

Bahrain Cinema Company B.S.C.

Condensed consolidated interim
financial information for the
quarter and nine months period
ended 30 September 2014
(Unaudited)

Bahrain Cinema Company B.S.C.
Condensed consolidated interim financial information
for the quarter and nine months period ended 30 September 2014
(Unaudited)

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Bahrain Cinema Company B.S.C.
Administration and contact details as at 30 September 2014

Commercial registration no	1192 obtained on 11 August 1968
Directors	Dr Esam Abdulla Yusuf Fakhro - Chairman Ali Yusuf Ali Ubaydli - Vice-Chairman Fareed Yusuf Khalil Almoayyed Jehad Yusuf Abdulla Amin Jalal Mohamed Yusuf Jalal Mohamed Ebrahim Khalil Kanoo Shawqi Ali Yusuf Fakhro
Chief Executive Officer	Ahmed A. Rashed
Audit committee	Shawqi Ali Yusuf Fakhro - Chairman Fareed Yusuf Khalil Almoayyed Jalal Mohamed Yusuf Jalal
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
Auditors	BDO 17 th Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain
Registrars	Fakhro 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 (together referred to as "the Group") as at 30 September 2014, and the condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of other comprehensive income, condensed consolidated interim statement of changes in shareholders' equity and the condensed consolidated interim statement of cash flows for the quarter and nine 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 interim consolidated 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 September 2014, and of its consolidated financial performance and its consolidated cash flows for the quarter and nine months period ended in accordance with International Financial Reporting Standard IAS 34 - "*Interim Financial Reporting*".

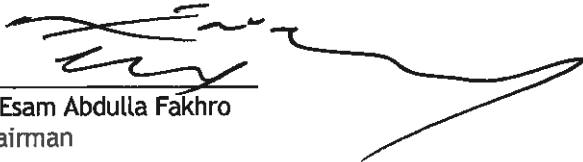


Manama, Kingdom of Bahrain
29 October 2014

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of financial position as at 30 September 2014
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	30 September 2014 (Unaudited)	31 December 2013 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,722,002	12,096,033
Investment properties	4	1,198,329	328,466
Investment in joint ventures	5	2,962,974	2,032,339
Available-for-sale investments	6	-	13,991,577
Financial assets at fair value through profit or loss	7	<u>16,338,609</u>	<u>-</u>
		<u>32,221,914</u>	<u>28,448,415</u>
Current assets			
Inventories		443,743	252,519
Trade and other receivables	9	2,833,713	2,671,335
Financial assets at fair value through profit or loss	7	5,578,164	4,829,324
Short term fixed deposits		3,295,225	4,608,783
Cash and cash equivalents		<u>1,814,743</u>	<u>786,320</u>
		<u>13,965,588</u>	<u>13,148,281</u>
Total assets		<u>46,187,502</u>	<u>41,596,696</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	6,609,876	5,508,230
Share premium		4,743,573	4,743,573
Investment fair value reserve		-	(1,292,646)
Revaluation reserve		4,557,442	4,557,442
Statutory reserve		3,304,938	2,754,115
Charity reserve	11	-	700,000
Retained earnings		22,278,167	20,515,734
Treasury shares		<u>(20,914)</u>	<u>(17,428)</u>
		<u>41,473,082</u>	<u>37,469,020</u>
Current liabilities			
Trade and other payables		<u>4,714,420</u>	<u>4,127,676</u>
Total equity and liabilities		<u>46,187,502</u>	<u>41,596,696</u>

