

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

**Condensed consolidated interim financial  
information for the quarter and six months  
period ended 30 June 2016 (Unaudited)**

**Bahrain Cinema Company B.S.C.  
Condensed consolidated interim financial information  
for the quarter and six months period ended 30 June 2016  
(Unaudited)**

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**Bahrain Cinema Company B.S.C.**  
**Administration and contact details as at 30 June 2016**

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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>	Ahmed 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 Mashreq Bank Al Salaam Bank Ithmaar Bank Kuwait Finance House Khaleej Commercial 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 subsidiary (collectively referred as “the Group”) as at 30 June 2016, and the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in shareholders’ equity and the condensed interim consolidated statement of cash flows for the quarter and six months period then ended, and selected explanatory notes. The Company’s Board of Directors is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 - “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed 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 June 2016, and of its consolidated financial performance and its consolidated cash flows for the quarter and six months period ended in accordance with International Financial Reporting Standard IAS 34 - “Interim Financial Reporting”.



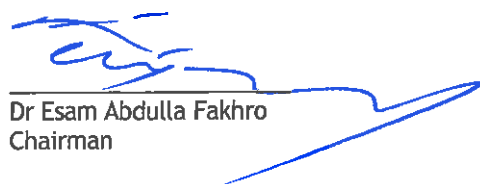
Manama, Kingdom of Bahrain  
13 August 2016



**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim statement of financial position as at 30 June 2016**  
**(Unaudited)**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	30 June 2016 <u>(Unaudited)</u>	31 December 2015 <u>(Audited)</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	13,085,456	11,745,973
Capital work-in progress	5	1,746,909	1,199,950
Investment properties	6	7,687,510	7,687,510
Investment in joint ventures	7	3,807,999	3,848,746
Financial assets at fair value through profit or loss	8	<u>7,846,426</u>	<u>14,756,898</u>
		<u>34,174,300</u>	<u>39,239,077</u>
<b>Current assets</b>			
Inventories		564,114	422,622
Trade and other receivables	9	3,013,087	3,371,055
Financial assets at fair value through profit or loss	8	480,771	390,032
Short-term fixed deposits		5,000,000	2,600,000
Cash and bank balances		<u>1,040,292</u>	<u>1,122,564</u>
		<u>10,098,264</u>	<u>7,906,273</u>
<b>Total assets</b>		<u>44,272,564</u>	<u>47,145,350</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	10	6,609,876	6,609,876
Share premium		1,507,536	1,507,536
Revaluation reserve		4,557,442	4,557,442
Statutory reserve		3,304,938	3,304,938
Charity reserve		157,105	116,375
Retained earnings		24,172,183	25,981,244
Treasury shares	10	<u>(238,429)</u>	<u>(238,429)</u>
		<u>40,070,651</u>	<u>41,838,982</u>
<b>Non-current liabilities</b>			
Employees' terminal benefits		<u>259,060</u>	<u>237,281</u>
<b>Current liabilities</b>			
Trade and other payables		<u>3,942,853</u>	<u>5,069,087</u>
<b>Total equity and liabilities</b>		<u>44,272,564</u>	<u>47,145,350</u>

The unaudited condensed consolidated interim financial information, set out on pages 4 to 17, were approved and authorised for issue by the Board of Directors on 13 August 2016 and signed on their behalf by:

  
Dr Esam Abdulla Fakhro  
Chairman


  
Ali Yousuf Ubaydli  
Vice-Chairman

Bahrain Cinema Company B.S.C.  
Condensed consolidated interim statement of profit or loss and other comprehensive income  
for the quarter and six months period ended 30 June 2016  
(Unaudited)  
(Expressed in Bahrain Dinars)

