

Bahrain Cinema Company B.S.C.

Condensed consolidated interim financial
information for the quarter and nine
months period ended 30 September 2015
(Unaudited)

Bahrain Cinema Company B.S.C.
Condensed consolidated interim financial information
for the quarter and nine months period ended 30 September 2015
(Unaudited)

Index	Page
1. Administration and contact details	2
2. Review report by the independent auditor	3
3. Condensed consolidated interim statement of financial position	4
4. Condensed consolidated interim statement of profit or loss and other comprehensive income	5
5. Condensed consolidated interim statement of changes in shareholders' equity	6
6. Condensed consolidated interim statement of cash flows	7
7. Selected explanatory notes to the condensed interim financial information	8 - 19

Bahrain Cinema Company B.S.C.
Administration and contact details as at 30 September 2015

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	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 2015, and the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in shareholders’ equity and the condensed 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 2015, 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
4 November 2015

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of financial position as at 30 September 2015
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	30 September 2015 (Unaudited)	31 December 2014 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	12,030,279	11,618,702
Investment properties	5	7,013,404	2,896,973
Investment in joint ventures	6	3,733,978	2,946,622
Financial assets at fair value through profit or loss	7	<u>15,286,778</u>	<u>16,804,209</u>
		<u>38,064,439</u>	<u>34,266,506</u>
Current assets			
Inventories		387,998	455,685
Trade and other receivables	8	2,016,698	2,669,568
Financial assets at fair value through profit or loss	7	405,133	5,529,480
Short term fixed deposits		2,200,000	1,769,855
Cash and cash equivalents		<u>2,630,309</u>	<u>1,060,574</u>
		<u>7,640,138</u>	<u>11,485,162</u>
Total assets		<u>45,704,577</u>	<u>45,751,668</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	6,609,876	6,609,876
Share premium		1,923,911	4,743,573
Revaluation reserve		4,557,442	4,557,442
Statutory reserve		3,304,938	3,304,938
Charity reserve		86,625	-
Retained earnings		24,593,072	23,081,833
Treasury shares		<u>(206,109)</u>	<u>(20,914)</u>
		<u>40,869,755</u>	<u>42,276,748</u>
Current liabilities			
Trade and other payables		<u>4,834,822</u>	<u>3,474,920</u>
Total equity and liabilities		<u>45,704,577</u>	<u>45,751,668</u>

The unaudited condensed consolidated interim financial information, set out on pages 4 to 19, was approved and authorised for issue by the Board of Directors on 4 November 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 quarter and nine months period ended 30 September 2015
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Nine months period ended 30 September 2015	Nine months period ended 30 September 2014	Three months period ended 30 September 2015	Three months period ended 30 September 2014
Operating income		16,954,629	14,897,301	6,578,326	5,348,105
Operating costs		<u>(10,922,674)</u>	<u>(9,883,233)</u>	<u>(4,231,567)</u>	<u>(3,650,184)</u>
Operating profit for the period		<u>6,031,955</u>	<u>5,014,068</u>	<u>2,346,759</u>	<u>1,697,921</u>
Expenses					
Other operating income	11	301,981	296,065	109,748	81,239
General and administrative expenses		<u>(1,828,420)</u>	<u>(2,176,815)</u>	<u>(596,220)</u>	<u>(644,433)</u>
		<u>(1,526,439)</u>	<u>(1,880,750)</u>	<u>(486,472)</u>	<u>(563,194)</u>
Profit from operations		<u>4,505,516</u>	<u>3,133,318</u>	<u>1,860,287</u>	<u>1,134,727</u>
Net share of profit from investment in joint ventures		705,825	990,875	264,805	290,872
Investment (loss)/income	10	<u>(267,472)</u>	<u>2,673,129</u>	<u>(753,103)</u>	<u>859,572</u>
Finance cost		<u>(51,524)</u>	<u>(39,145)</u>	<u>(19,904)</u>	<u>(16,713)</u>
		<u>386,829</u>	<u>3,624,859</u>	<u>(508,202)</u>	<u>1,133,731</u>
Net profit and total other comprehensive income for the period		<u>4,892,345</u>	<u>6,758,177</u>	<u>1,352,085</u>	<u>2,268,458</u>
Basic earnings per share	12	<u>76fils</u>	<u>105fils</u>	<u>21fils</u>	<u>35fils</u>

