

**Bahrain Cinema Company B.S.C.**

Condensed consolidated interim financial  
information for the three months period  
ended 31 March 2015 (Unaudited)

**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim financial information for the three months period ended**  
**31 March 2015**  
**(Unaudited)**

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**Bahrain Cinema Company B.S.C.**  
**Administration and contact details as at 31 March 2015**

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<b>Commercial registration no</b>	1192 obtained on 11 August 1968	
<b>Directors</b>	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
<b>Chief Executive Officer</b>	Ahmad A. Rashed	
<b>Audit committee</b>	Shawqi Ali Yusuf Fakhro Fareed Yusuf Khalil Almoayyed Jalal Mohamed Yusuf Jalal	- Chairman
<b>Registered office</b>	Floor 27 Building 470, Road 1010 Block 410 Fakhro Tower PO Box 26573 Sanabis Kingdom of Bahrain	
<b>Bankers</b>	National Bank of Bahrain Bank of Bahrain and Kuwait Ahli United Bank	
<b>Auditors</b>	BDO 17 <sup>th</sup> Floor Diplomat Commercial Office Tower PO Box 787 Diplomatic Area Kingdom of Bahrain	
<b>Registrars</b>	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 subsidiaries ("the Group") as at 31 March 2015, 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 interim consolidated statement of cash flow for the three 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 31 March 2015, and of its consolidated financial performance and its consolidated cash flows for the three months period ended in accordance with International Financial Reporting Standard IAS 34 - "Interim Financial Reporting".

**BDO**Manama, Kingdom of Bahrain  
28 April 2015

**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim statement of financial position as at 31 March 2015**  
**(Unaudited)**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	31 March 2015 (Unaudited)	31 December 2014 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	11,705,349	11,618,702
Investment properties	5	7,013,404	2,896,973
Investment in joint ventures	6	3,377,599	2,946,622
Financial assets at fair value through profit or loss	7	<u>16,072,430</u>	<u>16,804,209</u>
		<u>38,168,782</u>	<u>34,266,506</u>
<b>Current assets</b>			
Inventories		430,962	455,685
Trade and other receivables	8	2,632,169	2,669,568
Financial assets at fair value through profit or loss	7	1,732,233	5,529,480
Short-term fixed deposits		-	1,769,855
Cash and bank balances		<u>4,005,678</u>	<u>1,060,574</u>
		<u>8,801,042</u>	<u>11,485,162</u>
<b>Total assets</b>		<u>46,969,824</u>	<u>45,751,668</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	9	6,609,876	6,609,876
Share premium		4,743,573	4,743,573
Revaluation reserve		4,557,442	4,557,442
Statutory reserve		3,304,938	3,304,938
Charity reserve		28,875	-
Retained earnings		25,013,162	23,081,833
Treasury shares		<u>(20,914)</u>	<u>(20,914)</u>
		<u>44,236,952</u>	<u>42,276,748</u>
<b>Current liabilities</b>			
Trade and other payables		<u>2,732,872</u>	<u>3,474,920</u>
<b>Total equity and liabilities</b>		<u>46,969,824</u>	<u>45,751,668</u>

The unaudited condensed consolidated interim financial information, set out on pages 4 to 16, was approved for issue by the Board of Directors on 28 April 2015 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 three months period ended 31 March 2015**  
**(Unaudited) - (Expressed in Bahrain Dinars)**

	<u>Notes</u>	Three months period ended 31 March 2015	Three months period ended 31 March 2014
Operating income		5,366,414	4,705,700
Operating costs		<u>(3,237,468)</u>	<u>(3,043,026)</u>
<b>Operating profit for the period</b>		<u>2,128,946</u>	<u>1,662,674</u>
<b>Expenses</b>			
Other operating income	11	100,011	95,911
General and administrative expenses		<u>(656,794)</u>	<u>(851,028)</u>
		<u>(556,783)</u>	<u>(755,117)</u>
<b>Profit from operations</b>		<u>1,572,163</u>	<u>907,557</u>
Net share of profit from investment in joint ventures	6	304,246	333,647
Investment income	10	99,880	1,397,709
Finance cost		<u>(16,085)</u>	<u>(10,106)</u>
		<u>388,041</u>	<u>1,721,250</u>
<b>Net profit and total other comprehensive income for the period</b>		<u>1,960,204</u>	<u>2,628,807</u>
<b>Basic earnings per share</b>	12	<u>30fils</u>	<u>40fils</u>

