

**Bahrain Family Leisure Company B.S.C.**

Condensed interim financial information  
for the three months period ended  
31 March 2016  
(Unaudited)

**Bahrain Family Leisure Company B.S.C.**  
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**Bahrain Family Leisure Company B.S.C.**  
**Administration and contact details as at 31 March 2016**

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<b>Commercial registration no.</b>	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	
<b>Directors</b>	Mr. Abdul Latif Khalid Al Aujan Mr. Aqeel Raees  Mr. Adel Salman Kanoo Mr. Bashar Mohammed Ali Alhassan Mr. Sharif Mohammed Ahmadi Mr. Garfield Jones Mr. Suresh Surana	Chairman Vice-Chairman and Managing Director Director Director Director Director Director
<b>Nominating and remuneration committees</b>	Mr. Abdul Latif Khalid Al Aujan Mr. Adel Salman Kanoo Mr. Sharif Mohammed Ahmadi Mr. Suresh Surana	Chairman
<b>Audit committee</b>	Mr. Suresh Surana Mr. Bashar Mohammed Ali Alhassan Mr. Garfield Jones	Chairman
<b>Executive Committee</b>	Mr. Aqeel Raees Mr. Adel Salman Kanoo Mr. Sharif Mohammed Ahmadi Mr. Garfield Jones	Chairman
<b>Corporate governance committee</b>	Mr. Adel Salman Kanoo Mr. Aqeel Raees Mr. Sharif Mohammed Ahmadi Mr. Suresh Surana	Chairman
<b>Registered office</b>	Gulf Executive Offices 10 <sup>th</sup> Floor, Block No. 338 Adliya, PO Box 11612, Manama, Kingdom of Bahrain Manama	
<b>Registrars</b>	Karvy Computershare W.L.L. PO Box 514 Manama, Kingdom of Bahrain	
<b>Bankers</b>	National Bank of Bahrain Bank of Bahrain and Kuwait	
<b>Auditors</b>	BDO 17 <sup>th</sup> 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 2016, 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 management of the Company 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 2016, 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*".



Manama, Kingdom of Bahrain  
18 April 2016



**Bahrain Family Leisure Company B.S.C.**  
**Condensed interim statement of financial position as at 31 March 2016**  
(Unaudited)  
(Expressed in Bahrain Dinars)

	Notes	31 March 2016 (Unaudited)	31 December 2015 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	435,744	466,296
Intangible assets	5	8,435	10,973
Financial assets at fair value through profit or loss	6	4,947,179	5,954,607
		<u>5,391,358</u>	<u>6,431,876</u>
<b>Current assets</b>			
Inventories		38,422	14,832
Prepayments and other receivables		318,781	66,729
Cash and cash equivalents		<u>337,911</u>	<u>369,953</u>
		<u>695,114</u>	<u>451,514</u>
<b>Total assets</b>		<u><b>6,086,472</b></u>	<u><b>6,883,390</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	7	4,000,000	4,000,000
Statutory reserve		677,576	677,576
Capital reserve		68,245	68,245
Retained earnings		1,343,426	2,146,354
Treasury shares		<u>(400,000)</u>	<u>(400,000)</u>
<b>Total equity</b>		<u><b>5,689,247</b></u>	<u><b>6,492,175</b></u>
<b>Non-current liabilities</b>			
Employees' terminal benefits		<u>53,962</u>	<u>53,581</u>
<b>Current liabilities</b>			
Trade and other payables		<u>343,263</u>	<u>337,634</u>
<b>Total liabilities</b>		<u><b>397,225</b></u>	<u><b>391,215</b></u>
<b>Total equity and liabilities</b>		<u><b>6,086,472</b></u>	<u><b>6,883,390</b></u>

The unaudited condensed financial information, set out on pages 4 to 15, were approved for issue by the Board of Directors on 18 April 2016 and signed on their behalf by:



Abdul Latif Khalid Al Aujan  
Chairman



Ageel Raees  
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 2016 (Unaudited)**  
**(Expressed in Bahrain Dinars)**

	Notes	Three months period ended 31 March 2016 (Unaudited)	Three months period ended 31 March 2015 (Unaudited)
Operating income		311,988	349,599
Operating costs		<u>(272,934)</u>	<u>(299,771)</u>
<b>Operating profit for the period</b>		<b><u>39,054</u></b>	<b><u>49,828</u></b>
<b>Non-operating expenses</b>			
General and administrative expenses		(12,481)	(12,633)
Staff costs		(17,784)	(38,426)
Selling and advertising expenses		(21,908)	(26,270)
Depreciation of property, plant and equipment		(3,743)	(5,232)
Amortisation of intangible assets	5	(2,538)	(2,538)
Directors' fees		<u>(5,800)</u>	<u>(8,050)</u>
<b>Total non-operating expenses</b>		<b><u>(64,254)</u></b>	<b><u>(93,149)</u></b>
<b>Loss before investment and other income/losses</b>		<b><u>(25,200)</u></b>	<b><u>(43,321)</u></b>
Investment and other (losses)/income	8	<u>(777,728)</u>	<u>554,566</u>
<b>Net (loss)/profit and other comprehensive (loss)/income for the period</b>		<b><u>(802,928)</u></b>	<b><u>511,245</u></b>
<b>Basic and diluted (loss)/earnings per share</b>	9	<b><u>Fils (22.30)</u></b>	<b><u>Fils 14.20</u></b>