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of changes in shareholders' equity for the nine months period ended 30 September 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	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
Issue of bonus shares	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 total other 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
At 31 December 2014	6,609,876	4,743,573	-	4,557,442	3,304,938	-	23,081,833	(20,914)	42,276,748
Dividends for 2014	-	-	-	-	-	-	(3,294,481)	-	(3,294,481)
Purchase of treasury shares (Note 9)	-	(2,819,662)	-	-	-	-	-	(185,195)	(3,004,857)
Transfer of charity reserve	-	-	-	-	-	86,625	(86,625)	-	-
Net profit and total other comprehensive income for the period	-	-	-	-	-	-	4,892,345	-	4,892,345
At 30 September 2015	6,609,876	1,923,911	-	4,557,442	3,304,938	86,625	24,593,072	(206,109)	40,869,755

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of cash flows for the nine months period ended
30 September 2015
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>Nine months period ended 30 September 2015</u>	<u>Nine months period ended 30 September 2014</u>
Operating activities			
Net profit for the period		4,892,345	6,758,177
Adjustments for:			
Depreciation	4	652,690	752,533
Net share of profit from investment in joint ventures		(705,825)	(990,875)
Fair value losses/(gains) on financial assets at fair value through profit or loss	7	1,247,175	(1,598,051)
Dividend income	10	(779,457)	(582,594)
Profit from fixed deposit	11	(9,384)	(89,420)
Interest income from trading of bonds	10	(95,668)	(258,868)
Realised gains on sale of financial assets at fair value through profit or loss	10	(94,690)	(191,507)
Realised gain on sale of investment in joint ventures	10	(9,888)	-
Profit on sale of property, plant and equipment	11	-	(8,718)
Capital work in progress written-off		-	12,000
Gain on sale of investment properties	10	-	(42,109)
Finance costs		51,524	39,145
Changes in operating assets and liabilities:			
Inventories		67,687	(191,224)
Trade and other receivables		652,870	(162,378)
Trade and other payables		<u>1,359,902</u>	<u>586,744</u>
Net cash provided by operating activities		<u>7,229,281</u>	<u>4,032,855</u>
Investing activities			
Purchase of property, plant and equipment	4	(1,064,267)	(391,219)
Proceeds from sale of property, plant and equipment		-	9,435
Purchase of investment property	5	(4,116,431)	(1,198,329)
Proceeds from sale of investment properties		-	370,575
Capital contribution to investment in joint venture	6	(157,731)	(104,305)
Proceeds from sale of investment in joint venture		17,888	-
Purchase of financial assets at fair value through profit or loss	7	(335,574)	(2,583,094)
Proceeds from sale of financial assets at fair value through profit or loss		5,824,867	1,276,780
Net movement in short term deposits		(430,145)	1,313,558
Profit received from fixed deposit	11	9,384	89,420
Interest income from trading of bonds received	10	95,668	258,868
Dividend received from joint ventures		37,200	133,545
Reduction in share capital of Saar Cinema		31,000	31,000
Dividend income received	10	<u>779,457</u>	<u>582,594</u>
Net cash provided by / (used in) investing activities		<u>691,316</u>	<u>(211,172)</u>

Bahrain Cinema Company B.S.C.
Condensed consolidated interim statement of cash flows for the nine months period ended
30 September 2015 (continued)
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	Nine months period ended 30 September <u>2015</u>	Nine months period ended 30 September <u>2014</u>
Financing activities			
Purchase of treasury shares		(3,004,857)	-
Dividends paid	9	(3,294,481)	(2,754,115)
Finance costs paid		<u>(51,524)</u>	<u>(39,145)</u>
Net cash used in financing activities		<u>(6,350,862)</u>	<u>(2,793,260)</u>
Net increase in cash and cash equivalents		1,569,735	1,028,423
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>2,630,309</u>	<u>1,814,743</u>