The unaudited condensed consolidated interim financial information, set out on pages 4 to 21, was approved for issue by the Board of Directors on 29 October 2014 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 for the quarter and nine months period ended
30 September 2014
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Three months ended 30 September 2014	Three months ended 30 September 2013	Nine months ended 30 September 2014	Nine months ended 30 September 2013
Operating income		5,348,105	4,464,585	14,897,301	12,755,635
Operating costs		<u>(3,650,184)</u>	<u>(2,949,769)</u>	<u>(9,883,233)</u>	<u>(8,208,273)</u>
		<u>1,697,921</u>	<u>1,514,816</u>	<u>5,014,068</u>	<u>4,547,362</u>
Expenses					
General and administrative expenses		(600,931)	(428,011)	(2,121,123)	(1,598,907)
Finance costs		(16,713)	(9,999)	(39,145)	(29,539)
Donations		<u>(43,502)</u>	<u>(99,099)</u>	<u>(55,692)</u>	<u>(277,101)</u>
		<u>(661,146)</u>	<u>(537,109)</u>	<u>(2,215,960)</u>	<u>(1,905,547)</u>
Operating profit for the period before share of profit from investment in joint ventures and other income		<u>1,036,775</u>	<u>977,707</u>	<u>2,798,108</u>	<u>2,641,815</u>
Net share of profit from investment in joint ventures		290,872	301,321	990,875	1,029,059
Investment income	12	189,565	344,941	1,075,078	2,084,352
Fair value gain/(loss) on financial assets at fair value through profit or loss	7	670,007	84,788	1,598,051	(152,531)
Impairment loss on available-for- sale investments		-	(277,173)	-	(281,839)
Other income	13	<u>81,239</u>	<u>68,263</u>	<u>296,065</u>	<u>189,955</u>
		<u>1,231,683</u>	<u>522,140</u>	<u>3,960,069</u>	<u>2,868,996</u>
Net profit for the period		<u>2,268,458</u>	<u>1,499,847</u>	<u>6,758,177</u>	<u>5,510,811</u>
Basic earnings per share	14	<u>34fils</u>	<u>23fils</u>	<u>103fils</u>	<u>84fils</u>

Bahrain Cinema Company B.S.C.
 Condensed consolidated interim statement of other comprehensive income
 for the quarter and nine months period ended 30 September 2014
 (Unaudited)
 (Expressed in Bahrain Dinars)

	Notes	Three months ended 30 September 2014	Three months ended 30 September 2013	Nine months ended 30 September 2014	Nine months Ended 30 September 2013
Net profit for the period		2,268,458	1,499,847	6,758,177	5,510,811
Other comprehensive income					
<i>Items that may be reclassified into profit or loss:</i>					
Unrealised fair values gain/(loss) on available-for-sale investments		-	330,965	-	(48,101)
Net movement in the fair value reserve on the sale of available-for-sale investments		-	7,105	-	310,425
Net movement in the fair value reserve on impairment of available-for-sale investments		-	-	-	4,636
Total other comprehensive income for the period		<u>2,268,458</u>	<u>338,070</u>	<u>6,758,177</u>	<u>266,960</u>
Total comprehensive income for the period		<u>2,268,458</u>	<u>1,837,917</u>	<u>6,758,177</u>	<u>5,777,771</u>

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of changes in shareholders' equity for the nine months period ended 30 September 2014
(Unaudited)
(Expressed in Bahrain Dinars)

	Share capital	Share premium	Investment fair value reserve	Revaluation reserve	Statutory reserve	Charity reserve	Retained earnings	Treasury shares	Total
At 31 December 2012	5,508,230	4,743,573	(1,587,005)	4,557,442	2,754,115	700,000	17,136,768	-	33,813,123
Dividends for 2012 (Note 10)	-	-	-	-	-	-	(2,754,115)	-	(2,754,115)
Transfer of treasury shares	-	-	-	-	-	-	-	(17,428)	(17,428)
Premium on treasury shares	-	(164,326)	-	-	-	-	-	-	(164,326)
Transfer of charity reserve	-	-	-	-	-	225,000	-	-	225,000
Total comprehensive income for the period	-	-	266,960	-	-	-	5,510,811	-	5,777,771
At 30 September 2013	5,508,230	4,579,247	(1,320,045)	4,557,442	2,754,115	925,000	19,893,464	(17,428)	36,880,025
At 31 December 2013	5,508,230	4,743,573	(1,292,646)	4,557,442	2,754,115	700,000	20,515,734	(17,428)	37,469,020
Transfer to retained earnings on adoption of IFRS 9 Financial Instruments	-	-	1,292,646	-	-	-	(1,292,646)	-	-
Restated at 1 January 2014 (Note 2)	5,508,230	4,743,573	-	4,557,442	2,754,115	700,000	19,223,088	(17,428)	37,469,020
Issue of bonus shares (Note 10)	1,101,646	-	-	-	-	-	(1,098,160)	(3,486)	-
Transfer to retained earnings	-	-	-	-	-	(700,000)	700,000	-	-
Dividends for 2013 (Note 10)	-	-	-	-	-	-	(2,754,115)	-	(2,754,115)
Total comprehensive income for the period	-	-	-	-	550,823	-	6,758,177	-	6,758,177
Transfer to statutory reserve	-	-	-	-	-	-	(550,823)	-	-
At 30 September 2014	6,609,876	4,743,573	-	4,557,442	3,304,938	-	22,278,167	(20,914)	41,473,082