	Notes	Quarter ended 30 June 2016	Quarter ended 30 June 2015	Six months ended 30 June 2016	Six months ended 30 June 2015
Operating income		4,674,924	5,009,889	10,087,144	10,376,303
Operating costs		<u>(3,304,760)</u>	<u>(3,453,639)</u>	<u>(6,561,946)</u>	<u>(6,691,107)</u>
<b>Operating profit for the period</b>		<u>1,370,164</u>	<u>1,556,250</u>	<u>3,525,198</u>	<u>3,685,196</u>
Other operating income	12	119,276	92,236	232,030	192,247
<b>Expenses</b>					
General and administrative expenses		<u>(593,094)</u>	<u>(575,406)</u>	<u>(1,258,668)</u>	<u>(1,232,200)</u>
		<u>(473,818)</u>	<u>(483,170)</u>	<u>(1,026,638)</u>	<u>(1,039,953)</u>
<b>Profit from operations</b>		<u>896,346</u>	<u>1,073,080</u>	<u>2,498,560</u>	<u>2,645,243</u>
Net share of profit from investment in joint ventures	7	46,600	136,774	237,525	441,020
(Loss)/income from investments	11	56,168	385,737	(1,281,435)	485,617
Finance costs		<u>(15,789)</u>	<u>(15,535)</u>	<u>(37,256)</u>	<u>(31,620)</u>
		<u>86,979</u>	<u>506,976</u>	<u>(1,081,166)</u>	<u>895,017</u>
<b>Net profit and total other comprehensive income for the period</b>		<u>983,325</u>	<u>1,580,056</u>	<u>1,417,394</u>	<u>3,540,260</u>
Basic earnings per share	13	<u>15fils</u>	<u>24fils</u>	<u>22fils</u>	<u>54fils</u>

The unaudited condensed consolidated interim financial information, set out on pages 4 to 17, was approved and authorised for issue by the Board of Directors on 13 August 2016 and signed on their behalf by:

  
Dr Esam Abdulla Fakhro  
Chairman

  
Ali Yousuf Ubaydli  
Vice-Chairman

**Bahrain Cinema Company B.S.C.**  
**Condensed consolidated interim statement of changes in shareholders' equity for the six months period ended 30 June 2016**  
**(Unaudited)**  
**(Expressed in Bahrain Dinars)**

	Notes	Share capital	Share premium	Revaluation reserve	Statutory reserve	Charity reserve	Retained earnings	Treasury shares	Total
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		-	-	-	-	57,750	(57,750)	-	-
Dividends for 2014	10	-	-	-	-	-	(3,294,481)	-	(3,294,481)
Purchase of treasury shares		-	(2,803,387)	-	-	-	-	(184,002)	(2,987,389)
Net profit and other comprehensive income for the period		-	-	-	-	-	3,540,260	-	3,540,260
At 30 June 2015 - unaudited		6,609,876	1,940,186	4,557,442	3,304,938	57,750	23,269,862	(204,916)	39,535,138
At 31 December 2015 - audited		6,609,876	1,507,536	4,557,442	3,304,938	116,375	25,981,244	(238,429)	41,838,982
Dividends for 2015	10	-	-	-	-	-	(3,185,725)	-	(3,185,725)
Transferred to charity reserve		-	-	-	-	40,730	(40,730)	-	-
Net profit and other comprehensive income for the period		-	-	-	-	-	1,417,394	-	1,417,394
At 30 June 2016- unaudited		6,609,876	1,507,536	4,557,442	3,304,938	157,105	24,172,183	(238,429)	40,070,651

Bahrain Cinema Company B.S.C.  
Condensed consolidated interim statement of cash flows  
for the six months period ended 30 June 2016  
(Unaudited) - (Expressed in Bahrain Dinars)

	<u>Notes</u>	Six months period ended 30 June 2016	Six months period ended 30 June 2015
<b>Operating activities</b>			
Net profit for the period		1,417,394	3,540,260
Adjustments for:			
Depreciation	4	486,001	433,898
Write-off of awal assets		133,686	-
Net share of profit from investment in joint ventures	7	(237,525)	(441,020)
Dividend income	11	(261,203)	(676,110)
Unrealised losses on financial assets at fair value through profit or loss	11	722,635	380,934
Profit from fixed deposit	12	(54,000)	(3,515)
Interest income from trading of bonds	11	(9,073)	(85,863)
Realised loss/(gains) on sale of financial assets at fair value through profit or loss		829,076	(94,690)
Realised gains on sale of investment in joint venture		-	(9,888)
Gain on sale of property, plant and equipment		(4,796)	-
Finance costs		37,256	31,620
Changes in operating assets and liabilities:			
Inventories		(141,492)	33,066
Employee terminal benefits		21,779	-
Trade and other receivables		387,918	190,265
Trade and other payables		<u>(1,126,234)</u>	<u>228,734</u>
Net cash provided by operating activities		<u>2,201,422</u>	<u>3,527,691</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	4	(558,889)	(638,454)
Additions to capital work-in-progress	5	(1,977,192)	-
Proceeds from sale of property, plant and equipment		4,798	-
Purchase of investment property		-	(4,116,431)
Capital contribution to investment in joint venture	7	(77,765)	(157,731)
Proceeds from sale of investment in joint venture		-	17,888
Purchase of financial assets at fair value through profit or loss	8	(217,991)	(332,660)
Proceeds from sale of financial assets at fair value through profit or loss		5,486,013	5,805,606
Net movement in short term fixed deposits		(2,400,000)	1,769,855
Profit from fixed deposit received	12	54,000	3,515
Interest income from trading of bonds received	11	9,073	85,863
Reduction in share capital of Saar cinema		-	31,000
Dividend received from joint ventures		356,037	-
Dividend income received	11	<u>261,203</u>	<u>676,110</u>
Net cash provided by investing activities		<u>939,287</u>	<u>3,144,561</u>
<b>Financing activities</b>			
Dividends paid		(3,185,725)	(3,294,481)
Finance costs paid		(37,256)	(31,620)
Purchase of treasury shares		-	<u>(2,987,389)</u>
Net cash used in financing activities		<u>(3,222,981)</u>	<u>(6,313,490)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(82,272)</b>	<b>358,762</b>
Cash and cash equivalents, beginning of the period		<u>1,122,564</u>	<u>1,060,574</u>
Cash and cash equivalents, end of the period		<u>1,040,292</u>	<u>1,419,336</u>