**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim statement of changes in shareholders' equity for the three months period ended 31 March 2015**  
**(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 2013 - audited	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	5,508,230	4,743,573	-	4,557,442	2,754,115	700,000	19,223,088	(17,428)	37,469,020
Bonus shares issued	1,101,646	-	-	-	-	-	(1,098,160)	(3,486)	-
Transfer to retained earnings	-	-	-	-	-	(700,000)	700,000	-	-
Dividends for 2013	-	-	-	-	-	-	(2,754,115)	-	(2,754,115)
Net profit and other comprehensive income for the year	-	-	-	-	550,823	-	7,561,843	-	7,561,843
Transfer to statutory reserve	-	-	-	-	(550,823)	-	(550,823)	-	-
At 31 December 2014 - audited	6,609,876	4,743,573	-	4,557,442	3,304,938	-	23,081,833	(20,914)	42,276,748
Transfer to charity reserve	-	-	-	-	-	28,875	(28,875)	-	-
Dividends for 2014	-	-	-	-	-	-	-	-	-
Net profit and other comprehensive income for the period	-	-	-	-	-	-	1,960,204	-	1,960,204
At 31 March 2015 - unaudited	6,609,876	4,743,573	-	4,557,442	3,304,938	28,875	25,013,162	(20,914)	44,236,952

**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim statement of cash flows**  
**for the three months period ended 31 March 2015**  
**(Unaudited) - (Expressed in Bahrain Dinars)**

	<u>Notes</u>	Three months period ended 31 March 2015	Three months period ended 31 March 2014
<b>Operating activities</b>			
Net profit for the period		1,960,204	2,628,807
Adjustments for:			
Depreciation	4	221,701	249,452
Net share of profit from investment in joint ventures	6	(304,246)	(333,647)
Dividend income	10	(430,585)	(331,623)
Unrealised gain on financial assets at fair value through profit or loss		480,860	(805,765)
Profit from fixed deposit	10	(3,529)	(30,030)
Interest income from trading of bonds	10	(71,210)	(87,800)
Realised gains on sale of financial assets at fair value through profit or loss		(78,945)	(130,412)
Loss on sale of property, plant and equipment			493
Capital work in progress written off			12,000
Gain on sale of investment property			(42,109)
Finance costs		16,085	10,106
Changes in operating assets and liabilities:			
Inventories		24,723	(198,915)
Trade and other receivables		37,399	195,944
Trade and other payables		<u>(742,048)</u>	<u>1,771,819</u>
Net cash provided by operating activities		<u>1,110,409</u>	<u>2,908,320</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	4	(308,348)	(29,366)
Proceeds from sale of property, plant and equipment		-	219
Proceeds from sale of investment property		(4,116,431)	370,575
Capital contribution to investment in joint venture	6	(157,731)	(104,305)
Purchase of financial assets at fair value through profit or loss	7	(278,728)	(225,624)
Proceeds from sale of financial assets at fair value through profit or loss		4,405,839	707,730
Net movement in short term fixed deposits		1,769,855	1,481,344
Profit from fixed deposit received	10	3,529	30,030
Interest income from trading of bonds received	10	71,210	87,800
Reduction in share capital of Saar cinema	6	31,000	-
Dividend income received	10	<u>430,585</u>	<u>331,623</u>
Net cash provided by investing activities		<u>1,850,780</u>	<u>2,650,026</u>
<b>Financing activities</b>			
Dividends paid		-	(2,754,115)
Finance costs paid		<u>(16,085)</u>	<u>(10,106)</u>
Net cash used in financing activities		<u>(16,085)</u>	<u>(2,764,221)</u>
Net increase in cash and cash equivalents		2,945,104	2,794,125
Cash and cash equivalents, beginning of the period		<u>1,060,574</u>	<u>786,320</u>
Cash and cash equivalents, end of the period		<u>4,005,678</u>	<u>3,580,445</u>



**Bahrain Cinema Company B.S.C.**  
**Selected explanatory notes to the condensed consolidated interim financial information**  
**for the three months period ended 31 March 2015**  
**(Unaudited) - (Expressed in Bahrain Dinars)**

**1 Organisation and activities**

Bahrain Cinema Company B.S.C. ("the Company") and its subsidiaries comprise "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 Company are the screening of films, advertisements and operation of restaurants and providing leisure and amusement related services.

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

These financial statements include assets 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, 1192-20, 1192-21, 1192-22, 1192-23 and 1192-24.

**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 2015</u>	<u>Effective ownership interest 2014</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 year of the above subsidiary have been extracted from the unaudited financial statements prepared as at, and for the period ended, 31 March 2015.