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of cash flows for the nine months period ended
30 September 2014
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Nine months period ended 30 September 2014	Nine months period ended 30 September 2013
Operating activities			
Net profit for the period		6,758,177	5,510,811
Adjustments for:			
Depreciation	3	752,533	719,754
Charity reserve		-	225,000
Net share of profit from investment in joint ventures		(990,875)	(1,029,059)
Impairment loss on available-for-sale investments		-	281,839
Fair value loss on financial assets at fair value through profit or loss	7	(1,598,051)	152,531
Dividend income	12	(582,594)	(505,413)
Profit from fixed deposit	13	(89,420)	(22,020)
Interest income from trading of bonds	12	(258,868)	(219,250)
Realised gains on sale of financial assets at fair value through profit or loss	12	(191,507)	(22,098)
Realised gain on sale of available-for-sale investments	12	-	(1,337,591)
(Profit)/loss on sale of property, plant and equipment	13	(8,718)	8,399
Capital work in progress written-off		12,000	-
Gain on sale of investment properties	12	(42,109)	-
Finance costs		39,145	29,539
Changes in operating assets and liabilities:			
Inventories		(191,224)	(35,098)
Trade and other receivables		(162,378)	628,713
Trade and other payables		586,744	674,523
Net cash provided by operating activities		<u>4,032,855</u>	<u>5,060,580</u>
Investing activities			
Purchase of property, plant and equipment	3	(391,219)	(895,988)
Proceeds from sale of property, plant and equipment		9,435	6,341
Purchase of investment property	4	(1,198,329)	-
Proceeds from sale of investment properties		370,575	-
Capital contribution to investment in joint venture	5	(104,305)	-
Purchase of available-for-sale investments		-	(10,703,771)
Proceeds from sale of available-for-sale investment		-	11,813,904
Purchase of financial assets at fair value through profit or loss	7	(2,583,094)	(1,849,888)
Proceeds from sale of financial assets at fair value through profit or loss		1,276,780	2,640,169
Net movement in short term deposits		1,313,558	(3,000,000)
Profit received from fixed deposit	13	89,420	22,020
Interest income from trading of bonds received	12	258,868	219,250
Dividend received from joint ventures		133,545	717,130
Reduction in share capital of Saar Cinema		31,000	-
Dividend income received	12	<u>582,594</u>	<u>505,413</u>
Net cash used in investing activities		<u>(211,172)</u>	<u>(525,420)</u>

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of cash flows for the nine months period ended
30 September 2014 (continued)
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	Nine months period ended 30 September <u>2014</u>	Nine months period ended 30 September <u>2013</u>
Financing activities			
Purchase of treasury shares		-	(181,754)
Dividends paid	10	(2,754,115)	(2,754,115)
Finance costs paid		<u>(39,145)</u>	<u>(29,539)</u>
Net cash used in financing activities		<u>(2,793,260)</u>	<u>(2,965,408)</u>
Net increase in cash and cash equivalents		1,028,423	1,569,752
Cash and cash equivalents, beginning of the period		<u>786,320</u>	<u>1,119,007</u>
Cash and cash equivalents, end of the period		<u>1,814,743</u>	<u>2,688,759</u>

1 Organisation and activities

Bahrain Cinema Company B.S.C. (“the Company”) and its subsidiary comprise “the Group”. The Company is a public shareholding company incorporated under Amiri 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 exhibition of films, advertisements and operation of restaurants.

