

Bahrain Cinema Company B.S.C.

Condensed consolidated interim financial
information for the three months period
ended 31 March 2018 (Unaudited)

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(Unaudited)

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Bahrain Cinema Company B.S.C.
Administration and contact details as at 31 March 2018

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 Ahmed A. Rashed	- Chairman - Vice-Chairman
Chief Executive Officer and Managing Director	Ahmad 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 Al Salam Bank	
Auditors	BDO 17 th Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	
Registrar	Bahrain Clear PO Box 3203 Manama Kingdom of Bahrain	
Share 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 31 March 2018, the condensed consolidated interim statement of profit or loss and other comprehensive income, the 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 2018, 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".




Manama, Kingdom of Bahrain
8 May 2018



Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of financial position as at 31 March 2018
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	31 March 2018 (Unaudited)	31 December 2017 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,174,187	10,039,333
Capital work-in progress	6	190,968	8,005,238
Investment properties	7	24,052,517	7,752,515
Investment in joint ventures	8	59,153	56,337
Investment in an associate	9	23,100,511	24,958,754
Non-current portion of receivable on disposal of business operations		15,761,762	15,761,762
Financial assets at fair value through profit or loss	10	<u>7,513,357</u>	<u>7,693,992</u>
		<u>75,852,455</u>	<u>74,267,931</u>
Current assets			
Inventories		321,304	317,667
Trade and other receivables	11	6,586,229	5,645,124
Financial assets at fair value through profit or loss	10	376,472	405,153
Cash and bank balances		<u>2,510,380</u>	<u>2,262,179</u>
		<u>9,794,385</u>	<u>8,630,123</u>
Total assets		<u>85,646,840</u>	<u>82,898,054</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	8,262,345	8,262,345
Share premium		1,084,396	1,084,396
Revaluation reserve		4,557,442	4,557,442
Statutory reserve		4,131,173	4,131,173
Charity reserve		284,274	266,134
Retained earnings		56,691,469	56,640,392
Treasury shares	12	<u>(345,976)</u>	<u>(345,976)</u>
		<u>74,665,123</u>	<u>74,595,906</u>
Non-current liabilities			
Employees' terminal and other benefits		<u>3,669,654</u>	<u>3,648,510</u>
Current liabilities			
Trade and other payables		<u>7,312,063</u>	<u>4,653,638</u>
Total equity and liabilities		<u>85,646,840</u>	<u>82,898,054</u>

The unaudited condensed consolidated interim financial statements, set out on pages 4 to 23, were approved and authorised for issue by the Board of Directors on 8 May 2018 and signed on 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 2018
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>Three months period ended 31 March 2018</u>	<u>Three months period ended 31 March 2017</u>
Operating income		1,705,804	5,177,092
Operating costs		<u>(1,516,963)</u>	<u>(3,475,408)</u>
Operating gross profit for the period		<u>188,841</u>	<u>1,701,684</u>
Income from investments, net	13	4,493,342	425,144
Other income	14	<u>299,568</u>	<u>103,876</u>
		<u>4,792,910</u>	<u>529,020</u>
General and administrative expenses		(930,066)	(663,757)
Finance cost		<u>(10,283)</u>	<u>(19,270)</u>
		<u>(940,349)</u>	<u>(683,027)</u>
Net profit and other comprehensive income for the period		<u>4,041,402</u>	<u>1,547,677</u>
Basic earnings per share	15	<u>51fils</u>	<u>20fils</u>

The unaudited condensed consolidated interim financial statements, set out on pages 4 to 23, were approved and authorised for issue by the Board of Directors on 8 May 2018 and signed on 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 three months period ended 31 March 2018
 (Unaudited)
 (Expressed in Bahrain Dinars)

	Share capital	Share premium	Revaluation reserve	Statutory reserve	Charity reserve	Retained earnings	Treasury shares	Total
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	-	-	-	-	-	(3,166,548)	-	(3,166,548)
Transferred to charity reserve	-	-	-	-	28,300	(28,300)	-	-
Net profit and other comprehensive income for the period	-	-	-	-	-	1,547,677	-	1,547,677
At 31 March 2017 - unaudited	<u>6,609,876</u>	<u>1,084,396</u>	<u>4,557,442</u>	<u>3,304,938</u>	<u>243,635</u>	<u>25,918,822</u>	<u>(276,781)</u>	<u>41,442,328</u>
At 31 December 2017 -audited	8,262,345	1,084,396	4,557,442	4,131,173	266,134	56,640,392	(345,976)	74,595,906
Dividends for 2017	-	-	-	-	-	(3,958,185)	-	(3,958,185)
Transferred to charity reserve	-	-	-	-	32,140	(32,140)	-	-
Charity paid	-	-	-	-	(14,000)	-	-	(14,000)
Net profit and other comprehensive income for the period	-	-	-	-	-	4,041,402	-	4,041,402
At 31 March 2018 - unaudited	<u>8,262,345</u>	<u>1,084,396</u>	<u>4,557,442</u>	<u>4,131,173</u>	<u>284,274</u>	<u>56,691,469</u>	<u>(345,976)</u>	<u>74,665,123</u>