***Joint ventures***

<u>Name of joint ventures</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective Ownership Interest 2015</u>	<u>Effective Ownership Interest 2014</u>
Saar Cinema Complex	Kingdom of Bahrain	Screening of films	31%	31%
Al Logistics Company B.S.C. (c)	Kingdom of Bahrain	Providing logistic services	10%	10%
Qatar International W.L.L.	Bahrain State of Qatar	Screening of films	23%	23%
Al Murjan Restaurant Management W.L.L.	State of Qatar	Restaurant operations	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.

**Bahrain Cinema Company B.S.C.**  
**Selected explanatory notes to the condensed consolidated interim financial information**  
**for the three months period ended 31 March 2015**  
**(Unaudited) - (Expressed in Bahrain Dinars)**

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**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 2014. The interim condensed consolidated financial information should be read in conjunction with the 2014 annual audited consolidated financial statements.

***Improvements/amendments to IFRS 2010/2013 cycle***

Improvements/amendments to IFRS issued in 2010/2013 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 Company's annual audited financial statements beginning on or after 1 January 2015 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 2015***

The following new standards, amendments to existing standards and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2015 and have been adopted in the preparation of the financial statements:

<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 2	Share Based Payment	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

***Standards, amendments and interpretations issued and effective in 2015 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 2015 or subsequent periods, but are not relevant to the Company's operations:

<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 July 2014
IFRS 3	Business Combinations	1 July 2014

**Bahrain Cinema Company B.S.C.**  
**Selected explanatory notes to the condensed consolidated interim financial information**  
**for the three months period ended 31 March 2015**  
**(Unaudited) - (Expressed in Bahrain Dinars)**

**3 Basis of preparation (continued)**

**Standards, amendments and interpretations issued but not yet effective in 2015**

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 31 March 2015. They have not been adopted in preparing the financial statements for the period ended 31 March 2015 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.

<b>Standard or Interpretation</b>	<b>Title</b>	<b>Effective for annual periods beginning on or after</b>
IFRS 9	Financial Instruments - Classification and Measurement	1 January 2018
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017

There would have been no change in the operational results of the Company for the period ended 31 March 2015 had the Company early adopted any of the above standards applicable to the Company.

**Early adoption of amendments or standards in 2015**

The Company did not early-adopt any new or amended standards in 2015.

**4 Property, plant and equipment**

	<b>Freehold land and buildings</b>	<b>Building on leasehold land/leasehold improvements</b>	<b>Fixtures, furniture and office equipment</b>	<b>Motor vehicles</b>	<b>Capital work-in-progress</b>	<b>Total</b>
<b>Cost or valuation</b>						
At 31 December 2013	5,210,784	2,539,192	11,359,742	139,783	390,115	19,639,616
Additions	-	-	342,487	34,800	258,815	636,102
Disposals	-	-	(30,154)	(22,639)	-	(52,793)
Written off	-	-	-	-	(12,000)	(12,000)
At 31 December 2014	5,210,784	2,539,192	11,672,075	151,944	636,930	20,210,925
Additions	-	-	64,441	7,700	236,207	308,348
At 31 March 2015 (unaudited)	<u>5,210,784</u>	<u>2,539,192</u>	<u>11,736,516</u>	<u>159,644</u>	<u>873,137</u>	<u>20,519,273</u>
<b>Accumulated depreciation</b>						
At 31 December 2013	458,476	1,158,905	5,849,986	76,216	-	7,543,583
Charge for the year	16,722	120,287	941,621	22,086	-	1,100,716
Disposals	-	-	(29,440)	(22,636)	-	(52,076)
At 31 December 2014	475,198	1,279,192	6,762,167	75,666	-	8,592,223
Charge for the period	<u>2,057</u>	<u>30,072</u>	<u>178,827</u>	<u>10,745</u>	-	<u>221,701</u>
At 31 March 2015 (unaudited)	<u>477,255</u>	<u>1,309,264</u>	<u>6,940,994</u>	<u>86,411</u>	-	<u>8,813,924</u>
<b>Net book value</b>						
At 31 March 2015 (unaudited)	<u>4,733,529</u>	<u>1,229,928</u>	<u>4,795,522</u>	<u>73,233</u>	<u>873,137</u>	<u>11,705,349</u>
At 31 December 2014	<u>4,735,586</u>	<u>1,260,000</u>	<u>4,909,908</u>	<u>76,278</u>	<u>636,930</u>	<u>11,618,702</u>

Capital work-in-progress represents cost incurred for the renovation of megaplex in Seef and other smaller projects of capital nature.