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

2 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 2013. The interim condensed consolidated financial information should be read in conjunction with the 2013 annual audited consolidated financial statements.

Improvements/amendments to IFRS 2011/2013 cycle

Improvements/amendments to IFRS issued in 2011/2013 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 consolidated financial statements beginning on or after 1 January 2014 with earlier adoption permitted. No material changes to accounting policies are expected as a result of these amendments except for IFRS 9 Financial Instruments which was early adopted by the Group from 1 January 2014.

Standards, amendments and interpretations effective and adopted in 2014 but not relevant

The following new standards, amendments to existing standards and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2014 or subsequent periods, but are 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 27	Separate Financial Statements	1 January 2014
IFRIC 21	Levies	1 January 2014

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

Standards, amendments and interpretations issued but not yet effective in 2014

The following IFRS and IFRIC interpretations issued/revised as at 1 January 2014 or subsequent periods have not been early adopted by the Group's management:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 16	Property, Plant and Equipment	1 July 2014
IAS 19	Employee Benefits	1 July 2014
IAS 24	Related Party Disclosures	1 July 2014
IAS 38	Intangible Assets	1 July 2014
IAS 40	Investment Property	1 July 2014
IFRS 1	First Time Adoption of International Financial Reporting Standards	1 July 2014
IFRS 2	Share Based Payment	1 July 2014
IFRS 3	Business Combinations	1 July 2014
IFRS 7	Financial Instruments - Disclosures	1 January 2015
IFRS 8	Operating Segments	1 July 2014
IFRS 13	Fair Value Measurement	1 July 2014
IFRS 14	Regulatory Deferral Accounts	1 January 2016

There would have been no change in the operational results of the Group for the period ended 30 September 2014 had the Group early adopted any of the above standards applicable to the Group.

Early adoption of amendments or standards in 2014

The Group did not early-adopt any new or amended standards in 2014 except for IFRS 9 Financial Instruments.

a) IFRS 9 - "Financial Instruments"

IFRS 9 supersedes IAS 39 Financial Instruments: Recognition and Measurement. As a result of early adoption, the Group has classified its financial assets as subsequently measured at either amortised cost or fair value depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. These changes have been applied prospectively as described below, from 1 January 2014.

In accordance with the transitional provisions of IFRS 9, the classification of the financial assets that the Group held at the date of initial application was based on the facts and circumstances of the business model in which the financial assets were held at that date. IFRS 9 requires entities with a date of initial application on or after 1 January 2013 to provide certain additional transitional disclosures (see Note 8) and there is no requirement to restate prior periods.

Group does not designate any financial liabilities as fair value through profit or loss and therefore, application of IFRS 9 does not impact the Group's accounting policies for financial liabilities as disclosed in the consolidated financial statements as at and for the year ended 31 December 2013.

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

a) IFRS 9 - "Financial Instruments" (continued)

However, as a result of early adoption of this standard, BD1,292,646 of investment fair value reserve was reclassified at 1 January 2014 from the investment fair value reserve to opening retained earnings, because equity investments initially classified as available for sale were reclassified to financial assets at fair value through profit or loss upon adoption of IFRS 9.