**Bahrain Cinema Company B.S.C.**  
**Selected explanatory notes to the condensed consolidated interim financial information**  
**for the quarter and six months period ended 30 June 2016**  
**(Unaudited)**  
**(Expressed in Bahrain Dinars)**

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**1 Organisation and activities**

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

The principal activities of the 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 condensed consolidated 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, 1192-24 and 1192-25.

**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 2016</u>	<u>Effective ownership interest 2015</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 management accounts prepared as at, and for the period ended, 30 June 2016.

***Joint ventures***

<u>Name of joint ventures</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective ownership interest 2016</u>	<u>Effective ownership interest 2015</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.

### 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 2015. The interim condensed consolidated financial information should be read in conjunction with the 2015 annual audited consolidated financial statements.

#### *Improvements/amendments to IFRS/IAS 2012/2014 cycle*

Improvements/amendments to IFRS/IAS issued in 2012/2014 cycle contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Group's annual audited consolidated financial statements beginning on or after 1 January 2016 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 2016*

The following new standards, amendments to existing standards and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2016 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 1	Presentation of financial statements	1 January 2016
IAS 16	Property, plant and equipment	1 January 2016
IAS 34	Interim financial reporting	1 January 2016

#### *Standards, amendments and interpretations issued and effective in 2016 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 2016 or subsequent periods, but are not relevant to the Group's operations:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 19	Employee benefits	1 January 2016
IAS 27	Separate financial statements	1 January 2016
IAS 28	Investment in Associates	1 January 2016
IAS 38	Intangible assets	1 January 2016
IAS 41	Agriculture	1 January 2016
IFRS 5	Non-current assets held for sale	1 January 2016
IFRS 7	Financial instruments - disclosures	1 January 2016
IFRS 10	Consolidated financial statements	1 January 2016
IFRS 11	Joint arrangements	1 January 2016
IFRS 12	Disclosure of interests in other entities	1 January 2016
IFRS 14	Regulatory deferral accounts	1 January 2016

Bahrain Cinema Company B.S.C.  
Selected explanatory notes to the condensed consolidated interim financial information  
for the quarter and six months period ended 30 June 2016  
(Unaudited)  
(Expressed in Bahrain Dinars)

3 Basis of preparation (continued)

Standards, amendments and interpretations issued but not yet effective in 2016

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 June 2016. They have not been adopted in preparing the financial statements for the period ended 30 June 2016 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.

Standard or Interpretation	Title	Effective for annual periods beginning on or after
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

There would have been no change in the operational results of the Group for the period ended 30 June 2016 had the Group early adopted any of the above standards applicable to the Group.

*Early adoption of amendments or standards in 2016*

The Group did not early-adopt any new or amended standards in 2016.

