

BAHRAIN TOURISM COMPANY BSC
INTERIM FINANCIAL INFORMATION
30 September 2011

Bahrain Tourism Company BSC

CONDENSED STATEMENT OF FINANCIAL POSITION

as at 30 September 2011

Bahraini dinars

	30 September 2011 (reviewed)	31 December 2010 (audited)
CURRENT ASSETS		
Cash and bank balances	847,292	1,182,849
Short-term bank deposits	5,661,957	8,357,559
Trade receivables	381,786	544,343
Inventory	71,689	76,639
Prepayments and other receivables	254,976	370,793
Total current assets	7,217,700	10,532,183
NON-CURRENT ASSETS		
Available-for-sale investments	3,647,664	3,893,262
Investment in associate company	4,480,601	4,221,448
Investment property	1,163,609	1,202,998
Property and equipment	14,729,187	13,072,429
Total non-current assets	24,021,061	22,390,137
TOTAL ASSETS	31,238,761	32,922,320
CURRENT LIABILITIES		
Trade payables	639,008	973,312
Accrued expenses and other payables	583,171	853,742
Dividends payable	345,560	280,488
Total current liabilities	1,567,739	2,107,542
NON-CURRENT LIABILITIES		
Provision for employees' leaving indemnity	295,803	293,164
TOTAL LIABILITIES	1,863,542	2,400,706
TOTAL NET ASSETS	29,375,219	30,521,614
EQUITY		
Share capital	7,200,000	7,200,000
Treasury shares	(972,295)	(972,295)
Statutory reserve	3,600,000	3,600,000
Capital and development reserves	12,758,242	5,371,637
Investments fair value reserve	2,305,861	2,607,214
Retained earnings	4,483,411	12,715,058
TOTAL EQUITY	29,375,219	30,521,614

Qassim Mohamed Fakhroo
Chairman

Waleed Ahmed Al Khaja
Vice Chairman

Abdulnabi Daylami
Chief Executive Officer

The Board of Directors approved the interim financial information on 13 November 2011.

Bahrain Tourism Company BSC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the nine months ended 30 September 2011

Bahraini dinars

	Three months ended 30 September 2011 (Reviewed)	Three months ended 30 September 2010 (Reviewed)	Nine months ended 30 September 2011 (Reviewed)	Nine months ended 30 September 2010 (Reviewed)
HOTEL OPERATIONS				
Revenue	1,026,892	1,442,298	3,123,732	6,196,357
Operating costs	(881,590)	(1,094,217)	(2,641,413)	(3,782,699)
PROFIT BEFORE DEPRECIATION	145,302	348,081	482,319	2,413,658
Depreciation of hotel and conference center	(275,045)	(288,354)	(833,993)	(784,881)
Profit from hotel operations	(129,743)	59,727	(351,674)	1,628,777
INVESTMENT ACTIVITIES				
Dividend income	104,981	96,428	278,424	256,557
Provision for impairment on available for sale investments	(3,358)	(2,320)	(6,897)	(22,146)
Profit on redemption of AFS investments	-	-	1,883	-
Share of profit of associate	209,651	252,367	681,332	845,028
Property income	44,832	79,473	149,301	241,576
Depreciation of investment property	(13,130)	(12,861)	(39,390)	(38,583)
Foreign exchange gain / (loss)	(4,224)	5,778	(229)	(3,149)
Interest income	37,712	59,883	116,435	178,379
Other income	4,736	11,053	9,739	28,384
Profit from investment activities	381,210	489,801	1,190,598	1,486,046
TOTAL INCOME	251,467	549,528	838,924	3,114,823
General and administrative expenses	(85,064)	(83,513)	(355,513)	(339,485)
PROFIT FOR THE PERIOD	166,403	466,015	483,411	2,775,338
Other comprehensive income				
Fair value reserve (Available for sale investments):				
Net change in fair value	(129,636)	20,424	(266,074)	(171,129)
Transfer to income statement	3,358	2,320	6,897	22,146
Share in fair value reserve of associate	(30,148)	11,631	(52,589)	(11,345)
Transfer to income statement from fair value reserve of associate	10,413	-	10,413	-
Total other comprehensive income for the period	(146,013)	34,375	(301,353)	(160,328)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	20,390	500,390	182,058	2,615,010
Earnings per share of 100 fils for the period	2.6 Fils	7.1 fils	7.4 fils	42.3 fils