3 Property, plant and equipment

	Freehold land and buildings	Building on leasehold land/leasehold improvements	Fixtures, furniture and office equipment	Motor vehicles	Capital work-in- progress	Total
<u>Cost or valuation</u>						
At 31 December 2012	5,210,784	2,539,192	10,832,317	104,677	489,497	19,176,467
Additions	-	-	482,221	53,702	501,224	1,037,147
Transfer from capital work in-progress	-	-	240,188	-	(240,188)	-
Disposals	-	-	(194,984)	(18,596)	-	(213,580)
Written-off	-	-	-	-	(31,952)	(31,952)
Transferred to investment properties (note 4)	-	-	-	-	(328,466)	(328,466)
At 31 December 2013	5,210,784	2,539,192	11,359,742	139,783	390,115	19,639,616
Additions	-	-	213,491	34,800	142,928	391,219
Disposals	-	-	(30,154)	(22,639)	-	(52,793)
Written-off	-	-	-	-	(12,000)	(12,000)
At 30 September 2014	<u>5,210,784</u>	<u>2,539,192</u>	<u>11,543,079</u>	<u>151,944</u>	<u>521,043</u>	<u>19,966,042</u>
<u>Accumulated depreciation</u>						
At 31 December 2012	441,402	1,038,618	5,206,290	76,169	-	6,762,479
Charge for the year	17,074	120,287	823,940	18,640	-	979,941
Disposals	-	-	(180,244)	(18,593)	-	(198,837)
At 31 December 2013	458,476	1,158,905	5,849,986	76,216	-	7,543,583
Charge for the period	9,461	90,053	636,511	16,508	-	752,533
Disposals	-	-	(29,440)	(22,636)	-	(52,076)
At 30 September 2014	<u>467,937</u>	<u>1,248,958</u>	<u>6,457,057</u>	<u>70,088</u>	<u>-</u>	<u>8,244,040</u>
<u>Net book value</u>						
At 30 September 2014	<u>4,742,847</u>	<u>1,290,234</u>	<u>5,086,022</u>	<u>81,856</u>	<u>521,043</u>	<u>11,722,002</u>
At 31 December 2013	<u>4,752,308</u>	<u>1,380,287</u>	<u>5,509,756</u>	<u>63,567</u>	<u>390,115</u>	<u>12,096,033</u>

Capital work-in-progress includes cost incurred for the renovation of megaplex in Seef.

Bahrain Cinema Company B.S.C.
 Selected explanatory notes to the condensed consolidated interim financial information
 for the quarter and nine months period ended 30 September 2014
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4 Investment properties

		30 September <u>2014</u> (Unaudited)	31 December <u>2013</u> (Audited)
Opening balance		328,466	-
Additions	(a)	1,198,329	-
Transferred from capital work-in-progress (Note 3)		-	328,466
Disposals	(b)	<u>(328,466)</u>	<u>-</u>
Closing balance		<u>1,198,329</u>	<u>328,466</u>

- (a) This represents land and residential building purchased during the period for BD1,198,329. This building will be leased out to earn rental income and this income will be made available for charity purposes.
- (b) The land which was revalued by an independent property valuer as at 31 December 2013 at open market value, reflected the total value amounting to BD328,466. This asset was disposed for BD370,575 realising a gain of BD42,109 during the current period.
- (c) The fair value of the investment property is a level 3 recurring fair value measurement. During the period, revaluation by an independent property valuer was not carried out for residential land and building as the management does not expect any material change to the fair value as on 30 September 2014.

5 Investment in joint ventures

		30 September <u>2014</u> (Unaudited)	31 December <u>2013</u> (Audited)
<u>Cost</u>			
Opening balance		369,434	369,434
Investment in Al Murjan Restaurants Management		104,305	-
Reduction in Saar Cinema Complex share holding		<u>(31,000)</u>	<u>-</u>
Closing balance		<u>442,739</u>	<u>369,434</u>
<u>Retained earnings</u>			
Opening balance		1,662,905	1,383,627
Share of profit from Qatar Bahrain International Cinema W.L.L.		957,391	1,312,285
Share of profit from Saar Cinema Complex		33,484	38,799
Dividends received from Qatar Bahrain International Cinema W.L.L.		<u>(133,545)</u>	<u>(1,071,806)</u>
Closing balance		<u>2,520,235</u>	<u>1,662,905</u>
<u>Net book value</u>			
Closing balance		<u>2,962,974</u>	<u>2,032,339</u>

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

During the period the Group has entered in to a joint venture agreement with 50% interest in equity holding of Al Murjan Restaurants Management Company, registered in State of Qatar and having its principal activity to operate restaurant business. Joint ventures are accounted for using the equity method as per IFRS 11, Joint Arrangements.

The above financial information relating to the Group's investment in joint ventures has been extracted from management accounts prepared as at, and for the period ended 30 September 2014.