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 2015
(Unaudited)
(Expressed in Bahrain Dinars)

1 Organisation and activities

Bahrain Cinema Company B.S.C. (“the Company”) and its subsidiary collectively referred as “the Group”. The Company is a public 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 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 results 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 loss for the year of the above subsidiary have been extracted from the management accounts prepared as at, and for the period ended, 30 September 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%
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%	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 quarter and nine months period ended 30 September 2015
 (Unaudited)
 (Expressed in Bahrain Dinars)

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.

The interim condensed consolidated financial information has been presented in Bahrain Dinars which is the functional currency of the Group.

Basis of presentation

The financial statements have been prepared using going concern assumption under the historical cost convention except for the financial assets at fair value through profit or loss which are carried at their fair values.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group’s accounting policies.

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 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 consolidated 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

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 2015
 (Unaudited)
 (Expressed in Bahrain Dinars)

3 Basis of preparation (continued)

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

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

The following IFRS and IFRIC interpretations issued/revised as at 1 January 2015 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>
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 2018

There would have been no change in the operational results of the Group for the period ended 30 September 2015 had the Group early adopted any of the above standards applicable to the Group.

Early adoption of amendments or standards in 2015

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

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 2015
(Unaudited)
(Expressed in Bahrain Dinars)

4 Property, plant and equipment

	Freehold land and buildings	Building on leasehold land/ leasehold improve- ments	Fixtures, furniture and office equipment	Motor vehicles	Capital work-in- progress	Total
Cost or valuation						
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	-	59,197	139,697	24,176	841,201	1,064,267
Disposals	-	-	(75)	-	-	(75)
At 30 September 2015 (unaudited)	<u>5,210,784</u>	<u>2,598,389</u>	<u>11,811,697</u>	<u>176,120</u>	<u>1,478,131</u>	<u>21,275,121</u>
Accumulated depreciation						
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
On 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	6,172	90,704	537,238	18,576	-	652,690
On disposals	-	-	(75)	-	-	(75)
At 30 September 2015 (unaudited)	<u>481,370</u>	<u>1,369,896</u>	<u>7,299,330</u>	<u>94,242</u>	<u>-</u>	<u>9,244,838</u>
Net book value						
At 30 September 2015 (unaudited)	<u>4,729,414</u>	<u>1,228,493</u>	<u>4,512,367</u>	<u>81,874</u>	<u>1,478,131</u>	<u>12,030,279</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 building of cinemas and restaurant in Riffa and other smaller projects of capital nature.

5 Investment properties

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

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 2015

(Unaudited)

(Expressed in Bahrain Dinars)

6 Investment in joint ventures

	30 September 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
Cost		
Opening balance	442,739	369,434
Investment in Al Murjan Restaurants Management	157,731	104,305
Reduction in Saar Cinema Complex share holding	(31,000)	(31,000)
Disposal of investment in Logistics Company B.S.C. (c)	<u>(8,000)</u>	<u>-</u>
Closing balance	<u>561,470</u>	<u>442,739</u>
Retained earnings		
Opening balance	2,503,883	1,662,905
Share of profit from Qatar Bahrain International Cinema W.L.L.	645,923	1,398,378
Share of profit from Saar Cinema Complex	59,902	50,698
Dividends received from Qatar Bahrain International Cinema W.L.L.	-	(608,098)
Dividends received from Saar Cinema Complex	<u>(37,200)</u>	<u>-</u>
Closing balance	<u>3,172,508</u>	<u>2,503,883</u>
Net book value		
Closing balance	<u>3,733,978</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 30 September 2015.