 Qassim Mohamed Fakhroo
 Chairman

 Waleed Ahmed Al Khaja
 Vice Chairman

 Abdulnabi Daylami
 Chief Executive Officer

Bahrain Tourism Company BSC

CONDENSED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2011

Bahraini dinars

2011	Share capital	Treasury shares	Statutory reserve	Capital and development reserves	Fair value reserve	Retained earnings	Total
(reviewed)							
At 1 January	7,200,000	(972,295)	3,600,000	5,371,637	2,607,214	12,715,058	30,521,614
Comprehensive income:							
Profit for the period	-	-	-	-	-	483,411	483,411
Other comprehensive income							
Fair value reserve (Available for sale investments):							
Net change in fair value	-	-	-	-	(266,074)	-	(266,074)
Net amount transferred to income statement	-	-	-	-	6,897	-	6,897
Share in fair value reserve of associate	-	-	-	-	(52,589)	-	(52,589)
Transfer to income statement from fair value reserve of associate	-	-	-	-	10,413	-	10,413
Total other comprehensive income for the period	-	-	-	-	(301,353)	-	(301,353)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-	(301,353)	483,411	182,058
Dividend declared (2010)	-	-	-	-	-	(1,313,453)	(1,313,453)
Charity donations approved (2010)	-	-	-	-	-	(15,000)	(15,000)
Transfer to capital development reserves	-	-	-	7,386,605	-	(7,386,605)	-
At 30 September	7,200,000	(972,295)	3,600,000	12,758,242	2,305,861	4,483,411	29,375,219

Bahrain Tourism Company BSC

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the nine months ended 30 September 2011

Bahraini

dinars

2010	Share capital	Treasury shares	Statutory reserve	Capital and development reserves	Fair value reserve	Retained earnings	Total
(reviewed)							
At 1 January	7,200,000	(972,295)	3,600,000	5,371,637	2,405,859	10,493,310	28,098,511
Comprehensive income:							
Profit for the period	-	-	-	-	-	2,775,338	2,775,338
Other comprehensive income							
Fair value reserve (Available for sale investments):							
Net change in fair value	-	-	-	-	(171,129)	-	(171,129)
Net amount transferred to income statement	-	-	-	-	22,146	-	22,146
Share in fair value reserve of associate	-	-	-	-	(11,345)	-	(11,345)
Total other comprehensive income for the period	-	-	-	-	(160,328)	-	(160,328)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-	(160,328)	2,775,338	2,615,010
Dividend declared (2009)	-	-	-	-	-	(1,313,453)	(1,313,453)
Charity donations approved (2009)	-	-	-	-	-	(15,000)	(15,000)
Directors' remuneration declared (2009)	-	-	-	-	-	(64,000)	(64,000)
At 30 September	7,200,000	(972,295)	3,600,000	5,371,637	2,245,531	11,876,195	29,321,068

Bahrain Tourism Company BSC
CONDENSED STATEMENT OF CASH FLOWS
for the nine months ended 30 September 2011

Bahraini dinars

	30 September 2011 (reviewed)	30 September 2010 (reviewed)
OPERATING ACTIVITIES		
Cash received from customers	3,261,461	6,361,803
Rent received	154,211	208,004
Payment to suppliers	(782,511)	(1,162,692)
Staff salaries and related costs	(714,547)	(1,168,343)
Overhead expenses	(1,765,966)	(1,873,080)
Cash flows from hotel operations	152,648	2,365,692
INVESTING ACTIVITIES		
Interest received	124,342	165,912
Dividend received	658,424	736,557
Capital expenditure	(2,686,391)	(1,547,927)
Purchase of available-for-sale investments	(30,405)	(52,540)
Proceeds from sale / redemption of available-for-sale investments	11,845	18,153
Disposal of property and equipment	1,100	-
Other receipts	9,740	28,383
Cash flows from investing activities	(1,911,345)	(651,462)
FINANCING ACTIVITIES		
Dividends paid	(1,264,962)	(1,282,229)
Charity paid	(7,500)	(10,000)
Cash flows from financing activities	(1,272,462)	(1,292,229)
Net (decrease) / increase in cash and cash equivalents	(3,031,159)	422,001
CASH AND CASH EQUIVALENTS AT 1 JANUARY	9,540,408	8,786,647
CASH AND CASH EQUIVALENTS AT 30 September	6,509,249	9,208,648
CASH AND CASH EQUIVALENTS per statement of financial position:		
Cash and bank balances	847,292	1,250,725
Short-term bank deposits	5,661,957	7,957,923
	6,509,249	9,208,648

