

Bahrain Family Leisure Company B.S.C.

Condensed interim financial information
for the three months period ended
31 March 2017
(Unaudited)

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Bahrain Family Leisure Company B.S.C.
Administration and contact details as at 31 March 2017

Commercial registration no.	32196-01 obtained on 13 July 1994 32196-04 obtained on 5 August 2000 32196-05 obtained on 27 June 2001 32196-06 obtained on 21 November 2004 32196-07 obtained on 25 March 2006 32196-13 obtained on 21 August 2011 32196-14 obtained on 9 September 2014	
Directors	Mr. Abdul Latif Khalid Al Aujan Mr. Garfield Jones Mr. Adel Salman Kanoo Mr. Bashar Mohammed Ali Alhassan Mr. Sharif Mohammed Ahmadi Mr. Suresh Surana	Chairman Vice-Chairman and Managing Director Director Director Director Director
Nominating and remuneration committees	Mr. Abdul Latif Khalid Al Aujan Mr. Adel Salman Kanoo Mr. Sharif Mohammed Ahmadi Mr. Suresh Surana	Chairman
Audit committee	Mr. Suresh Surana Mr. Bashar Mohammed Ali Alhassan Mr. Garfield Jones	Chairman
Executive Committee	Mr. Garfield Jones Mr. Adel Salman Kanoo Mr. Sharif Mohammed Ahmadi	Chairman
Corporate governance committee	Mr. Adel Salman Kanoo Mr. Garfield Jones Mr. Sharif Mohammed Ahmadi Mr. Suresh Surana	Chairman
Registered office	Gulf Executive Offices 10 th Floor, Block No. 338 Adliya, PO Box 11612 Manama Kingdom of Bahrain	
Registrars	Karvy Computershare W.L.L. PO Box 514 Manama Kingdom of Bahrain	
Bankers	National Bank of Bahrain Bank of Bahrain and Kuwait	
Auditors	BDO 17th Floor, Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	

Review report by the independent auditor to the board of directors of Bahrain Family Leisure Company B.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Bahrain Family Leisure Company B.S.C. ("the Company") as at 31 March 2017, the condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of changes in shareholders' equity, the condensed interim statement of cash flows for the quarter and three months period then ended, and selected explanatory notes. The Company's Board of Directors is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed 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 condensed 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 interim financial information does not present fairly, in all material respects, the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the quarter and three months period then ended in accordance with International Accounting Standard 34 - "Interim Financial Reporting".

BDO

Manama, Kingdom of Bahrain
24 April 2017



Bahrain Family Leisure Company B.S.C.
Condensed interim statement of financial position as at 31 March 2017 (Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	31 March 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
ASSETS			
Non-current assets			
Property, plant and equipment	4	325,351	350,429
Intangible assets	5	2,854	4,017
Financial assets at fair value through profit or loss	6	<u>5,725,821</u>	<u>5,909,241</u>
		<u>6,054,026</u>	<u>6,263,687</u>
Current assets			
Inventories		22,809	23,930
Prepayments and other receivables		414,849	150,373
Cash and cash equivalents		<u>619,037</u>	<u>634,516</u>
		<u>1,056,695</u>	<u>808,819</u>
Total assets		<u><u>7,110,721</u></u>	<u><u>7,072,506</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	7	4,000,000	4,000,000
Statutory reserve		693,139	693,139
Capital reserve		68,245	68,245
Retained earnings		2,324,175	2,286,422
Treasury shares		<u>(400,000)</u>	<u>(400,000)</u>
Total equity		<u><u>6,685,559</u></u>	<u><u>6,647,806</u></u>
Non-current liabilities			
Employees' terminal benefits		<u>66,302</u>	<u>63,322</u>
Current liabilities			
Trade and other payables		<u>358,860</u>	<u>361,378</u>
Total liabilities		<u><u>425,162</u></u>	<u><u>424,700</u></u>
Total equity and liabilities		<u><u>7,110,721</u></u>	<u><u>7,072,506</u></u>

The unaudited condensed financial information, set out on pages 4 to 15, were approved for issue by the Board of Directors on 24 April 2017 and signed on their behalf by:



Abdul Latif Khalid Al Aujan
Chairman



Garfield Jones
Vice-Chairman and
Managing Director

Bahrain Family Leisure Company B.S.C.
Condensed interim statement of profit or loss and other comprehensive income
for the three months period ended 31 March 2017 (Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	Three months period ended 31 March <u>2017</u> (Unaudited)	Three months period ended 31 March <u>2016</u> (Unaudited)
Operating income		325,331	311,988
Operating costs		<u>(273,813)</u>	<u>(272,934)</u>
Operating profit for the period		<u>51,518</u>	<u>39,054</u>
Non-operating expenses			
Staff costs		(19,572)	(17,784)
General and administrative expenses		(12,280)	(12,481)
Selling and advertising expenses		(18,263)	(21,908)
Depreciation of property, plant and equipment		(2,214)	(3,743)
Amortisation of intangible assets	5	(1,163)	(2,538)
Directors' fees		<u>(8,950)</u>	<u>(5,800)</u>
Total non-operating expenses		<u>(62,442)</u>	<u>(64,254)</u>
Loss before investment and other income/losses		<u>(10,924)</u>	<u>(25,200)</u>
Investment and other income/(losses)	8	<u>48,677</u>	<u>(777,728)</u>
Net profit/(loss) and other comprehensive income/(loss) for the period		<u>37,753</u>	<u>(802,928)</u>
Basic and diluted earnings/(loss) per share	9	<u>Fils 1.05</u>	<u>Fils (22.30)</u>

The unaudited condensed financial information, set out on pages 4 to 15, were approved for issue by the Board of Directors on 24 April 2017 and signed on their behalf by:



Abdul Latif Khalid Al Aujan
Chairman



Garfield Jones
Vice-Chairman and
Managing Director

Bahrain Family Leisure Company B.S.C.

Condensed interim statement of changes in shareholders' equity for the three months period ended 31 March 2017 (Unaudited)

(Expressed in Bahrain Dinars)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Capital reserve</u>	<u>Retained earnings</u>	<u>Treasury shares</u>	<u>Total</u>
At 31 December 2015	4,000,000	677,576	68,245	2,146,354	(400,000)	6,492,175
Net loss and other comprehensive loss for the period	-	-	-	(802,928)	-	(802,928)
At 31 March 2016 (unaudited)	<u>4,000,000</u>	<u>677,576</u>	<u>68,245</u>	<u>1,343,426</u>	<u>(400,000)</u>	<u>5,689,247</u>
At 31 December 2016	4,000,000	693,139	68,245	2,286,422	(400,000)	6,647,806
Net profit and other comprehensive income for the period	-	-	-	37,753	-	37,753
At 31 March 2017 (unaudited)	<u>4,000,000</u>	<u>693,139</u>	<u>68,245</u>	<u>2,324,175</u>	<u>(400,000)</u>	<u>6,685,559</u>

Bahrain Family Leisure Company B.S.C.
Condensed interim statement of cash flows
for the three months period ended 31 March 2017 (Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	Three months period ended 31 March <u>2017</u> (Unaudited)	Three months period ended 31 March <u>2016</u> (Unaudited)
Operating activities			
Net profit/(loss) for the period		37,753	(802,928)
Adjustments for:			
Depreciation	4	27,598	30,552
Amortisation of intangible assets	5	1,163	2,538
Unrealised fair value loss on financial assets at fair value through profit or loss	8	183,420	1,007,428
Dividend received	8	(229,046)	(229,046)
Interest received	8	(1,721)	(379)
Gain on sale of property and equipment	8	(1,240)	(150)
Changes in operating assets and liabilities:			
Inventories		1,121	(23,590)
Prepayments and other receivables		(264,476)	(252,052)
Trade and other payables		(2,518)	5,629
Employees' terminal benefits, net		<u>2,980</u>	<u>381</u>
Net cash used in operating activities		<u>(244,966)</u>	<u>(261,617)</u>
Investing activities			
Purchase of property, plant and equipment	4	(2,520)	-
Dividend received	8	229,046	229,046
Interest received	8	1,721	379
Proceeds from sale of property and equipment	8	<u>1,240</u>	<u>150</u>
Net cash provided by investing activities		<u>229,487</u>	<u>229,575</u>
Net decrease in cash and cash equivalents		(15,479)	(32,042)
Cash and cash equivalents, beginning of the period		<u>634,516</u>	<u>369,953</u>
Cash and cash equivalents, end of the period		<u>619,037</u>	<u>337,911</u>

Bahrain Family Leisure Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the three months
period ended 31 March 2017 (Unaudited)
(Expressed in Bahrain Dinars)

1 Organisation and activities

Bahrain Family Leisure Company B.S.C. ("the Company") is a Bahraini public shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain. The Company obtained its commercial registration number 32196 on 13 July 1994.

The principal activities of the Company are operating restaurants, providing services related to family entertainment, supply of amusement related equipment and investing in businesses with similar objectives to those of the Company.

Until 2011, the Company operated two franchise restaurants, one under the name of "Ponderosa Steakhouse" and other under the name of "Bennigan's Restaurant". In 2012, the Company established a new restaurant under the name of "Cucina Italiana" and also started catering service under the name "Kazbah Catering". In 2014, "Ponderosa Steakhouse" has been closed and a new restaurant was opened under the name of "Bayti". In 2015, "Bayti" operations has been discontinued, however, its commercial registration is still active.