7 Financial assets at fair value through profit or loss

	30 September 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
Quoted equity investments	13,535,612	14,856,819
Unquoted investments	1,751,166	1,947,390
Bonds and Sukuks	<u>405,133</u>	<u>5,529,480</u>
	<u>15,691,911</u>	<u>22,333,689</u>
Movement during the period/year		
Opening balance	22,333,689	4,829,324
Reclassification on adoption of IFRS 9	-	13,991,577
Additions	335,574	4,294,117
Disposals	(5,730,177)	(1,085,273)
Unrealised fair value (losses)/ gains on financial assets at fair value through profit or loss	<u>(1,247,175)</u>	<u>303,944</u>
Closing balance	<u>15,691,911</u>	<u>22,333,689</u>

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 2015
(Unaudited)
(Expressed in Bahrain Dinars)

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

	30 September <u>2015</u> (Unaudited)	31 December <u>2014</u> (Audited)
Non-current assets	15,286,778	16,804,209
Current assets	<u>405,133</u>	<u>5,529,480</u>
	<u>15,691,911</u>	<u>22,333,689</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 Trade and other receivables

	30 September <u>2015</u> (Unaudited)	31 December <u>2014</u> (Audited)
Trade receivables	564,622	1,010,684
Provision for impaired trade receivables	<u>(11,531)</u>	<u>(11,531)</u>
	553,091	999,153
Interest free loans to employees for purchase of Company shares	478,997	617,898
Deposits/rental advance	309,337	674,196
Advances to suppliers	427,065	213,263
Amounts due from related parties	60,183	28,740
Prepayments	65,536	36,811
Other receivables	<u>77,281</u>	<u>99,507</u>
	<u>2,016,698</u>	<u>2,669,568</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, Kingdom of Bahrain.

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

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 2015
 (Unaudited)
 (Expressed in Bahrain Dinars)

9 Share capital

	30 September 2014 (Unaudited)	31 December 2014 (Audited)
Authorised		
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>
Issued, subscribed and fully paid-up:		
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>

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

Treasury shares

During 2015, 1,851,951 treasury shares were acquired at an average rate of BD1.620 per share for BD 3,004,857, according to Article 8 of Articles of Association of the Group which allowed to purchase up to 10% of the Group'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 BD2,819,662 has been adjusted against share premium. The Group holds 2,061,091 (3.12% of the total issued and paid-up share capital) treasury shares as at September 2015.

10 Investment (loss)/ income

	Nine months period ended 30 September 2015	Nine months period ended 30 September 2014	Three months period ended 30 September 2015	Three months period ended 30 September 2014
Dividend income	779,457	582,594	103,347	93,223
Gains/(losses) on sale of investment property	-	42,109	(14)	-
Unrealised (losses)/gains on financial assets at fair value through profit or loss	(1,247,175)	1,598,051	(866,241)	670,007
Realised gains on sale of financial assets at fair value through profit or loss	94,690	191,507	-	1,929
Gains on sale of investment in joint venture	9,888	-	-	-
Interest income from trading of bonds	<u>95,668</u>	<u>258,868</u>	<u>9,805</u>	<u>94,413</u>
	<u>(267,472)</u>	<u>2,673,129</u>	<u>(753,103)</u>	<u>859,572</u>

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 2015
(Unaudited)
(Expressed in Bahrain Dinars)

11 Other income

	Nine months period ended 30 September <u>2015</u>	Nine months period ended 30 September <u>2014</u>	Three months period ended 30 September <u>2015</u>	Three months period ended 30 September <u>2014</u>
Income from rental properties	108,823	22,967	35,691	7,235
Profit from fixed deposits	9,384	89,420	5,869	20,265
Management fee	21,240	21,240	7,080	7,080
Profit on sale of property, plant and equipment	-	8,718	-	-
Awal car parking collection	15,800	12,277	5,020	3,558
Foreign exchange gain	8,454	18,920	3,782	4,867
Virtual print fees	94,950	89,290	37,231	24,707
Miscellaneous income	<u>43,330</u>	<u>33,233</u>	<u>15,075</u>	<u>13,527</u>
	<u>301,981</u>	<u>296,065</u>	<u>109,748</u>	<u>81,239</u>

