

BAHRAIN TOURISM COMPANY BSC
INTERIM FINANCIAL INFORMATION
31 March 2010

Hotel, property and tourism development and investment

Commercial registration : 1977

Board of Directors : Qassim Mohamed Fakhroo (*Chairman*)
Thabia Abdulla Jasim Abdulla Al-Mannai (*Vice Chairman*) *
Adel Hussain Al-Maskati
Jalal Mohammed Yousuf Jalal
Othman Mohamed Sharif Al-Rayes *
Anwar Abdulla Ghuloom *
Hala Ali Yateem
Waleed Ahmed Al Khaja *

Chief Executive Officer : Abdulnabi Daylami

Offices : Crowne Plaza, PO Box 5831, Diplomatic Area
Manama – Kingdom of Bahrain
Telephone 17530530/17531122, Telefax 17530867
E-Mail bahtours@batelco.com.bh

Bankers : Ahli United Bank BSC
National Bank of Bahrain BSC
Bank of Bahrain and Kuwait BSC

Auditors and registrars : KPMG

* Representatives of Social Insurance Organization

Bahrain Tourism Company BSC

**INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2010**

CONTENTS	Page
Independent auditors' report on review of Interim Financial Information	1
Interim financial information	
Condensed statement of financial position	2
Condensed statement of comprehensive income	3
Condensed statement of changes in equity	4 - 5
Condensed statement of cash flows	6
Notes	7 - 9

Independent auditors' report on review of Interim Financial Information

To
The Board of Directors
Bahrain Tourism Company BSC

12 May 2010

Introduction

We have reviewed the accompanying condensed statement of financial position of Bahrain Tourism Company BSC (the "Company") as at 31 March 2010, and the related condensed statements of comprehensive income, changes in equity and cash flows for the three-month period then ended (interim financial information). The Board of Directors of the Company is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standard IAS 34 - *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim 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 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 interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

CONDENSED STATEMENT OF FINANCIAL POSITION
as at 31 March 2010

Bahraini dinars

	31 March 2010 (reviewed)	31 December 2009 (audited)
CURRENT ASSETS		
Cash and bank balances	1,662,478	989,622
Short-term bank deposits	8,160,608	7,797,025
Trade receivables	853,834	676,151
Inventory	70,537	72,936
Prepayments and other receivables	378,983	317,259
Total current assets	11,126,440	9,852,993
NON-CURRENT ASSETS		
Available-for-sale investments	3,659,114	3,685,101
Investment in associate company	3,487,277	3,497,614
Investment property	1,236,201	1,249,062
Property and equipment	11,669,825	11,667,737
Total non-current assets	20,052,417	20,099,514
TOTAL ASSETS	31,178,857	29,952,507
CURRENT LIABILITIES		
Trade payables	472,724	430,325
Accrued expenses and other payables	946,073	901,317
Dividends payable	1,564,205	255,024
Total current liabilities	2,983,002	1,586,666
NON-CURRENT LIABILITIES		
Provision for employees' leaving indemnity	279,301	267,330
TOTAL LIABILITIES	3,262,303	1,853,996
TOTAL NET ASSETS	27,916,554	28,098,511
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	5,371,637	5,371,637
Investments fair value reserve	2,418,506	2,405,859
Retained earnings	10,298,706	10,493,310
TOTAL EQUITY (page 4)	27,916,554	28,098,511

Qassim Mohamed Fakhro
Chairman

Thabia Abdulla Jasim Abdulla Al-Mannai
Vice Chairman

Abdulnabi Daylami
Chief Executive Officer

The Board of Directors approved the interim financial information consisting of pages 2 to 9 on 12 May 2010.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the three months ended 31 March 2010