Bahrain Cinema Company B.S.C.  
 Selected explanatory notes to the condensed consolidated interim financial information  
 for the three months period ended 31 March 2015  
 (Unaudited) - (Expressed in Bahrain Dinars)

5 Investment properties

	31 March 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
Opening balance	2,896,973	328,466
Additions	4,116,431	2,896,973
Disposals	<u>-</u>	<u>(328,466)</u>
Closing balance	<u>7,013,404</u>	<u>2,896,973</u>

6 Investment in joint ventures

	31 March 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
<b>Cost</b>		
Opening balance	442,739	369,434
Additions of investment in Al Murjan Restaurants Management	157,731	104,305
Reduction in holding of Saar Cinema Complex	<u>(31,000)</u>	<u>(31,000)</u>
Closing balance	<u>569,470</u>	<u>442,739</u>
<b>Retained earnings</b>		
Opening balance	2,503,883	1,662,905
Share of profit for the year from QBICC W.L.L.	289,281	1,398,378
Share of profit from Saar Cinema Complex	14,965	50,698
Dividend from Qatar Bahrain International Cinema W.L.L.	<u>-</u>	<u>(608,098)</u>
Closing balance	<u>2,808,129</u>	<u>2,503,883</u>
<b>Net book value</b>		
Closing balance	<u>3,377,599</u>	<u>2,946,622</u>

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 31 March 2015.

7 Financial assets at fair value through profit or loss

	31 March 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
Quoted equity investments	14,301,454	14,856,819
Unquoted equity investments	1,770,976	1,947,390
Bonds and Sukuks	<u>1,732,233</u>	<u>5,529,480</u>
	<u>17,804,663</u>	<u>22,333,689</u>
<b>Movement during the period/year</b>		
Opening balance	22,333,689	4,829,324
Reclassification on adoption of IFRS 9	<u>-</u>	13,991,577
Additions	278,728	4,294,117
Disposals	(4,326,894)	(1,085,273)
Unrealised fair value (losses)/gain on financial assets at fair value through profit or loss	<u>(480,860)</u>	<u>303,944</u>
Closing balance	<u>17,804,663</u>	<u>22,333,689</u>

Bahrain Cinema Company B.S.C.  
 Selected explanatory notes to the condensed consolidated interim financial information  
 for the three months period ended 31 March 2015  
 (Unaudited) - (Expressed in Bahrain Dinars)

**7 Financial assets at fair value through profit or loss (continued)**

	31 March 2015 (Unaudited)	31 December 2014 (Audited)
Non-current assets	16,072,430	16,804,209
Current assets	<u>1,732,233</u>	<u>5,529,480</u>
	<u><b>17,804,663</b></u>	<u><b>22,333,689</b></u>

The management has classified the quoted and unquoted equity investments as non-current as it has an 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 Trade and other receivables**

	31 March 2015 (Unaudited)	31 December 2014 (Audited)
Trade receivables	1,137,188	1,010,684
Provision for doubtful trade receivables	<u>(11,531)</u>	<u>(11,531)</u>
	1,125,657	999,153
Interest free loans to employees for purchase of company shares	464,801	617,898
Deposits / rental advance	510,522	674,196
Advances to suppliers	327,184	213,263
Amounts due from related parties	41,131	28,740
Prepayments	93,731	36,811
Other receivables	<u>69,143</u>	<u>99,507</u>
	<u><b>2,632,169</b></u>	<u><b>2,669,568</b></u>

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

Deposits mainly 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.

**9 Share capital**

	31 March 2015 (Unaudited)	31 December 2014 (Audited)
<b>Authorised</b>		
100,000,000 ordinary shares of 100 fils each (2014: 100,000,000 ordinary shares of 100 fils each)	<u>10,000,000</u>	<u>10,000,000</u>
<b>Issued, subscribed and fully paid-up:</b>		
66,098,760 ordinary shares of 100 fils each (2014: 66,098,760 ordinary shares of 100 fils each)	<u>6,609,876</u>	<u>6,609,876</u>

**Bahrain Cinema Company B.S.C.****Selected explanatory notes to the condensed consolidated interim financial information  
for the three months period ended 31 March 2015  
(Unaudited) - (Expressed in Bahrain Dinars)****9 Share capital**

In accordance with resolutions passed at the Annual General Meeting held on 25 March 2015, cash dividends of 50 fils per share for the year 2015 (2014: 50 fils per share), amounting to a total cash dividend of BD3,294,481 (2014: BD2,754,115) was 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 issue in 2014.

