahrain Cinema Company B.S.C.
 Selected explanatory notes to the condensed consolidated interim financial information
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5 Capital work-in-progress

	30 June 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Opening balance	4,316,533	1,199,950
Additions during the period/year	3,070,232	5,000,535
Transferred to property, plant and equipment (Note 4)	<u>(553,736)</u>	<u>(1,883,952)</u>
Closing balance	<u>6,833,029</u>	<u>4,316,533</u>

Capital work-in-progress includes costs incurred for the residential/commercial project on the Awal property which is expected to be completed by third quarter of the year 2017.

6 Investment properties

	30 June 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Opening balance	7,758,015	7,687,510
Unrealised fair value gains for the period/year	<u>-</u>	<u>70,505</u>
Closing balance	<u>7,758,015</u>	<u>7,758,015</u>

7 Investment in joint ventures

	30 June 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Cost		
Opening balance	686,886	583,170
Additions of investment in Al Murjan Restaurants Management W.L.L.	<u>-</u>	<u>103,716</u>
Closing balance	<u>686,886</u>	<u>686,886</u>

Bahrain Cinema Company B.S.C.
 Selected explanatory notes to the condensed consolidated interim financial information
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7 Investment in joint ventures (continued)

	30 June 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Retained earnings		
Opening balance	3,215,985	3,265,576
Share of (loss)/profit for the period/year from Qatar Bahrain International Cinema W.L.L.	(897,031)	413,943
Share of profit from Saar Cinema Complex	9,270	68,993
Share of loss of Al Murjan Restaurant Management W.L.L.	(42,495)	(145,480)
Dividend from Saar Cinema Complex	(37,993)	(62,000)
Dividend from Qatar Bahrain International Cinema W.L.L.	<u>(189,825)</u>	<u>(325,047)</u>
Closing balance	<u>2,057,911</u>	<u>3,215,985</u>
Net book value		
Closing balance	<u>2,744,797</u>	<u>3,902,871</u>

The above financial information relating to the Group's investment in joint ventures has been extracted from unaudited management accounts prepared as at, and for the period ended 30 June 2017.

8 Investment in associate

	30 June 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Cost		
Investment in Vox Cineco Cinemas Bahrain W.L.L. during the year	<u>21,083,549</u>	-
	<u>21,083,549</u>	-
Retained earnings		
Share of profits for the year from associate	-	-
Closing balance	-	-
Net book value		
At 30 June 2017	<u>21,083,549</u>	-

As explained in Note 2, the Group entered in to an agreement with Majid Al Futtaim Cinemas Bahrain Co. S.P.C. on 27 September 2016 to form a new company Vox Cineco Cinemas Company W.L.L.

As per the agreement, Bahrain Cinema Company B.S.C. sold 50% of its City Centre cinemas operations for a consideration that is payable in equal installments over 7 years (Note 10). Further, on payment of the annual installments referred to above upon each 1 October, a fixed 4.5% charge to the remainder of the lump sum owed to the Group on the date of payment immediately before the payment is made. Moreover, under the terms of the agreement both the parties are entitled to profits or losses generated from the City Centre Cinemas operations equally.

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8 Investment in associate (continued)

The Group has recognized a gain of BD39,121,310 on this transaction in the condensed consolidated statement of profit or loss and other comprehensive income during the period which represents BD19,560,655 on net cash consideration and fair value of retained 50% interest in City Centre cinema operations amounting to BD19,560,655 in accordance with IFRS 10 "Consolidated Financial Statements" presented as investment in associate in these consolidated condensed interim financial statements.

The carrying value of Group's investment in associate includes goodwill on acquisition amounting to BD19,560,655. The management has performed an impairment assessment of goodwill as at 30 June 2017 and concluded that the no impairment is required for the period.

9 Financial assets at fair value through profit or loss

	30 June 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Quoted equity investments	6,213,253	6,065,112
Unquoted equity investments and managed funds	1,238,363	1,993,909
Bonds and Sukuks	<u>299,720</u>	<u>248,259</u>
	<u>7,751,336</u>	<u>8,307,280</u>
Movement during the period/year		
Opening balance	8,307,280	15,146,930
Additions	9,149	281,433
Disposals	(8,975)	(6,545,915)
Unrealised fair value loss on financial assets at fair value through profit or loss (Note 12)	<u>(556,118)</u>	<u>(575,168)</u>
Closing balance	<u>7,751,336</u>	<u>8,307,280</u>
Non-current assets	7,451,616	8,059,021
Current assets	<u>299,720</u>	<u>248,259</u>
	<u>7,751,336</u>	<u>8,307,280</u>