Bahraini dinars

	31 March 2010 (reviewed)	31 March 2009 (reviewed)
HOTEL OPERATIONS		
Revenue	2,360,535	2,328,027
Operating costs	(1,323,368)	(1,203,428)
PROFIT BEFORE DEPRECIATION	1,037,167	1,124,599
Depreciation of hotel and conference center	(213,148)	(289,605)
Profit from hotel operations	824,019	834,994
INVESTMENT ACTIVITIES		
Dividend income	146,317	145,225
Provision for impairment of available for sale investments	(3,786)	(115,892)
Share of profit of associate	275,062	213,685
Property income	80,618	69,325
Depreciation of investment property	(12,861)	(12,567)
Other income	2,055	1,703
Foreign exchange loss	(7,926)	(3,461)
Interest on short-term deposits	61,922	49,856
Profit from investment activities	541,401	347,874
TOTAL INCOME	1,365,420	1,182,868
GENERAL AND ADMINISTRATIVE EXPENSES	(167,571)	(152,434)
PROFIT FOR THE PERIOD	1,197,849	1,030,434
Other comprehensive income		
Fair value reserve (Available for sale investments):		
Net change in fair value	(5,739)	(612,233)
Transfer to income statement	3,786	115,892
Share in fair value reserve of associate	14,600	-
Total other comprehensive income for the period	12,647	(496,341)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,210,496	534,093
Earnings per share of 100 fils for the period	18.2 Fils	15.6 Fils

Qassim Mohamed Fakhroo
Chairman

Thabia Abdulla Jasim Abdulla Al-Mannai
Vice Chairman

Abdulnabi Daylami
Chief Executive Officer

The interim financial information consists of pages 2 to 9.

CONDENSED STATEMENT OF CHANGES IN EQUITY
for the three months ended 31 March 2010

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
Profit for the period	-	-	-	-	-	1,197,849	1,197,849
Other comprehensive income							
Fair value reserve (Available for sale investments):							
Net change in fair value	-	-	-	-	(5,739)	-	(5,739)
Net amount transferred to income statement	-	-	-	-	3,786	-	3,786
Share in fair value reserve of associate	-	-	-	-	14,600	-	14,600
Total other comprehensive income for the period	-	-	-	-	12,647	-	12,647
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-	12,647	1,197,849	1,210,496
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 31 March	7,200,000	(972,295)	3,600,000	5,371,637	2,418,506	10,298,706	27,916,554

The interim financial information consists of pages 2 to 9.

CONDENSED STATEMENT OF CHANGES IN EQUITY
for the three months ended 31 March 2010

Bahraini dinars

2009 (reviewed)	Share capital	Treasury shares	Statutory reserve	Capital and development reserves	Fair value reserve	Retained earnings	Total
At 1 January	7,200,000	(844,008)	3,241,705	5,729,932	2,374,822	8,733,986	26,436,437
Profit for the period	-	-	-	-	-	1,030,434	1,030,434
Other comprehensive income							
Fair value reserve (Available for sale investments):							
Net change in fair value	-	-	-	-	(612,233)	-	(612,233)
Net amount transferred to income statement	-	-	-	-	115,892	-	115,892
Total other comprehensive income for the period	-	-	-	-	(496,341)	-	(496,341)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-	(496,341)	1,030,434	534,093
Purchase of treasury shares	-	(34,000)	-	-	-	-	(34,000)
Dividend declared (2008)	-	-	-	-	-	(1,321,319)	(1,321,319)
Charity donations approved (2008)	-	-	-	-	-	(15,000)	(15,000)
Directors' remuneration declared (2008)	-	-	-	-	-	(64,000)	(64,000)
Transfer from capital and development reserve	-	-	358,295	(358,295)	-	-	-
At 31 March	7,200,000	(878,008)	3,600,000	5,371,637	1,878,481	8,364,101	25,536,211

The interim financial information consists of pages 2 to 9.