6 Available-for-sale investments

	30 September 2014 (Unaudited)	31 December 2013 (Audited)
Opening balance	13,991,577	14,140,713
Reclassification on adoption of IFRS 9 (Note 8)	<u>(13,991,577)</u>	-
Restated on 1 January 2014	-	14,140,713
Additions	-	15,237,672
Disposals	-	(14,434,294)
Unrealised fair value loss recognised in investment fair value reserve	<u>-</u>	<u>(491,631)</u>
	-	14,452,460
Impairment loss on available-for-sale investments	<u>-</u>	<u>(460,883)</u>
Closing balance	<u>-</u>	<u>13,991,577</u>

Impairment loss recognised in consolidated statement of profit or loss is as below:

	30 September 2014 (Unaudited)	31 December 2013 (Audited)
Impairment loss on available-for-sales investments	-	460,883
Net movement through investment fair value reserve in consolidated statement of profit or loss and other comprehensive income	<u>-</u>	<u>448,867</u>
	<u>-</u>	<u>909,750</u>

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7 Financial assets at fair value through profit or loss

	30 September 2014 <u>(Unaudited)</u>	31 December 2013 <u>(Audited)</u>
Quoted equity investments	14,366,085	-
Unquoted investments	1,972,524	-
Bonds and Sukuks	<u>5,578,164</u>	<u>4,829,324</u>
	<u>21,916,773</u>	<u>4,829,324</u>
Movement during the period/year		
Opening balance	4,829,324	4,301,353
Reclassification on adoption of IFRS 9 (Note 8)	13,991,577	-
Additions	2,583,094	3,330,622
Disposals	(1,085,273)	(2,618,071)
Unrealised fair value gains/(losses)	<u>1,598,051</u>	<u>(184,580)</u>
Closing balance	<u>21,916,773</u>	<u>4,829,324</u>
	30 September 2014 <u>(Unaudited)</u>	31 December 2013 <u>(Audited)</u>
Non-current assets	16,338,609	-
Current assets	<u>5,578,164</u>	<u>4,829,324</u>
	<u>21,916,773</u>	<u>4,829,324</u>

The management has classified the quoted and unquoted investments as non-current as it has intention to hold these for long term. Whereas, bonds and Sukuks are classified as current assets as these may be realised as and when funds are required.

8 Transitional disclosure on adoption of IFRS 9

The following table summarises the classification and measurement changes to the Group's financial assets and liabilities on 1 January 2014, the Company's date of initial application of IFRS9.

	Note	Measurement category under <u>IAS 39</u>	New measurement category under <u>IFRS 9</u>	Original carrying amount under <u>IAS 39</u>	New carrying amount under <u>IFRS 9</u>
Investments in quoted and unquoted investments	8.1	Available for sale investments	Fair value through profit or loss	13,991,577	13,991,577

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8 Transitional disclosure on adoption of IFRS 9 (continued)

	Note	Measurement category under IAS 39	New measurement category under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets at fair value through profit or loss		Fair value through profit or loss	Fair value through profit or loss	4,829,324	4,829,324
Trade and other receivables excluding prepayments		Loans and receivables	Amortised cost	2,608,516	2,608,516
Cash and bank balances		Loans and receivables	Amortised cost	786,320	786,320
Trade and other payables		Loans and receivables	Amortised cost	4,127,676	4,127,676

- 8.1 These financial assets are held for long term appreciation as intended by the management and were previously designated at available-for-sale. They now meet the criteria for measurement at fair value through profit or loss under IFRS 9. This is because investment assets are not held under contractual cash flows business model and further, they include equity investments for which Group has not made the election to present changes in fair value in other comprehensive income.

9 Trade and other receivables

	30 September 2014 (Unaudited)	31 December 2013 (Audited)
Trade receivables	1,234,243	844,228
Provision for impaired trade receivables	<u>(11,531)</u>	<u>(11,531)</u>
	1,222,712	832,697
Interest free loans to employees for purchase of Company shares	618,054	777,661
Deposits/rental advance	332,109	673,210
Advances to suppliers	256,767	99,254
Amounts due from related parties	76,412	124,206
Prepayments	196,115	62,819
Other receivables	<u>131,544</u>	<u>101,488</u>
	<u>2,833,713</u>	<u>2,671,335</u>

Trade receivables are generally on 30 to 90 days credit terms.