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of cash flows
for the three months period ended 31 March 2018
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>Three months period ended 31 March 2018</u>	<u>Three months period ended 31 March 2017</u>
Operating activities			
Net profit for the period		4,041,402	1,547,677
Adjustments for:			
Depreciation	5	193,951	305,475
Write-off of property, plant & equipment		13,460	-
Unrealised fair value gain on investment properties	7	(3,573,786)	-
Net share of profit from investment in joint ventures	8	(2,816)	(81,119)
Net share of profit from investment in an associate	9	(602,137)	-
Dividend income	13	(282,004)	(244,152)
Unrealised loss/(gain) on financial assets at fair value through profit or loss	13	21,119	(63,545)
Profit from fixed deposit	13	(7,753)	(35,375)
Interest income from trading of bonds and sukuku	13	(13,306)	(284)
Realised (gains)/losses on sale of financial assets at fair value through profit or loss		(32,659)	(669)
Interest income on long term receivable		(212,784)	-
Finance costs		10,283	19,270
Changes in operating assets and liabilities:			
Inventories		(3,637)	13,608
Trade and other receivables		(941,105)	(541,223)
Employees terminal benefits		21,144	18,551
Trade and other payables		<u>(1,271,046)</u>	<u>(127,001)</u>
Net cash (used in)/generated by operating activities		<u>(2,641,674)</u>	<u>811,213</u>
Investing activities			
Purchase of property, plant and equipment	5	(13,143)	(42,112)
Additions to capital work-in progress	6	(241,068)	(1,684,385)
Purchase of financial assets at fair value through profit or loss	10	-	(9,148)
Proceeds from sale of financial assets at fair value through profit or loss		220,856	1,757
Net movement in short term fixed deposits		-	4,000,000
Interest income on long term receivable		212,784	-
Profit from fixed deposit received	13	7,753	35,375
Interest income from bonds and sukuku	13	13,306	284
Dividend received from joint ventures	8	-	189,827
Dividend received from associate	9	2,460,380	-
Dividend income received	13	<u>282,004</u>	<u>244,152</u>
Net cash provided by investing activities		<u>2,942,872</u>	<u>2,735,750</u>

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of cash flows
for the three months period ended 31 March 2018 (continued)
(Unaudited)
(Expressed in Bahrain Dinars)

<u>Notes</u>	<u>Three months period ended 31 March 2018</u>	<u>Three months period ended 31 March 2017</u>
Financing activities		
Dividends paid	(28,714)	(9,436)
Charity paid	(14,000)	-
Finance costs paid	<u>(10,283)</u>	<u>(19,270)</u>
Net cash used in financing activities	<u>(52,997)</u>	<u>(28,706)</u>
Net increase in cash and cash equivalents	248,201	3,518,257
Cash and cash equivalents, beginning of the period	<u>2,262,179</u>	<u>470,021</u>
Cash and cash equivalents, end of the period	<u>2,510,380</u>	<u>3,988,278</u>

Non-cash transactions

Transfer from capital work-in-progress

In 2018, the Group transferred completed assets totalling to BD8,055,338 (2017: BDNil) from the capital work-in-progress account to investment properties (Notes 6 and 7). These are excluded from statement of cash flows being non-cash transactions.

Transfer of assets to investment properties

In 2018, the Group transferred land amounting to BD4,670,878 from the property, plant and equipment to investment properties (Notes 5 and 7). These are excluded from statement of cash flows being non-cash transactions.

Bahrain Cinema Company B.S.C.
Selected explanatory notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2018
(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") 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 and sale/trade of furnisher and all household articles and sale/trade in other machinery and equipments and parts.

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

These condensed consolidated interim financial statements include assets liabilities and the result of operations of the branches which operate under commercial registration numbers 1192-1, 1192-9, 1192-16, 1192-18, 1192-19, 1192-20, 1192-22, 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 2018</u>	<u>Effective ownership interest 2017</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 financial statements prepared as at, and for the period ended, 31 March 2018.