4 Property, plant and equipment

	Freehold land and buildings	Building on leasehold land/leasehold improvements	Fixtures, furniture and office equipment	Motor vehicles	Total
<i>Cost or valuation</i>					
At 31 December 2014	5,210,784	2,539,192	11,672,075	151,944	19,573,995
Additions	-	59,197	258,018	37,367	354,582
Transferred from capital work-in-progress	-	-	<u>1,283,728</u>	-	<u>1,283,728</u>
At 31 December 2015	5,210,784	2,598,389	13,213,821	189,311	21,212,305
Additions	-	-	550,589	8,300	558,889
Transferred from capital work-in-progress (Note 5)	-	-	1,436,574	-	1,436,574
Transferred to capital work-in-progress and advances	-	-	(120,760)	-	(120,760)
Disposals	-	-	-	(24,192)	(24,192)
Write-off*	(539,906)	-	(1,247,001)	-	(1,786,907)
At 30 June 2016	<u>4,670,878</u>	<u>2,598,389</u>	<u>13,833,223</u>	<u>173,419</u>	<u>21,275,909</u>
<i>Accumulated depreciation</i>					
At 31 December 2014	475,198	1,279,192	6,762,167	75,666	8,592,223
Charge for the year	8,234	121,518	718,576	25,781	874,109
At 31 December 2015	483,432	1,400,710	7,480,743	101,447	9,466,332
Charge for the period	-	61,643	408,753	15,605	486,001
On transfers to capital work-in progress and advances	-	-	(84,469)	-	(84,469)
On disposals	-	-	-	(24,190)	(24,190)
On write-off	(483,432)	-	(1,169,789)	-	(1,653,221)
At 30 June 2016	<u>0</u>	<u>1,462,353</u>	<u>6,635,238</u>	<u>92,862</u>	<u>8,190,453</u>
<i>Net book value</i>					
At 30 June 2016 (unaudited)	<u>4,670,878</u>	<u>1,136,036</u>	<u>7,197,985</u>	<u>80,557</u>	<u>13,085,456</u>
At 31 December 2015(audited)	<u>4,727,352</u>	<u>1,197,679</u>	<u>5,733,078</u>	<u>87,864</u>	<u>11,745,973</u>

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

\*The Group has commenced residential/commercial project on the Awal property and accordingly as per the approval of Audit Committee dated 6 January 2016, the assets having net book value of BD133,686 relating to Awal Cinema and the Takatak restaurant previously located on Awal property have been written off/disposed.

5 Capital work-in-progress

	30 June 2016 <u>(Unaudited)</u>	31 December 2015 <u>(Audited)</u>
Opening balance	1,199,950	636,930
Additions during the period/year	1,977,192	1,846,748
Transfer to property, plant and equipment (Note 4)	(1,436,574)	(1,283,728)
Transfer from property, plant and equipment (Note 4)	<u>6,341</u>	<u>-</u>
Closing balance	<u>1,746,909</u>	<u>1,199,950</u>

Capital work-in-progress includes costs incurred for the residential/commercial project on the Awal property.

6 Investment properties

	30 June 2016 <u>(Unaudited)</u>	31 December 2015 <u>(Audited)</u>
Opening balance	7,687,510	2,896,973
Additions	-	4,116,431
Unrealised fair value gains for the year	<u>-</u>	<u>674,106</u>
Closing balance	<u>7,687,510</u>	<u>7,687,510</u>

7 Investment in joint ventures

	30 June 2016 <u>(Unaudited)</u>	31 December 2015 <u>(Audited)</u>
<b>Cost</b>		
Opening balance	583,170	442,739
Additions of investment in Al Murjan Restaurants Management W.L.L.	77,765	157,731
Disposal of investment in Logistics Co.	-	(8,000)
Reduction in holding of Saar Cinema Complex	<u>-</u>	<u>(9,300)</u>
Closing balance	<u>660,935</u>	<u>583,170</u>

Bahrain Cinema Company B.S.C.  
 Selected explanatory notes to the condensed consolidated interim financial information  
 for the quarter and six months period ended 30 June 2016  
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7 Investment in joint ventures (continued)

	30 June 2016 (Unaudited)	31 December 2015 (Audited)
<b>Retained earnings</b>		
Opening balance	3,265,576	2,503,883
Share of profit from		
Qatar Bahrain International Cinema W.L.L.	209,778	740,147
Share of profit from Saar Cinema Complex	27,747	80,446
Dividend from Saar Cinema Complex	(31,000)	(58,900)
Dividend from Qatar Bahrain International Cinema W.L.L.	<u>(325,037)</u>	<u>-</u>
Closing balance	<u>3,147,064</u>	<u>3,265,576</u>
<b>Net book value</b>		
Closing balance	<u>3,807,999</u>	<u>3,848,746</u>

The above financial information relating to the Group's investment in joint ventures has been extracted from unaudited management accounts prepared as at, and for the period ended 30 June 2016.