**10 Investment income**

	Three months period ended <u>31 March 2015</u> (Unaudited)	Three months period ended <u>31 March 2014</u> (Unaudited)
Dividend income	430,585	331,623
Gain on sale of investment property	-	42,109
Unrealized (losses)/gains on financial assets at fair value through profit or loss	(480,860)	805,765
Realised gains on sale of financial assets at fair value through profit or loss	78,945	130,412
Interest income from trading of Sukuks and bonds	<u>71,210</u>	<u>87,800</u>
	<u>99,880</u>	<u>1,397,709</u>

**11 Other operating income**

	Three months period ended <u>31 March 2014</u> (Unaudited)	Three months period ended <u>31 March 2014</u> (Unaudited)
Income from rental properties	36,741	7,866
Profit from fixed deposits	3,529	30,030
Management fee	7,080	6,880
Awal car parking collection	5,724	4,279
Exchange gain	2,272	7,196
Virtual print fees	27,980	32,882
Miscellaneous income	<u>16,685</u>	<u>6,778</u>
	<u>100,011</u>	<u>95,911</u>

**Bahrain Cinema Company B.S.C.**  
**Selected explanatory notes to the condensed consolidated interim financial information**  
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**(Unaudited) - (Expressed in Bahrain Dinars)**

**12 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.

	Three months period ended 31 March 2015	Three months period ended 31 March 2014
Net profit attributable to the shareholders	<u>BD1,960,204</u>	<u>BD2,628,807</u>
Number of ordinary shares issued	<u>66,098,760</u>	<u>66,098,760</u>
Basic earnings per share	<u>30fils</u>	<u>40fils</u>

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

**13 Transactions 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 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 31 March/December is as follows:

	Related Party Relationship	Amount due from		Amount due to	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014
Saar Cinema Complex	Joint venture	21,338	20,191	-	-
Qatar Bahrain International Cinema W.L.L.	Joint venture	18,500	8,549	-	-
AlMurjan Restaurants Management Co.	Joint venture	1,292	-	-	-
Various entities*	Common directorship	<u>10</u>	<u>10</u>	<u>30,777</u>	<u>26,523</u>
		<u>41,132</u>	<u>28,740</u>	<u>30,777</u>	<u>26,523</u>

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

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13 Transactions with related parties (continued)

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

	Three months period ended <u>31 March 2015</u>	Three months period ended <u>31 March 2014</u>
<u>Saar Cinema Complex</u>		
Direct expenses	10,481	39,522
Salaries	13,829	13,797
Management fees	1,500	1,500
Other expenses	7,875	9,017
<u>Qatar Bahrain International Cinema Co. W.L.L.</u>		
Salaries	15,003	8,952
Other expenses	9,941	6,624
Management Fees	5,580	5,308
Concession counter purchases	25,404	35,708
<u>Entities under common directorship</u>		
Rent expense for corporate office	24,170	24,170

14 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

For the period ended 31 March 2015

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
<b>Revenues</b>				
Total external sales	3,136,611	1,856,825	372,978	5,366,414
Less: total variable cost	<u>(1,651,720)</u>	<u>(405,993)</u>	-	<u>(2,057,713)</u>
<b>Segment results</b>	<u>1,484,891</u>	<u>1,450,832</u>	<u>372,978</u>	<u>3,308,701</u>
Less: fixed cost				<u>(1,179,755)</u>
<b>Operating gross profit</b>				2,128,946
Other operating income				100,011
General and administrative expenses				<u>(656,794)</u>
Profit from operations				1,572,163
Share of profit on joint venture operations				304,246
Investment income				99,880
Finance cost				<u>(16,085)</u>
<b>Net profit</b>				<u>1,960,204</u>



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14 Segmental reporting (continued)

For the period ended 31 March 2014

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
<b>Revenues</b>				
Total external sales	2,833,143	1,525,636	346,921	4,705,700
Less: total variable cost	<u>(1,560,737)</u>	<u>(362,907)</u>	-	<u>(1,923,644)</u>
<b>Segment results</b>	<u>1,272,406</u>	<u>1,162,729</u>	<u>346,921</u>	2,782,056
Less: fixed cost				<u>(1,119,382)</u>
<b>Operating gross profit</b>				1,662,674
Other operating income				95,911
General and administrative expenses				<u>(851,028)</u>
<b>Profit from operations</b>				907,557
Share of profit on joint venture operations				333,647
Investment income				1,397,709
Finance cost				<u>(10,106)</u>
<b>Net profit</b>				<u>2,628,807</u>

15 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 statements amounted to BD338,787 (31 December 2014: BD625,936).

16 Interim results

The interim net profit for the three months period ended 31 March 2015 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.