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 2018</u>	<u>Effective ownership interest 2017</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 Associate</u>	<u>Country of Incorporation</u>	<u>Principal activities</u>	<u>Effective ownership interest 2018</u>	<u>Effective ownership interest 2017</u>
Vox Cineco Cinemas Company W.L.L.	Kingdom of Bahrain	Screening of films, sale of food and beverages	50%	50%

The Group has 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.

As per this agreement, 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. and both partners agreed to push down their respective 50% share in City Center Cinema business to this new company, Vox Cineco Cinemas Company W.L.L. This new company is to run certain 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. has obtained license during the period ended 30 September 2017 to run the film screening operations.

As per the terms of the agreement, Bahrain Cinema Company B.S.C. was required to contribute BD500,000 representing 50% of the authorised and paid up capital of new company, Vox Cineco Cinemas Company W.L.L.. As at 31 December 2017 licenses required to run the operations have been received and accordingly, share capital payment was made by each partner, to the new company.

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 2017. The interim condensed consolidated financial information should be read in conjunction with the 2017 annual audited consolidated financial statements.

Improvements/amendments to IFRS 2014/2016 and 2015/2017 cycles

Improvements/amendments to IFRS/IAS issued in 2014/2016 and 2015/2017 cycles 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 2018 and subsequent periods 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 2018

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 2018 and has been adopted in the preparation of these condensed consolidated financial statements:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 9	Financial instruments (Early adopted in January 2014)	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018

The impact of the adoption of IFRS 15 and related new accounting policies are disclosed in Note 4 below. The other standards did not have any impact on the Company’s accounting policies and did not require retrospective adjustments.

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

Standards, amendments and interpretations issued and effective in 2018 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 2018 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 28	Investments in associates	1 January 2018
IFRS 1	First-time adoption of International Financial Reporting Standards	1 January 2018
IFRS 2	Share-based payment	1 January 2018
IFRS 4	Insurance contracts	1 January 2018
IFRIC 22	Foreign currency transactions and advance consideration	1 January 2018

Standards, amendments and interpretations issued but not yet effective in 2018

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 31 March 2018. They have not been adopted in preparing the consolidated financial statements for the period ended 31 March 2018 and will or may have an effect on the Group's future financial statements. In all cases, the Group 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>
IAS 12	Income taxes	1 January 2019
IAS 19	Employee benefits	1 January 2019
IAS 23	Borrowing costs	1 January 2019
IAS 40	Investment properties	1 July 2018
IFRS 3	Business combinations	1 January 2019
IFRS 11	Joint arrangements	1 January 2019
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance contracts	1 January 2021
IFRIC 23	Uncertainty over income tax treatments	1 January 2019

There would have been no change in the operational results of the Group for the period ended 31 March 2018 had the Group early adopted any of the above standards applicable to the Group, except for IFRS 16.

Early adoption of amendments or standards in 2018

The Group did not early-adopt any new or amended standards in 2018.

4 Accounting policies

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the annual audited financial statements of the Company prepared as at, and for the year ended 31 December 2017, as described in those annual audited financial statements except for those changed due to adoption of IFRS 15.

IFRS 15 - "Revenue from Contracts with Customers"

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Sale of Goods

The Group's contracts with customers for the sale of goods generally include one performance obligation. The Company has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition

Services income

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Determining the transaction price

The Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

4 Accounting policies (continued)

IFRS 16 “Leases”

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the Group’s operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group’s profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