The unaudited condensed financial information, set out on pages 4 to 15, were approved for issue by the Board of Directors on 18 April 2016 and signed on their behalf by:



Abdul Latif Khalid Al Aujan  
Chairman



Aqeel Raees  
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 2016 (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 2014	4,000,000	677,576	68,245	3,212,427	(400,000)	7,558,248
Net profit and other comprehensive income for the period	-	-	-	511,245	-	511,245
At 31 March 2015 (unaudited)	<u>4,000,000</u>	<u>677,576</u>	<u>68,245</u>	<u>3,723,672</u>	<u>(400,000)</u>	<u>8,069,493</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>

**Bahrain Family Leisure Company B.S.C.**  
**Condensed interim statement of cash flows**  
**for the three months period ended 31 March 2016(Unaudited)**  
**(Expressed in Bahrain Dinars)**

		Three months period ended 31 March 2016 (Unaudited)	Three months period ended 31 March 2015 (Unaudited)
	<u>Notes</u>		
<b>Operating activities</b>			
Net (loss)/ profit for the period		(802,928)	511,245
Adjustments for:			
Depreciation	4	30,552	32,459
Amortisation of intangible assets	5	2,538	2,538
Unrealised fair value loss/(gain) on financial assets at fair value through profit or loss	8	1,007,428	(320,237)
Dividend received	8	(229,046)	(229,046)
Interest received	8	(379)	(212)
Gain on sale of property and equipment	8	(150)	-
Changes in operating assets and liabilities:			
Inventories		(23,590)	4,861
Prepayments and other receivables		(252,052)	(234,036)
Trade and other payables		5,629	3,385
Employees' terminal benefits, net		<u>381</u>	<u>(8,114)</u>
Net cash used in operating activities		<u>(261,617)</u>	<u>(237,157)</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment		-	(4,856)
Dividend received	8	229,046	229,046
Interest received	8	379	212
Proceeds from sale of property and equipment	8	<u>150</u>	<u>-</u>
Net cash provided by investing activities		<u>229,575</u>	<u>224,402</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(32,042)</b>	<b>(12,755)</b>
Cash and cash equivalents, beginning of the period		<u>369,953</u>	<u>173,388</u>
<b>Cash and cash equivalents, end of the period</b>		<u><b>337,911</b></u>	<u><b>160,633</b></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 2016 (Unaudited)**  
**(Expressed in Bahrain Dinars)**

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

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.

**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
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 prepared 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 prepared as at, and for the year ended, 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards.

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. The financials information has been presented in Bahraini Dinar (BD) which is also the functional currency of the Company.

These financial statements have been prepared using the going concern assumption under the historical cost convention, except for the investment classified as financial assets at fair value through profit or loss which are recorded at their fair market value at the statement of financial position date.

The functional and presentation currency of the Company is Bahrain Dinars (BD).

## 2 Basis of preparation (continued)

### *Improvements/amendments to IFRS 2010/2012 and 2011/2013 cycle*

Improvements/amendments to IFRS issued in 2010/2012 and 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 Company'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, amendment to existing standards or interpretations to published standards are mandatory for the first time for the financial year beginning 1 January 2015 and have been adopted in the preparation of the financial statements:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 13	Fair value measurement	1 July 2014

### *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>
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 1	First time adoption of International Financial Reporting Standards	1 July 2014
IFRS 2	Share based payments	1 July 2014
IFRS 3	Business combinations	1 July 2014
IFRS 8	Operating segments	1 July 2014

**Bahrain Family Leisure Company B.S.C.**  
**Selected explanatory notes to the interim financial information for the three months period**  
**ended 31 March 2016 (Unaudited)**  
**(Expressed in Bahrain Dinars)**

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**2 Basis of preparation (continued)**

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

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 December 2015. They have not been adopted in preparing the financial statements for the year ended 31 December 2015 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.

<b>Standard or Interpretation</b>	<b>Title</b>	<b>Effective for annual periods beginning on or after</b>
IAS 1	Presentation of financial statements	1 January 2016
IAS 16	Property, plant and equipment	1 January 2016
IAS 19	Employee benefits	1 January 2016
IAS 34	Interim financial reporting	1 January 2016
IAS 38	Intangible assets	1 January 2016
IAS 41	Investment property	1 January 2016
IFRS 7	Financial instruments - Disclosures	1 January 2016
IFRS 9	Financial Instruments	1 January 2018
IFRS 11	Joint arrangements	1 January 2016
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 Company for the period ended 31 March 2016 had the Company early adopted any of the above standards applicable to the Company except for IFRS 9 "Financial Instruments", the impact of which is being assessed by the Company.