Bahrain Tourism Company BSC

NOTES

to the 30 September 2011 Interim Financial Information

Bahraini dinars

- 1 The interim financial information has been prepared in accordance with International Financial Reporting Standard IAS 34 - *Interim Financial Reporting*, which permits the interim financial information to be in summarized form.
- 2 The interim financial information has been prepared using the same accounting policies and methods of computation applied in the preparation of the latest audited financial statements of the Company for the year ended 31 December 2010. The interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2010.
- 3 The corresponding figures for the condensed statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2010. The corresponding figures for the condensed statements of comprehensive income, changes in equity and cash flows have been extracted from the reviewed financial information for the period ended 30 September 2010.
- 4 The interim financial information is unaudited but has been reviewed by KPMG and their review report is set out on page 1.
- 5 The interim financial results may not represent a proportionate share of the annual profits, due to the seasonal variability in room occupancy and ticket sales.
- 6 The Shareholders approved the following appropriations in their Annual General Meeting held on 30 March 2011:

	2011	2010
Transfer to statutory reserve from Capital and Development reserve	7,386,605	-
Dividends	1,313,453	1,313,453
Charity donations	15,000	15,000

The Annual General Meeting also approved directors' remuneration of BD 64,000 (2009: BD 64,000).

Bahrain Tourism Company BSC

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to the 30 September 2011 Interim Financial Information

Bahraini dinars

7 Segmental information for operating segments:

	Hotel Operations		Investments		Unallocated		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	3,123,732	6,196,357	445,572	524,937	5,960	14,974	3,575,264	6,736,268
Income from Associate	-	-	681,332	845,028	-	-	681,332	845,028
Interest income	-	-	116,435	178,379	-	-	116,435	178,379
Total segment revenue	3,123,732	6,196,357	1,243,339	1,548,344	5,960	14,974	4,373,031	7,759,675
Operating costs	(2,641,413)	(3,782,699)	(367,927)	(356,028)	-	-	(3,009,340)	(4,138,727)
Depreciation	(833,993)	(784,881)	(39,390)	(38,583)	-	-	(873,383)	(823,464)
Impairment of assets	-	-	(6,897)	(22,146)	-	-	(6,897)	(22,146)
Total segment costs	(3,475,406)	(4,567,580)	(414,214)	(416,757)	-	-	(3,889,620)	(4,984,337)
Segment profit/(loss)	(351,674)	1,628,777	829,125	1,131,587	5,960	14,974	483,411	2,775,338
Segment assets	14,952,705	13,828,279	16,070,533	18,873,470	215,523	220,571	31,238,761	32,922,320
Segment liabilities	(757,141)	(1,153,058)	(1,054,849)	(1,207,456)	(51,552)	(40,192)	(1,863,542)	(2,400,706)
Capital expenditure	(2,492,413)	(1,676,625)	-	-	-	-	(2,492,413)	(1,676,625)

The comparative figures of segmental revenues, costs and profit are presented for the period ended 30 September 2010, and the comparative figures of segmental assets and liabilities are presented as at 31 December 2010.

8 Related party transactions

Transactions with key management personnel

Key management personnel of the Company comprises of the Board of Directors, the Chief Executive Officer and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation is as follows:

	30 September 2011 (reviewed)	30 September 2010 (reviewed)
Compensation		
Directors' remuneration	48,000	48,000
Salary and other allowances to key management personnel	234,671	209,195
Total compensation	282,671	257,195

Bahrain Tourism Company BSC**NOTES****to the 30 September 2011 Interim Financial Information**

Bahraini dinars

8 *Related party transactions (continued)**Entities in which directors are interested*

Transactions with entities controlled by directors, or over which they exert significant influence, are conducted on a normal commercial basis. There were capital expenditure payments made to director-controlled entities where the directors were interested. Transactions and balances with them are as follows:

	30 September 2011 (reviewed)	30 September 2010 (reviewed)
Rental income from associate	-	58,500

Directors' interest in the shares of the Company was as follows:

	30 September 2011 (reviewed)	30 September 2010 (reviewed)
Total number of shares held by Directors	876,169	876,169
As a percentage of the total number of shares outstanding	1.33%	1.33%

9 *Commitments and contingent liabilities*

	30 September 2011 (reviewed)	30 September 2010 (reviewed)
Letter of guarantees	212,940	207,588

The Company is in the process of construction of the new car park building, the total estimated cost for which is BD 6,156,000. Total cost incurred by the Company on the project till 30 September 2011 is BD 4,756,291 (30 September 2010: BD 1,496,441).