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10 Trade and other receivables

	30 June 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Trade receivables	1,614,386	1,030,903
Provision for impaired trade receivables	<u>(11,531)</u>	<u>(11,531)</u>
	1,602,855	1,019,372
Interest free loans to employees for purchase of company shares	281,535	319,797
Deposits / rental advance	238,352	758,078
Advances to suppliers	695,582	490,247
Amounts due from related parties	632,554	32,753
Prepayments	435,932	57,175
Receivable on disposal of business operations*	2,169,434	-
Other receivables	<u>88,105</u>	<u>197,331</u>
	<u>6,144,349</u>	<u>2,874,753</u>

*Receivable on disposal of business operations represent current portion of total net cash consideration receivable against the sale of 50% interest in City Centre Cinema Operations of the Group, as disclosed in Note 8. Part of the net consideration amounting to BD18,914,115 that is receivable beyond 12 months from the date of consolidated condensed interim financial information is presented as non-current portion in the consolidated condensed interim statement of financial position. In the opinion of the Group's management, the fair values of these receivable balances are not expected to be significantly different from the carrying value as at 30 June 2017 as impact of discounting is not considered to be material.

Amounts due from related parties are unsecured, bear no interest and have no fixed repayment terms and are realisable by the Group's management.

11 Share capital

	30 June 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
Authorised		
100,000,000 ordinary shares of 100 fils each (2016: 100,000,000 ordinary shares of 100 fils each)	<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and fully paid-up:		
66,098,760 ordinary shares of 100 fils each (2016: 66,098,760 ordinary shares of 100 fils each)	<u>6,609,876</u>	<u>6,609,876</u>
Treasury shares		
2,767,801 ordinary shares of 100 fils each (2016: 2,767,801 ordinary shares of 100 fils each)	<u>276,781</u>	<u>276,781</u>

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11 Share capital (continued)

Treasury shares

The Company holds 2,767,801 (4.19% of the total issued and paid-up share capital) as treasury shares as at 30 June 2017 (2016: 4.19% of the total issued and paid-up share capital).

Dividend declared and paid

In accordance with resolutions passed at the Annual General Meeting held on 29 March 2017, cash dividends of 50fils per share for the year 2016 (2015: 50fils per share), amounting to a total cash dividend of BD3,166,548 (2015: BD3,185,725) was approved by the shareholders.

12 (Loss) / income from investments

	Quarter ended 30 June 2017	Quarter ended 30 June 2016	Six months ended 30 June 2017	Six months ended 30 June 2016
Dividend income	66,566	171,394	310,718	261,203
Unrealised fair value loss on financial assets at fair value through profit or loss	(619,663)	(106,270)	(556,118)	(722,635)
Realised gains/(losses) on sale of financial assets at fair value through profit and loss	-	-	669	(829,076)
Profit from fixed deposits	38,845	31,078	74,220	54,000
Interest income/(loss) from bonds	<u>43,132</u>	<u>(8,956)</u>	<u>43,416</u>	<u>9,073</u>
	<u>(471,120)</u>	<u>87,246</u>	<u>(127,095)</u>	<u>(1,227,435)</u>

13 Other operating (loss) / income

	Quarter ended 30 June 2017	Quarter ended 30 June 2016	Six months ended 30 June 2017	Six months ended 30 June 2016
Income from rental properties	31,500	31,500	63,000	63,000
Management fee	15,450	7,080	30,900	14,160
(Loss)/profit on sale of property, plant and equipment	(338,234)	4,796	(338,234)	4,796
Awal car parking collection	-	-	-	292
Foreign exchange gains, net	3,519	8,071	7,229	10,331
Virtual print fees	12,451	26,785	42,156	56,347
Miscellaneous income	<u>17,453</u>	<u>9,966</u>	<u>40,964</u>	<u>29,104</u>
	<u>(257,861)</u>	<u>88,198</u>	<u>(153,985)</u>	<u>178,030</u>

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14 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares issued during the period.

	Quarter ended 30 June 2017	Quarter ended 30 June 2016	Six months ended 30 June 2017	Six months ended 30 June 2016
Net profit attributable to the Shareholders	<u>34,339,449</u>	<u>983,325</u>	<u>35,887,126</u>	<u>1,417,394</u>
Number of ordinary shares	<u>63,330,950</u>	<u>63,714,481</u>	<u>63,330,950</u>	<u>63,714,481</u>
Basic earnings per share	<u>542fils</u>	<u>15fils</u>	<u>567fils</u>	<u>22fils</u>

The Group does not have any potentially dilutive ordinary shares hence the diluted earnings and basic earnings per share are identical.