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

Name and status of the divisions:

<u>Name</u>	<u>Commercial registration number</u>	<u>Status</u>
Bahrain Family Leisure Company	32196-01	Active
Kazbah	32196-04	Active
Ponderosa steak house	32196-05	Active
Kids Fun	32196-06	Active
Bennigan's	32196-07	Active
Cucina Italiana	32196-13	Active
Bayti	32196-14	Active

2 Basis of preparation

The condensed interim financial information has been presented in accordance with International Accounting Standard 34 - "Interim Financial Reporting". The condensed interim financial information should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2016. The financials information has been presented in Bahraini Dinar (BD) which is also the functional currency of the company.

The preparation of 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 Company's accounting policies.

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

2 Basis of preparation (continued)

Improvements/amendments to IFRS/IAS 2012/2014 and 2014/2016 cycles

Improvements/amendments to IFRS/IAS issued in 2012/2014 and 2014/2016 cycles contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company's annual audited financial statements beginning on or after 1 January 2017 and subsequent periods 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 2017

The following new standard, amendment to existing standard or interpretation to published standard is mandatory for the first time for the financial year beginning 1 January 2017 and has been adopted in the preparation of these condensed financial statements:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 7	Statement of Cash Flows	1 January 2017

Standards, amendments and interpretations issued and effective in 2017 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2017 or subsequent periods, but is 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>
IAS 12	Income Taxes	1 January 2017

Standards, amendments and interpretations issued but not yet effective in 2017

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 31 March 2017. They have not been adopted in preparing the financial statements for the period ended 31 March 2017 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below.

Bahrain Family Leisure Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the three months
period ended 31 March 2017 (Unaudited)
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2 Basis of preparation (continued)

Standards, amendments and interpretations issued but not yet effective in 2017 (continued)

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 40	Investment properties	1 January 2018
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRIC 22	Foreign currency transactions and advance consideration	1 January 2018
IFRS 16	Leases	1 January 2019

There would have been no change in the operational results of the Company for the period ended 31 March 2017 had the Company early adopted any of the above standards applicable to the Company except for IFRS15 and IFRS 16 the impact of which is being assessed by the Company.

Early adoption of amendments or standards in 2017

The Company did not early-adopt any new or amended standards in 2017.

3 Accounting policies

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the annual audited financial statements of the Company prepared as at, and for the year ended 31 December 2016, as described in those annual audited financial statements.

Bahrain Family Leisure Company B.S.C.
 Selected explanatory notes to the condensed interim financial information for the three months
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4 Property, plant and equipment

	Buildings on leasehold land	Kitchen equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
<i>Cost</i>					
At 31 December 2015	1,100,288	554,774	701,774	74,647	2,431,483
Additions during the year	-	-	4,110	-	4,110
Disposals during the year	-	-	-	(7,102)	(7,102)
At 31 December 2016	1,100,288	554,774	705,884	67,545	2,428,491
Additions during the period	-	1,850	670	-	2,520
Disposals during the period	-	-	(66,017)	-	(66,017)
At 31 March 2017	<u>1,100,288</u>	<u>556,624</u>	<u>640,537</u>	<u>67,545</u>	<u>2,364,994</u>
<i>Accumulated depreciation</i>					
At 31 December 2015	837,160	479,269	587,966	60,792	1,965,187
Charge for the year	48,209	15,345	51,418	5,005	119,977
On disposals	-	-	-	(7,102)	(7,102)
At 31 December 2016	885,369	494,614	639,384	58,695	2,078,062
Charge for the period	12,108	6,129	8,110	1,251	27,598
On disposals	-	-	(66,017)	-	(66,017)
At 31 March 2017	<u>897,477</u>	<u>500,743</u>	<u>581,477</u>	<u>59,946</u>	<u>2,039,643</u>
<i>Net book value</i>					
At 31 March 2017	<u>202,811</u>	<u>55,881</u>	<u>59,060</u>	<u>7,599</u>	<u>325,351</u>
At 31 December 2016	<u>214,919</u>	<u>60,160</u>	<u>66,500</u>	<u>8,850</u>	<u>350,429</u>

Bahrain Family Leisure Company B.S.C.
 Selected explanatory notes to the condensed interim financial information for the three months
 period ended 31 March 2017 (Unaudited)
 (Expressed in Bahrain Dinars)