12 Earnings per share

	Nine months period ended 30 September <u>2015</u>	Nine months period ended 30 September <u>2014</u>	Three months period ended 30 September <u>2015</u>	Three months period ended 30 September <u>2014</u>
Net profit attributable to the shareholders	<u>4,892,345</u>	<u>6,758,177</u>	<u>1,352,085</u>	<u>2,268,458</u>
Number of ordinary shares	<u>64,083,455</u>	<u>64,083,455</u>	<u>64,083,455</u>	<u>64,083,455</u>
Basic earnings per share	<u>76fils</u>	<u>105fils</u>	<u>21fils</u>	<u>35fils</u>

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury shares. The Group does not have any potentially dilutive ordinary shares hence the diluted earnings and basic earnings per share are identical.

13 Transactions and balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, major shareholders, directors and executive management of the Group.

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

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**

(Unaudited)

(Expressed in Bahrain Dinars)

13 Transactions and balances with related parties (continue)

Trading transactions, where customers or suppliers are controlled or significantly influenced by the directors of the Company, 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 Company.

A summary of related party balances as at 30 September 2015 and 31 December 2014 is as follows:

	Related party relationship	Amount due from		Amount due to	
		30 September 2015	31 December 2014	30 September 2015	31 December 2014
Saar Cinema Complex Qatar Bahrain International Cinema W.L.L.	Joint venture	8,002	20,191	-	-
Al Murjan Restaurants Management W.L.L.	Joint venture	27,826	8,549	-	-
Various entities*	Joint venture Common directorship	6,432	-	-	-
		<u>17,923</u>	<u>-</u>	<u>-</u>	<u>26,523</u>
		<u>60,183</u>	<u>28,740</u>	<u>-</u>	<u>26,523</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 2015	Nine months period ended 30 September 2014
<u>Saar Cinema Complex</u>		
Management fees	4,500	4,500
Direct expenses	219,844	118,134
Salaries	47,797	36,582
Other expenses	37,297	11,027
<u>Qatar Bahrain International Cinema Co. W.L.L.</u>		
Management Fees	16,740	16,740
Salaries	38,042	29,324
Other expenses	18,104	20,652
Concession counter purchases	58,808	57,578
<u>Entities under common directorship</u>		
Rent expense for corporate office	76,938	72,513

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.

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 2015
 (Unaudited)
 (Expressed in Bahrain Dinars)

14 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 2015

	<u>Theatre operations</u>	<u>Restaurants and concession Counters</u>	<u>Others</u>	<u>Total</u>
Revenues				
Total external sales	10,047,072	5,785,831	1,121,726	16,954,629
Less: total variable cost	<u>(5,895,656)</u>	<u>(1,316,352)</u>	<u>-</u>	<u>(7,212,008)</u>
Segment results	<u>4,151,416</u>	<u>4,469,479</u>	<u>1,121,726</u>	9,742,621
Less: fixed cost				<u>(3,710,666)</u>
Operating gross profit				6,031,955
Other operating income				301,981
General and administrative expenses				<u>(1,828,420)</u>
Profit from operations				4,505,516
Share of profit on joint venture operations				705,825
Investment income				(267,472)
Finance cost				<u>(51,524)</u>
Net profit				<u>4,892,345</u>

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
Other operating income				296,065
General and administrative expenses				<u>(2,176,815)</u>
Profit from operations				3,133,318
Share of profit on joint venture operations				990,875
Investment income				2,673,129
Finance cost				<u>(39,145)</u>
Net profit				<u>6,758,177</u>

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 2015
(Unaudited)
(Expressed in Bahrain Dinars)

15 Commitments and contingencies

Capital expenditure contracted for various projects at the consolidated statement of financial position date but not recognised in these consolidated financial statements amounted to BD802,500 (31 December 2014: BD625,936).

16 Interim results

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