Bahrain Cinema Company B.S.C.
Selected explanatory notes to the condensed consolidated interim financial information
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5 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 2016 (audited)	5,492,594	2,598,389	13,243,785	190,691	21,525,459
Additions	3,800	-	335,258	4,980	344,038
Reclassification	(3,800)	3,800	-	-	-
Transfers from capital work-in-progress (Note 6)	-	-	583,716	-	583,716
Transferred to an associate company	-	(649,587)	(3,180,465)	-	(3,830,052)
Disposals on sale of business Operations	-	(649,587)	(2,626,729)	-	(3,276,316)
Write-off*	-	-	(676,862)	-	(676,862)
At 31 December 2017 (audited)	5,492,594	1,303,015	7,678,703	195,671	14,669,983
Additions	-	-	13,143	-	13,143
Transfer to investment properties (Note 7)	(4,670,878)	-	-	-	(4,670,878)
Write-off**	-	-	(23,086)	-	(23,086)
At 31 March 2018 (unaudited)	<u>821,716</u>	<u>1,303,015</u>	<u>7,668,760</u>	<u>195,671</u>	<u>9,989,162</u>
Accumulated depreciation					
At 31 December 2016 (audited)	11,369	1,523,957	5,843,924	108,897	7,488,147
Charge for the year	41,086	90,897	823,371	32,620	987,974
Transferred to an associate company	-	(234,221)	(1,519,201)	-	(1,753,422)
Disposals on sale of business operations	-	(234,221)	(1,528,450)	-	(1,762,671)
Write-off*	-	-	(329,378)	-	(329,378)
At 31 December 2017 (audited)	52,455	1,146,412	3,290,266	141,517	4,630,650
Charge for the period	10,271	14,724	162,000	6,956	193,951
Write-off**	-	-	(9,626)	-	(9,626)
At 31 March 2018 (unaudited)	<u>62,726</u>	<u>1,161,136</u>	<u>3,442,640</u>	<u>148,473</u>	<u>4,814,975</u>
Net book value					
At 31 March 2018 (unaudited)	<u>758,990</u>	<u>141,879</u>	<u>4,226,120</u>	<u>47,198</u>	<u>5,174,187</u>
At 31 December 2017 (audited)	<u>5,440,139</u>	<u>156,603</u>	<u>4,388,437</u>	<u>54,154</u>	<u>10,039,333</u>

*During 2017, the Group has completed renovation work of its city centre cinemas which has resulted in write-off of old seats and carpets of BD676,862 in costs and BD329,378 in accumulated depreciation. The corresponding net loss on write-off amounted to BD347,484 is presented separately in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017.

**During the period, the Group has close down the operations of Al Jazeera cinema which has resulted in transfer of assets and accumulated depreciation to other cinemas and write-off of some old assets of BD23,086 in costs and BD9,626 in accumulated depreciation. The corresponding net loss on write-off amounted to BD13,460 is presented separately in the consolidated statement of profit or loss and other comprehensive income for the period ended 31 March 2018.

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6 Capital work-in-progress

	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Opening balance	8,005,238	4,316,533
Additions during the period/year	241,068	4,272,421
Transfer to property, plant and equipment (Note 5)	-	(583,716)
Transfer to investment properties (Note 7)	<u>(8,055,338)</u>	<u>-</u>
Closing balance	<u>190,968</u>	<u>8,005,238</u>

During the period residential/commercial project on the Awal property is completed and transferred to investment properties as management intention is to earn rental income and capital appreciation.

Capital work-in-progress includes costs incurred for the 10 screens multiplex at Oasis Mall in Juffair which is expected to be operational in 4Q of 2018.

7 Investment properties

	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Opening balance	7,752,515	7,758,015
Additions	-	2,500
Transfer from property, plant and equipment (Note 5)	4,670,878	-
Transfer from capital work-in-progress (Note 6)	8,055,338	-
Unrealised fair value gains/(losses) for the period/year	<u>3,573,786</u>	<u>(8,000)</u>
Closing balance	<u>24,052,517</u>	<u>7,752,515</u>

Investment property representing Awal property transferred during the period on completion was fair valued by an independent property valuer, holding a recognised and relevant professional qualification, as on 31 March 2018 and based on the valuation reports an unrealised fair value gain of BD3,573,786 has been recorded in the consolidated condensed interim statement of profit or loss and other comprehensive income.

8 Investment in joint ventures

	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Cost		
Opening balance	790,596	686,886
Additions of investment in Al Murjan Restaurants Management W.L.L.	<u>-</u>	<u>103,710</u>
	<u>790,596</u>	<u>790,596</u>

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8 Investment in joint ventures (continued)

	31 March 2018 (Unaudited)	31 December 2017 (Audited)
Retained earnings		
Opening balance	(734,259)	3,215,985
<i>Share of profits/(losses) for the period/year:</i>		
- Qatar Bahrain International Cinema W.L.L.	-	186,350
- Qatar Bahrain International Cinema W.L.L.	-	(1,030,415)
- Saar Cinema Complex	2,816	25,099
- Al Murjan Restaurant	-	(93,722)
	<u>2,816</u>	<u>(912,688)</u>
<i>Impairment loss for the period/year:</i>		
- Qatar Bahrain International Cinema W.L.L.	-	(2,579,478)
- Al Murjan Restaurant	-	(230,260)
	<u>-</u>	<u>(2,809,738)</u>
<i>Dividend for the period/year:</i>		
- Qatar Bahrain International Cinema W.L.L.	-	(189,825)
- Saar Cinema Complex	-	(37,993)
	<u>-</u>	<u>(227,818)</u>
Closing balance	<u>(731,443)</u>	<u>(734,259)</u>
Net book value		
Closing balance	<u>59,153</u>	<u>56,337</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 2018.