5	Intangible assets	31 March 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
	<i>Cost</i>		
	Balance as at 31 March 2017 and 31 December 2016	<u>263,693</u>	<u>263,693</u>
	<i>Accumulated amortisation</i>		
	Opening balance	259,676	252,727
	Amortisation charge for the period/year	<u>1,163</u>	<u>6,949</u>
	Closing balance	<u>260,839</u>	<u>259,676</u>
	<i>Net book value</i>	<u>2,854</u>	<u>4,017</u>
6	Financial assets at fair value through profit or loss	31 March 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
	Opening balance	5,909,241	5,954,607
	Unrealised fair value loss (Note 8)	<u>(183,420)</u>	<u>(45,366)</u>
	Closing balance	<u>5,725,821</u>	<u>5,909,241</u>
7	Share capital	31 March 2017 <u>(Unaudited)</u>	31 December 2016 <u>(Audited)</u>
	Authorised		
	200,000,000 (2016: 200,000,000)		
	Ordinary shares of 100 fils each	<u>20,000,000</u>	<u>20,000,000</u>
	Issued and fully paid-up		
	40,000,000 (2016: 40,000,000)		
	Ordinary shares of 100 fils each	<u>4,000,000</u>	<u>4,000,000</u>
	Less: Treasury shares		
	4,000,000 (2016: 4,000,000)		
	Ordinary shares of 100 fils each	<u>(400,000)</u>	<u>(400,000)</u>

Treasury shares were acquired consistent with the Ministry of Industry and Commerce's approval to purchase up to 10% of the Company's issued and fully paid-up share capital. The nominal value of these shares has been disclosed as deduction from reserves. The difference between the nominal value of the acquired shares, and the purchase price, was credited to the capital reserve.

Bahrain Family Leisure Company B.S.C.
 Selected explanatory notes to the condensed interim financial information for the three months
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8 Investment and other income/(losses)

	Three months period ended 31 March 2017 <u>(Unaudited)</u>	Three months period ended 31 March 2016 <u>(Unaudited)</u>
Unrealised fair value loss on financial assets at fair value through profit or loss account (Note 6)	(183,420)	(1,007,428)
Dividend income	229,046	229,046
Interest income	1,721	379
Miscellaneous income	90	125
Gain on sale of property and equipment	<u>1,240</u>	<u>150</u>
	<u>48,677</u>	<u>(777,728)</u>

9 Basic and diluted earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net (loss)/profit or loss attributable to the shareholders by the weighted average number of ordinary shares issued during the period, excluding the treasury shares purchased and held by the Company.

	Three months period ended 31 March 2017 <u>(Unaudited)</u>	Three months period ended 31 March 2016 <u>(Unaudited)</u>
Net profit/(loss) attributable to the shareholders	<u>37,753</u>	<u>(802,928)</u>
Weighted average number of ordinary shares	<u>36,000,000</u>	<u>36,000,000</u>
Basic and diluted earnings/(loss) per share	<u>Fils 1.05</u>	<u>Fils (22.30)</u>

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

10 Operating lease commitments

The future aggregate minimum lease commitments under non-cancellable operating leases are as follows:

	31 March 2017 <u>(Unaudited)</u>	31 March 2016 <u>(Unaudited)</u>
Not later than 1 year	124,337	128,700
Later than 1 year but not later than 5 years	482,522	578,328
Later than 5 years	<u>168,300</u>	<u>325,377</u>
	<u>775,159</u>	<u>1,032,405</u>

Bahrain Family Leisure Company B.S.C.
 Selected explanatory notes to the condensed interim financial information for the three months
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11 Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the shareholders, key management personnel and their close family members and such other companies over which the Company or its shareholders, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management and are on arm's length basis.

Transactions with related parties are as follows:

<u>Related party</u>	<u>Related party relationship</u>	<u>Type of transaction</u>	Year ended 31 March <u>2017</u> (Unaudited)	Year ended 31 March <u>2016</u> (Unaudited)
Directors	Directors	Attendance fees for attending Board meetings	8,950	5,800
Gulf Hotels Group B.S.C.		AGM meeting hall rent etc. Staff expenses	744 68	142 3,514
Abdul Latif Al Aujan Food International	Common Shareholder	Purchase of food items	3,125	3,289
Bahrain Gas	Common Shareholder	Purchase of cooking gas	1,045	1,026

A summary of related party balances is as follows:

	31 March <u>2017</u> (Unaudited)	31 December <u>2016</u> (Audited)
<i>Amounts due to related parties</i>		
Gulf Hotels Group B.S.C. - Shareholder	567	3,656
Abul Latif Al Aujan Food International - Common Shareholder	<u>1,787</u>	<u>2,087</u>
	<u>2,354</u>	<u>5,743</u>

12 Interim financial information

The interim net profit for the three months period ended 31 March 2017 may not represent a proportionate share of the annual net profit due to the variability in the receipt of dividend and investment income.

13 Segment reporting

The Company's activities are restricted to operating restaurants which are subject to similar risks and returns. The Company also owns certain investments. The ownership and returns on these investments do not form a separate business segment. Hence no business segmental information has been presented.

The Company operates only in the Kingdom of Bahrain and, hence, no geographical segmental information is presented in this unaudited condensed interim financial information.

14 Subsequent events

There were no significant events subsequent to 31 March 2017 and occurring before the date of signing of the financial statements that would have a significant impact on these financial statements.