8 Financial assets at fair value through profit or loss

	30 June 2016 (Unaudited)	31 December 2015 (Audited)
Quoted equity investments	6,107,210	12,843,914
Unquoted equity investments	1,739,216	1,912,984
Bonds and Sukuks	<u>480,771</u>	<u>390,032</u>
	<u>8,327,197</u>	<u>15,146,930</u>
<b>Movement during the period/year</b>		
Opening balance	15,146,930	22,333,689
Additions	217,991	378,887
Disposals	(6,315,089)	(5,736,552)
Unrealised fair value loss on financial assets at fair value through profit or loss (Note 11)	<u>(722,635)</u>	<u>(1,829,094)</u>
Closing balance	<u>8,327,197</u>	<u>15,146,930</u>
	30 June 2016 (Unaudited)	31 December 2015 (Audited)
Non-current assets	7,846,426	14,756,898
Current assets	<u>480,771</u>	<u>390,032</u>
	<u>8,327,197</u>	<u>15,146,930</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 sukuku are classified as current assets as these may be realised as and when funds are required.

**Bahrain Cinema Company B.S.C.**  
**Selected explanatory notes to the condensed consolidated interim financial information**  
**for the quarter and six months period ended 30 June 2016**  
**(Unaudited)**  
**(Expressed in Bahrain Dinars)**

**9 Trade and other receivables**

	30 June 2016 <u>(Unaudited)</u>	31 December 2015 <u>(Audited)</u>
Trade receivables	1,040,095	1,267,953
Provision for impaired trade receivables	<u>(11,531)</u>	<u>(11,531)</u>
	1,028,564	1,256,422
Interest free loans to employees for purchase of company shares	380,266	478,997
Deposits / rental advance	475,941	742,907
Advances to suppliers	875,000	759,167
Amounts due from related parties	65,749	5,464
Prepayments	82,771	36,295
Other receivables	<u>104,796</u>	<u>91,803</u>
	<b><u>3,013,087</u></b>	<b><u>3,371,055</u></b>

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.

**10 Share capital**

	30 June 2016 <u>(Unaudited)</u>	31 December 2015 <u>(Audited)</u>
<b>Authorised</b>		
100,000,000 ordinary shares of 100 fils each (2015: 100,000,000 ordinary shares of 100 fils each)	<b><u>10,000,000</u></b>	<b><u>10,000,000</u></b>
<b>Issued, subscribed and fully paid-up:</b>		
66,098,760 ordinary shares of 100 fils each (2015: 66,098,760 ordinary shares of 100 fils each)	<b><u>6,609,876</u></b>	<b><u>6,609,876</u></b>
<b>Treasury shares</b>		
2,384,279 ordinary shares of 100 fils each (2015: 2,384,279 ordinary shares of 100 fils each)	<b><u>238,429</u></b>	<b><u>238,429</u></b>

In accordance with resolutions passed at the Annual General Meeting held on 25 March 2016, cash dividends of 50 fils per share for the year 2015 (2014: 50fils per share), amounting to a total cash dividend of BD3,185,725 (2015: BD3,294,481) was approved by the shareholders. Further an amount of BD176,000 was approved to be paid as director's remuneration for the year ended 31 December 2015 (2014: BD176,000).

**Treasury shares**

During 2015, 2,175,139 treasury shares were acquired having nominal value of BD217,515 at rates ranging from BD1.35 to BD1.62 for BD3,453,552 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 was disclosed as deduction from reserves. Whereas, the difference, between the nominal value of the acquired shares, and the purchase price, amounting to BD3,236,037 was adjusted against share premium. The Company holds 2,384,279 (3.61% of the total issued and paid-up share capital) as treasury shares as at 30 June 2016 (2015: 3.61% of the total issued and paid-up share capital).

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11 (Loss)/income from investments

	Quarter ended 30 June 2016	Quarter ended 30 June 2015	Six months ended 30 June 2016	Six months ended 30 June 2015
Dividend income	171,394	245,525	261,203	676,110
Unrealised (losses)/gains on financial assets at fair value through profit or loss	(106,270)	99,926	(722,635)	(380,934)
Realised(loss)/ gains on sale of financial assets at fair value through profit and loss	-	15,745	(829,076)	94,690
Gain on disposal of investment in joint venture	-	9,888	-	9,888
Interest (loss)/income from trading of bonds	<u>(8,956)</u>	<u>14,653</u>	<u>9,073</u>	<u>85,863</u>
	<u>56,168</u>	<u>385,737</u>	<u>(1,281,435)</u>	<u>485,617</u>