Deposits represent amounts paid for securing the lease rights at City Centre Mall.

Amounts due from related parties are unsecured, bear no interest and have no fixed repayment terms.

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10 Share capital

	30 September 2014 (Unaudited)	31 December 2013 (Audited)
Authorised		
100,000,000 ordinary shares of 100 fils each (2013: 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:		
55,082,300 ordinary shares of 100 fils each (2013: 55,082,300 ordinary shares of 100 fils each)	5,508,230	5,508,230
Bonus shares		
11,016,460 bonus shares of 100 fils each (2013: Nil)	<u>1,101,646</u>	<u>-</u>
	<u>6,609,876</u>	<u>5,508,230</u>

In accordance with resolutions passed at the Annual General Meeting held on 26 March 2014, cash dividends of 50fils per share for the year 2013 (2013: 50fils per share for the year 2012), amounting to a total cash dividend of BD2,754,115 (2013: BD2,754,115) and an issue of 20% bonus shares amounting to 11,016,460 shares (2012: Nil) were approved by the shareholders.

Treasury shares

During 2013, 174,280 treasury shares were acquired at an average rate of BD1.043 according to Article 8 of Articles of Association to purchase up to 10% of the Company's issued and fully paid-up share capital. The nominal value of these shares has been disclosed as deduction from reserves. Whereas, the difference, between the nominal value of the acquired shares, and the purchase price, amounting to BD164,326 has been adjusted against retained earnings. Treasury shares have also been given the proportionate increase for bonus shares issued in 2014.

11 Charity reserve

During the period, management has purchased a residential building for BD1,130,226 out of the reserve set aside for charity and thus charity reserve of BD700,000 is adjusted against retained earnings. An approval was taken from shareholders in the Annual General Meeting held on 26 March 2014.

12 Investment income

	Quarter ended 30 September 2014	Quarter ended 30 September 2013	Nine months ended 30 September 2014	Nine months ended 30 September 2013
Dividend income	93,223	67,506	582,594	505,413
Gain on sale of investment property	-	-	42,109	-
Realised gains on sale of available-for-sale investments	-	222,365	-	1,337,591
Realised gains on sale of financial assets at fair value through profit or loss	1,929	-	191,507	22,098
Interest income from bonds	<u>94,413</u>	<u>55,070</u>	<u>258,868</u>	<u>219,250</u>
	<u>189,565</u>	<u>344,941</u>	<u>1,075,078</u>	<u>2,084,352</u>

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13 Other income

	Quarter ended 30 September <u>2014</u>	Quarter ended 30 September <u>2013</u>	Nine months ended 30 September <u>2014</u>	Nine months ended 30 September <u>2013</u>
Income from rental properties	7,866	7,866	23,598	23,598
Profit from fixed deposits	20,265	19,187	89,420	22,020
Profit/(loss) on sale of property, plant and equipment	-	(2,551)	8,718	(8,399)
Miscellaneous income	<u>53,108</u>	<u>43,761</u>	<u>174,329</u>	<u>152,736</u>
	<u>81,239</u>	<u>68,263</u>	<u>296,065</u>	<u>189,955</u>

14 Earnings per share

	Three months ended 30 September <u>2014</u>	Three months ended 30 September <u>2013</u>	Nine months ended 30 September <u>2014</u>	Nine months ended 30 September <u>2013</u>
Net profit attributable to the shareholders	<u>2,268,458</u>	<u>1,499,847</u>	<u>6,758,177</u>	<u>5,510,811</u>
Number of ordinary shares	<u>65,889,620</u>	<u>65,889,620</u>	<u>65,889,620</u>	<u>65,889,620</u>
Basic earnings per share	<u>34fils</u>	<u>23fils</u>	<u>103fils</u>	<u>84fils</u>

The earnings per share has been computed on the basis of net profit for the period ended 30 September divided by the weighted average number of shares outstanding for the period total of 66,098,760, net of 209,140 treasury shares. There is no difference between the basic and diluted earnings per share.