9 Investment in an associate

	31 March 2018 (Unaudited)	31 December 2017 (Audited)
Cost		
Opening balance	24,958,754	-
Investment in Vox Cineco Cinemas Company W.L.L. during the period/year	-	23,949,510
Share of profits for the period/year	602,137	1,009,244
Dividend received	(2,460,380)	-
Closing balance	<u>23,100,511</u>	<u>24,958,754</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.

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10 Financial assets at fair value through profit or loss

	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Quoted equity investments	6,583,796	6,729,234
Unquoted equity investments and managed funds	929,561	964,758
Bonds and Sukuks	<u>376,472</u>	<u>405,153</u>
	<u>7,889,829</u>	<u>8,099,145</u>
Movement during the period/year		
Opening balance	8,099,145	8,307,280
Additions	-	373,345
Disposals	(188,197)	(404,882)
Unrealised fair value losses on financial assets at fair value through profit or loss	<u>(21,119)</u>	<u>(176,598)</u>
Closing balance	<u>7,889,829</u>	<u>8,099,145</u>
	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Non-current assets	7,513,357	7,693,992
Current assets	<u>376,472</u>	<u>405,153</u>
	<u>7,889,829</u>	<u>8,099,145</u>

11 Trade and other receivables

	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Trade receivables	1,120,801	739,156
Provision for doubtful trade receivables	<u>(11,531)</u>	<u>(11,531)</u>
	1,109,270	727,625
Interest free loans to employees for purchase of company shares	269,763	281,535
Deposits / rental advance	157,714	165,742
Advances to suppliers	1,099,531	746,137
Amounts due from related parties (Note 16)	110,138	126,603
Prepayments	186,718	149,355
Receivable on disposal of business operations	3,152,353	3,152,353
Other receivables	<u>500,742</u>	<u>295,774</u>
	<u>6,586,229</u>	<u>5,645,124</u>

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

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

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12 Share capital

	31 March 2018 (Unaudited)	31 December 2017 (Audited)
Authorised		
100,000,000 ordinary shares of 100 fils each (2017: 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:		
82,623,450 ordinary shares of 100 fils each (2017: 82,623,450 ordinary shares of 100 fils each)	<u>8,262,345</u>	<u>8,262,345</u>
Treasury shares		
3,459,751 ordinary shares of 100 fils each (2017: 3,459,751 ordinary shares of 100 fils each)	<u>345,976</u>	<u>345,976</u>

Bonus shares

During 2017, the Company issued one bonus share for every four shares held to its shareholders, translating to 16,524,690 shares as bonus.

Treasury shares

During 2016, 383,522 treasury shares were acquired having nominal value of BD38,352 at rate of BD1.2 for BD461,492 according to Article 8 of Articles of Association of the Company which allows a 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 BD423,140 has been adjusted against share premium. Further, during 2017, the Company issued one bonus share for every four shares held to its shareholders. Accordingly, the Company issued 691,950 treasury shares as bonus shares during the year 2017 (2016: Nil). The Company holds 3,459,751 (2017: 3,459,751) (4.19% of the total issued and paid-up share capital) as treasury shares as at 31 March 2018 (2017: 4.19% of the total issued and paid-up share capital).

13 Income from investments

	Three months period ended 31 March 2018 (Unaudited)	Three months period ended 31 March 2017 (Unaudited)
Unrealised fair value gains on investment properties	3,573,786	=
Net share of profit from investment in associate	602,137	=
Dividend income	282,004	244,152
Net share of profit from investment in joint ventures	2,816	81,119
Unrealised (losses)/gains on financial assets at fair value through profit or loss	(21,119)	63,545
Profit from fixed deposits	7,753	35,375
Realised gains on sale of financial assets at fair value through profit or loss	32,659	669
Interest income from sukuks and bonds	<u>13,306</u>	<u>284</u>
	<u>4,493,342</u>	<u>425,144</u>