15 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 Group exercises significant influence, major shareholders, directors and executive management of the Group.

Related parties consist of the joint ventures, the Directors of the Group companies, their close family members and businesses under their control. The Group's transactions with related parties are on arm's length basis and authorised by the management.

Trading transactions, where customers or suppliers are controlled or significantly influenced by the directors of the Group, are conducted on an arm's length basis or on normal commercial terms. Further, there are no loans due to or from any of the directors of the Group.

A summary of related party balances as at 30 June/ 31December is as follows:

	Related party relationship	Amount due from		Amount due to	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
Saar Cinema Complex	Joint venture	26,430	-	-	9,126
Qatar Bahrain International Cinema W.L.L.	Joint venture	35,898	21,235	-	-
Al Murjan Restaurant Management	Joint venture	16,489	11,518	-	-
Vox Cineco Cinema S.P.C.	Associate Company	553,737	-	-	-
Other entities*	Common directorship	-	-	<u>56,276</u>	<u>12,702</u>
		<u>632,554</u>	<u>32,753</u>	<u>56,276</u>	<u>21,828</u>

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15 Transactions and balances with related parties (continued)

* These include balances with several related party companies whose individual balances are not material.

A summary of material transactions with related parties is as follows:

	Six months period ended 30 June 2017	Six months period ended 30 June 2016
<u>Saar Cinema Complex</u>		
Direct expenses	100,663	103,715
Salaries	46,721	29,932
Management fees	3,000	3,000
Other expenses	41,713	28,768
<u>Qatar Bahrain International Cinema Co. W.L.L.</u>		
Salaries	15,380	14,040
Other expenses	31,342	26,538
Management Fees	27,900	11,160
Concession counter purchases	-	31,929
<u>Al Murjan Restaurant Management W.L.L.</u>		
Other expenses	4,971	-
<u>Entities under common directorship</u>		
Direct expenses	38,011	37,495
Operating income from advertisement	2,000	2,000
Kiosk income	162,826	154,506
Other expenses	115,484	272,221
Rent expense for corporate office	59,097	60,819

16 Segmental reporting

The primary segment information is presented in respect of the Group's business segments which are in accordance with the Group's management and internal reporting structure.

The Group's operations in Bahrain are organised under the following major business segments:

- Theatre operations
- Restaurants and concession counters
- Others, includes corporate office assets and vehicles

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16 Segmental reporting (continued)

For the period ended 30 June 2017 (unaudited)

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
Revenues				
Total external sales	6,184,782	3,819,719	580,905	10,585,406
Less: total variable cost	<u>(3,427,661)</u>	<u>(883,074)</u>	<u>-</u>	<u>(4,310,735)</u>
Segment results	<u>2,757,121</u>	<u>2,936,645</u>	<u>580,905</u>	<u>6,274,671</u>
Less: fixed costs				<u>(3,067,170)</u>
Operating gross profit				3,207,501
Other operating loss				(153,985)
General and administrative expenses				(5,195,994)
Loss from operations				(2,142,478)
Net share of loss from investment in joint venture operations				(930,256)
Gain on disposal of business operations				19,560,655
Fair value gain on retained interest on investment in associate				19,560,655
Loss from investments				(127,095)
Finance costs				<u>(34,355)</u>
Net profit				<u>35,887,126</u>

For the period ended 30 June 2016 (unaudited)

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
Revenues				
Total external sales	5,905,795	3,427,616	753,733	10,087,144
Less: total variable cost	<u>(3,272,599)</u>	<u>(789,468)</u>	<u>-</u>	<u>(4,062,067)</u>
Segment results	<u>2,633,196</u>	<u>2,638,148</u>	<u>753,733</u>	<u>6,025,077</u>
Less: fixed cost				<u>(2,499,879)</u>
Operating gross profit				3,525,198
Other operating income				178,030
General and administrative expenses				(1,258,668)
Profit from operations				2,444,560
Share of profit on joint venture operations				237,525
Loss from investments				(1,227,435)
Finance costs				<u>(37,256)</u>
Net profit				<u>1,417,394</u>

17 Capital Commitments

Capital expenditure contracted for various projects at the condensed consolidated interim statement of financial position date but not recognised in these condensed consolidated interim financial statements amounted to BD947,617 (31 December 2016: BD3,572,360).

18 Interim results

The interim net profit for the six months period ended 30 June 2017 may not represent a proportionate share of the annual net profit or loss due to the nature of the Group's activities and potential seasonal changes, timing of the receipt of dividend and investment income.

19 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.