CONDENSED STATEMENT OF CASH FLOWS
for the three months ended 31 March 2010

Bahraini dinars

	31 March 2010 (reviewed)	31 March 2009 (reviewed)
OPERATING ACTIVITIES		
Cash received from customers	2,164,982	2,408,449
Rent received	98,488	51,351
Payment to suppliers	(425,837)	(261,163)
Staff salaries and related costs	(469,032)	(440,229)
Payments for overhead expenses	(531,608)	(544,996)
Cash flows from hotel operations	836,993	1,213,412
INVESTING ACTIVITIES		
Interest received	61,922	49,856
Dividend received	446,317	445,225
Capital expenditure on hotel and conference center	(261,249)	(436,019)
Proceeds from redemption of available-for-sale investments	18,674	-
Other receipts	2,055	916
Cash flows from investing activities	267,719	59,978
FINANCING ACTIVITIES		
Dividends paid	(4,273)	(7,698)
Directors' remuneration paid	(64,000)	(64,000)
Charity paid	-	(25,000)
Purchase of treasury shares	-	(34,000)
Cash flows from financing activities	(68,273)	(130,698)
Net increase in cash and cash equivalents	1,036,439	1,142,692
CASH AND CASH EQUIVALENTS AT 1 JANUARY	8,786,647	7,341,805
CASH AND CASH EQUIVALENTS AT 31 March	9,823,086	8,484,497
CASH AND CASH EQUIVALENTS per statement of financial position		
Cash and bank balances	1,662,478	1,406,100
Short-term bank deposits	8,160,608	7,078,397
	9,823,086	8,484,497

The interim financial information consists of pages 2 to 9.

NOTES**to the 31 March 2010 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 2009. 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 2009.
- 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 2009. 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 three months ended 31 March 2009.
- 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 2010:

	2010	2009
Transfer to statutory reserve from Capital and Development reserve	-	358,295
Dividends	1,313,453	1,321,319
Directors remuneration	64,000	64,000
Charity donations	15,000	15,000

NOTES**to the 31 March 2010 Interim Financial Information**

Bahraini dinars

- 7 Segmental information for operating segments:

	Hotel Operations		Investments		Unallocated		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers	2,360,535	2,328,027	230,867	217,769	2,055	1,703	2,593,457	2,547,499
Income from Associate	-	-	275,062	213,685	-	-	275,062	213,685
Interest income	-	-	-	-	61,922	49,856	61,922	49,856
Total segment revenue	2,360,535	2,328,027	505,929	431,454	63,977	51,559	2,930,441	2,811,040
Operating costs	(1,323,368)	(1,203,428)	(11,858)	(6,680)	(167,571)	(152,434)	(1,502,797)	(1,362,542)
Depreciation	(213,148)	(289,605)	(12,861)	(12,567)	-	-	(226,009)	(302,172)
Impairment of assets	-	-	(3,786)	(115,892)	-	-	(3,786)	(115,892)
Total segment costs	(1,536,516)	(1,493,033)	(28,505)	(135,139)	(167,571)	(152,434)	(1,732,592)	(1,780,606)
Segment profit	824,019	834,994	477,424	296,315	(103,594)	(100,875)	1,197,849	1,030,434
Segment assets	12,874,111	12,414,049	9,693,406	9,690,298	8,611,340	7,848,160	31,178,857	29,952,507
Segment liabilities	(1,289,441)	(1,281,113)	(1,972,862)	(572,883)	-	-	(3,262,308)	(1,853,996)
Capital expenditure	(215,236)	(436,019)	-	-	-	-	(215,236)	(436,019)

The comparative figures of segmental revenues, costs and profit are presented for the three months ended 31 March 2009, and the comparative figures of segmental assets and liabilities are presented for the year ended 31 December 2009.

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:

	31 March 2010 (reviewed)	31 March 2009 (reviewed)
Directors' remuneration	80,000	64,000
Salary and other allowances to key management personnel	123,258	123,943
	203,258	187,943

NOTES to the 31 March 2010 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:

	31 March 2010 (reviewed)	31 March 2009 (reviewed)
Capital expenditure payments to director-controlled entities	-	12,450

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

	31 March 2010 (reviewed)	31 December 2009 (audited)
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

	31 March 2010 (reviewed)	31 December 2009 (audited)
Letter of guarantees	228,588	213,000

The Company is in the process of construction of the new car park building, the total estimated cost for which is BD 5,077,000. Total cost incurred by the Company on the project till 31 March 2010 is BD 324,501 (31 March 2009: Nil)