12 Other operating income

	Quarter ended 30 June 2016	Quarter ended 30 June 2015	Six months ended 30 June 2016	Six months ended 30 June 2015
Income from rental properties	31,500	36,391	63,000	73,132
Profit from fixed deposits	31,078	-	54,000	3,515
Management fee	7,080	7,080	14,160	14,160
Profit on sale of property, plant and equipment	4,796	-	4,796	-
Awal car parking collection	-	5,056	292	10,780
Foreign exchange gains	8,071	2,400	10,331	4,672
Virtual print fees	26,785	29,739	56,347	57,719
Miscellaneous income	<u>9,966</u>	<u>11,570</u>	<u>29,104</u>	<u>28,269</u>
	<u>119,276</u>	<u>92,236</u>	<u>232,030</u>	<u>192,247</u>

13 Earnings per share

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

	Quarter ended 30 June 2016	Quarter ended 30 June 2015	Six months ended 30 June 2016	Six months ended 30 June 2015
Net profit attributable to the shareholders	<u>983,325</u>	<u>1,580,056</u>	<u>1,417,394</u>	<u>3,540,260</u>
Number of ordinary shares	<u>63,714,481</u>	<u>65,009,497</u>	<u>63,714,481</u>	<u>65,009,497</u>
Basic earnings per share	<u>15fils</u>	<u>24fils</u>	<u>22fils</u>	<u>54fils</u>

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

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**14 Transactions and balances with related parties**

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

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

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

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

	Related party relationship	Amount due from		Amount due to	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
Saar Cinema Complex	Joint venture	6,361	-	-	6,629
Qatar Bahrain International Cinema W.L.L.	Joint venture	55,003	3,732	-	-
Various entities*	Common directorship	<u>4,385</u>	<u>1,732</u>	<u>27,345</u>	<u>8,567</u>
		<u>65,749</u>	<u>5,464</u>	<u>27,345</u>	<u>15,196</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:

	Six months period ended 30 June 2016	Six months period ended 30 June 2015
<u>Saar Cinema Complex</u>		
Direct expenses	14,252	152,345
Salaries	29,932	30,422
Management fees	3,000	3,000
Other expenses	28,768	25,202
<u>Qatar Bahrain International Cinema Co. W.L.L.</u>		
Salaries	14,040	27,906
Other expenses	26,538	13,082
Management Fees	11,160	11,160
Concession counter purchases	31,929	33,504
<u>Entities under common directorship</u>		
Rent expense for corporate office	60,819	48,805



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15 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 30 June 2016

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
<b>Revenues</b>				
Total external sales	5,905,795	3,427,616	753,733	10,087,144
Less: total variable cost	<u>(3,272,599)</u>	<u>(789,468)</u>	-	<u>(4,062,067)</u>
<b>Segment results</b>	<u>2,633,196</u>	<u>2,638,148</u>	<u>753,733</u>	6,025,077
Less: fixed costs				<u>(2,499,879)</u>
<b>Operating gross profit</b>				3,525,198
Other operating income				232,030
General and administrative expenses				<u>(1,258,668)</u>
<b>Profit from operations</b>				<b>2,498,560</b>
Share of profit on joint venture operations				237,525
(Loss)/income from investments				<u>(1,281,435)</u>
Finance costs				<u>(37,256)</u>
<b>Net profit</b>				<u><b>1,417,394</b></u>

For the period ended 30 June 2015

	<u>Theatre operations</u>	<u>Restaurants and concession counters</u>	<u>Others</u>	<u>Total</u>
<b>Revenues</b>				
Total external sales	6,093,244	3,583,261	699,798	10,376,303
Less: total variable cost	<u>(3,508,713)</u>	<u>(803,873)</u>	-	<u>(4,312,586)</u>
<b>Segment results</b>	<u>2,584,531</u>	<u>2,779,388</u>	<u>699,798</u>	6,063,717
Less: fixed cost				<u>(2,378,521)</u>
<b>Operating gross profit</b>				3,685,196
Other operating income				192,233
General and administrative expenses				<u>(1,232,200)</u>
<b>Profit from operations</b>				<b>2,645,229</b>
Share of profit on joint venture operations				441,020
Investment income				485,631
Finance costs				<u>(31,620)</u>
<b>Net profit</b>				<u><b>3,540,260</b></u>

**16 Capital Commitments**

Capital expenditure contracted for various projects at the consolidated statement of financial position date but not recognised in these consolidated financial statements amounted to BD5,972,383 (31 December 2015: BD7,802,253).

**17 Interim results**

The interim net profit for the six months period ended 30 June 2016 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.

**18 Corresponding figures**

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