15 Transactions and balances with related parties

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 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.

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15 Transactions and balances with related parties (continue)

A summary of related party balances as at 30 September 2014 and 31 December 2013 is as follows:

	Related party relationship	Amount due from		Amount due to	
		30 September 2014	31 December 2013	30 September 2014	31 December 2013
Saar Cinema Complex	Joint venture	16,884	27,845	-	-
Qatar Bahrain International Cinema W.L.L.	Joint venture	59,528	39,724	-	-
Various entities*	Common directorship	-	56,637	46,309	6,250
		<u>76,412</u>	<u>124,206</u>	<u>46,309</u>	<u>6,250</u>

* 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:

	Nine months period ended 30 September 2014	Nine months period ended 30 September 2013
<u>Saar Cinema Complex</u>		
Management fees	4,500	4,500
Direct expenses	150,127	118,134
Salaries	43,292	36,582
Other expenses	24,082	11,027
<u>Qatar Bahrain International Cinema Co. W.L.L.</u>		
Management Fees	16,740	16,740
Salaries	34,480	29,324
Other expenses	18,694	20,652
Concession counter purchases	46,162	57,578
<u>Entities under common directorship</u>		
Rent expense for corporate office	72,513	-

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.

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16 Segmental reporting (continued)

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

For the period ended 30 September 2014

	<u>Theatre operations</u>	<u>Restaurants and concession Counters</u>	<u>Others</u>	<u>Total</u>
Revenues				
Total external sales	8,890,776	4,915,286	1,091,239	14,897,301
Less: total variable cost	<u>(5,174,671)</u>	<u>(1,189,814)</u>	<u>-</u>	<u>(6,364,485)</u>
Segment results	<u>3,716,105</u>	<u>3,725,472</u>	<u>1,091,239</u>	8,532,816
Less: fixed cost				<u>(3,518,748)</u>
Operating gross profit				5,014,068
Net administration and financial expenses				(2,215,960)
Share of profit on joint venture operations				990,875
Unrealised gain on fair value through profit or loss				1,598,051
Investment and other income				<u>1,371,143</u>
Net profit				<u>6,758,177</u>

For the period ended 30 September 2013

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
Revenues				
Total external sales	7,637,138	4,132,514	985,983	12,755,635
Less: total variable cost	<u>(4,005,792)</u>	<u>(988,602)</u>	<u>-</u>	<u>(4,994,395)</u>
Segment results	<u>3,631,346</u>	<u>3,143,912</u>	<u>985,983</u>	7,761,240
Less: fixed cost				<u>(3,213,878)</u>
Operating gross profit				4,547,362
Net administration and financial expenses				(1,905,547)
Share of profit on joint venture operations				1,029,059
Impairment loss on available for sale investments				(281,839)
Unrealised loss on fair value through profit or loss				(152,531)
Investment and other income				<u>2,274,307</u>
Net profit				<u>5,510,811</u>

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17 Commitments and contingencies

a) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases as at 31 December are as follows:

	30 September <u>2014</u>	31 December <u>2013</u>
Not later than one year	1,315,953	1,296,564
Later than one year and not later than five years	5,383,096	4,899,889
Later than five years	<u>3,275,033</u>	<u>4,662,621</u>
	<u>9,974,082</u>	<u>10,859,074</u>

The lease expense recognised in the consolidated statement of profit or loss for the period ended 30 September 2014 amounted to BD983,774 (31 December 2013: BD1,336,877).

b) Capital commitments

Capital expenditure contracted for the renovation work of the Seef Mall multiplex at the consolidated statement of financial position date but not recognised in these consolidated financial information amounted to 531,700 (31 December 2013: BD725,000).

c) Contingencies

There were no contingencies as at 30 September 2014 (31 December 2013: Nil).

18 Interim results

The interim net profit for the quarter and nine months period ended 30 September 2014 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.