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14 Other income

	Three months period ended 31 March 2018 (Unaudited)	Three months period ended 31 March 2017 (Unaudited)
Interest income on long-term receivables	212,784	-
Rental income	41,308	31,500
Management fee	15,450	15,450
Virtual print fees	1,812	29,705
Vocational Training Income	1,330	-
Foreign exchange gain - net	921	3,710
Miscellaneous income	<u>25,963</u>	<u>23,511</u>
	<u>299,568</u>	<u>103,876</u>

15 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 2018	Three months period ended 31 March 2017
Net profit attributable to the shareholders (unaudited)	<u>BD 4,041,402</u>	<u>BD 1,547,677</u>
Weighted average number of ordinary shares issued	<u>79,163,690</u>	<u>79,163,690</u>
Basic earnings per share	<u>51fils</u>	<u>20fils</u>

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

16 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.

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16 Transactions with related parties (continued)

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 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2018 (Unaudited)	31 December 2017 (Audited)
Saar Cinema Complex	Joint venture	47,657	51,727	-	-
Qatar Bahrain International Cinema W.L.L.	Joint venture	28,656	41,051	-	-
Al Murjan Restaurant Management	Joint venture	16,489	16,489	-	-
Vox Cineco Cinema Company W.L.L.	Associate company Common	-	-	204,786	1,381,083
Various entities*	directorship	<u>17,336</u>	<u>17,336</u>	<u>2,250</u>	<u>38,509</u>
		<u>110,138</u>	<u>126,603</u>	<u>207,036</u>	<u>1,419,592</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:

	Three months period ended 31 March 2018 (unaudited)	Three months period ended 31 March 2017 (unaudited)
<u>Saar Cinema Complex</u>		
Direct expenses	41,120	45,560
Salaries	18,470	16,403
Management fees	1,500	1,500
Other expenses	10,748	10,110
<u>Qatar Bahrain International Cinema Co. W.L.L.</u>		
Salaries	11,541	8,968
Other expenses	3,165	15,743
Management Fees	13,950	13,950
<u>Al Murjan Restaurant Management W.L.L.</u>		
Other expenses	-	3,825
<u>Vox Cineco Cinema Company W.L.L.</u>		
Direct expenses	6,472	-
Advertisement income	111,299	-
Other expenses	70,489	-

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16 Transactions with related parties (continued)

	Three months period ended 31 March 2018 (unaudited)	Three months period ended 31 March 2017 (unaudited)
<u>Directors' remuneration</u>		
Directors' remuneration and sitting fee	56,000	44,000
<u>Entities under common directorship</u>		
Direct expenses	7,118	18,463
Operating income from advertisement	-	7,500
Kiosk income	-	86,392
Other expenses	9,159	43,108
Rent expense for corporate office	29,001	31,031

17 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 2018 (unaudited)

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
Revenues				
Total external sales	759,932	866,747	79,125	1,705,804
Less: total variable cost	<u>(363,979)</u>	<u>(244,790)</u>	-	<u>(608,769)</u>
Segment results	<u>395,953</u>	<u>621,957</u>	<u>79,125</u>	<u>1,097,035</u>
Less: fixed cost				<u>(908,194)</u>
Operating profit				188,841
Other operating income				86,784
General and administrative expenses				(916,606)
Write off of property, plant and equipment				<u>(13,460)</u>
Loss from operations				(654,441)
Share of profit on joint venture operations				2,816
Share of profit from investment in an associate				602,137
Interest income on long-term receivable				212,784
Unrealised gain on investment properties				3,573,786
Investment income				314,603
Finance cost				<u>(10,283)</u>
Net profit for the period				<u><u>4,041,402</u></u>

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17 Segmental reporting (continued)

For the period ended 31 March 2017 (unaudited)

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
Revenues				
Total external sales	3,079,211	1,800,089	297,792	5,177,092
Less: total variable cost	<u>(1,567,862)</u>	<u>(422,037)</u>	<u>-</u>	<u>(1,989,899)</u>
Segment results	<u>1,511,349</u>	<u>1,378,052</u>	<u>297,792</u>	<u>3,187,193</u>
Less: fixed cost				<u>(1,485,509)</u>
Operating profit				1,701,684
Other operating income				103,876
General and administrative expenses				<u>(663,757)</u>
Profit from operations				1,141,803
Share of profit on joint venture operations				81,119
Investment income				344,025
Finance cost				<u>(19,270)</u>
Net profit for the period				<u>1,547,677</u>

18 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 BD2,346,176 (31 December 2017: BD301,988).

19 Interim results

The interim net profit for the three months period ended 31 March 2018 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.