***Early adoption of amendments or standards in 2016***

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

**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 2015, as described in those annual audited financial statements.

Bahrain Family Leisure Company B.S.C.  
 Selected explanatory notes to the interim financial information for the three months period  
 ended 31 March 2016 (Unaudited)  
 (Expressed in Bahrain Dinars)

4 Property, plant and equipment

	Buildings on leasehold land	Kitchen equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
<b>Cost</b>					
At 31 December 2014	1,100,288	547,747	693,925	74,647	2,416,607
Additions	-	7,971	19,036	-	27,007
Disposals	-	(944)	(11,187)	-	(12,131)
At 31 December 2015	1,100,288	554,774	701,774	74,647	2,431,483
Disposals	-	-	-	(450)	(450)
At 31 March 2016	<u>1,100,288</u>	<u>554,774</u>	<u>701,774</u>	<u>74,197</u>	<u>2,431,033</u>
<b>Accumulated depreciation</b>					
At 31 December 2014	788,871	464,863	543,341	50,372	1,847,447
Charge for the year	48,289	14,928	55,558	10,420	129,195
On disposals	-	(522)	(10,933)	-	(11,455)
At 31 December 2015	837,160	479,269	587,966	60,792	1,965,187
Charge for the period	12,052	3,861	13,388	1,251	30,552
On disposals	-	-	-	(450)	(450)
At 31 March 2016	<u>849,212</u>	<u>483,130</u>	<u>601,354</u>	<u>61,593</u>	<u>1,995,289</u>
<b>Net book value</b>					
At 31 March 2016	<u>251,076</u>	<u>71,644</u>	<u>100,420</u>	<u>12,604</u>	<u>435,744</u>
At 31 December 2015	<u>363,128</u>	<u>75,505</u>	<u>113,808</u>	<u>13,855</u>	<u>466,296</u>

Bahrain Family Leisure Company B.S.C.  
 Selected explanatory notes to the interim financial information for the three months period  
 ended 31 March 2016 (Unaudited)  
 (Expressed in Bahrain Dinars)

**5 Intangible assets**

	31 March 2016 (Unaudited)	31 December 2015 (Audited)
<b>Cost</b>		
Balance as at 31 March 2016 and 31 December 2015	<u>263,693</u>	<u>263,693</u>
<b>Accumulated amortisation</b>		
Opening balance	252,720	242,568
Amortisation charge for the period/year	<u>2,538</u>	<u>10,152</u>
Closing balance	<u>255,258</u>	<u>252,720</u>
<b>Net book value</b>	<u>8,435</u>	<u>10,973</u>

**6 Financial assets at fair value through profit or loss**

	31 March 2016 (Unaudited)	31 December 2015 (Audited)
Opening balance	5,954,607	7,100,073
Unrealised fair value loss (Note 8)	<u>(1,007,428)</u>	<u>(1,145,466)</u>
Closing balance	<u>4,947,179</u>	<u>5,954,607</u>

**7 Share capital**

	31 March 2016 (Unaudited)	31 December 2015 (Audited)
<b>Authorised</b>		
200,000,000 (2015: 200,000,000) Ordinary shares of 100 fils each	<u>20,000,000</u>	<u>20,000,000</u>
<b>Issued and fully paid-up</b>		
40,000,000 (2015: 40,000,000) Ordinary shares of 100 fils each	<u>4,000,000</u>	<u>4,000,000</u>
<b>Less: Treasury shares</b>		
4,000,000 (2015: 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**  
**period ended 31 March 2016 (Unaudited)**  
**(Expressed in Bahrain Dinars)**

**8 Investment and other income**

	Three months period ended 31 March 2016 (Unaudited)	Three months period ended 31 March 2015 (Unaudited)
Unrealised fair value (loss)/gains on financial assets at fair value through profit or loss account (Note 6)	(1,007,428)	320,237
Dividend income	229,046	229,046
Interest income	379	212
Miscellaneous income	125	5,071
Gain on sale of property and equipment	150	-
	<u>(777,728)</u>	<u>554,566</u>

**9 Earnings per share**

Basic (loss)/earnings 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 2016 (Unaudited)	Three months period ended 31 March 2015 (Unaudited)
Net (loss)/profit attributable to the shareholders	<u>(802,928)</u>	<u>511,245</u>
Weighted average number of ordinary shares	<u>36,000,000</u>	<u>36,000,000</u>
Basic and diluted (loss)/earnings per share	<u>Fils (22.30)</u>	<u>Fils 14.20</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 2016 (Unaudited)	31 March 2015 (Unaudited)
Not later than 1 year	128,700	128,700
Later than 1 year but not later than 5 years	578,328	604,908
Later than 5 years	<u>325,377</u>	<u>419,127</u>
	<u>1,032,405</u>	<u>1,152,735</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 2016 (Unaudited)**  
**(Expressed in Bahrain Dinars)**

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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>	<u>Year ended 31 March 2016</u>	<u>Year ended 31 March 2015</u>
Directors	Directors	Attendance fees for attending Board meetings	5,800	8,050
Gulf Hotels Group B.S.C.	Shareholder	Office rent and electricity	-	3,282
		AGM meeting hall rent etc.	142	714
		Staff expenses	3,514	867
Abdul Latif Al Aujan Food International	Common Shareholder	Purchase of food items	3,289	1,983
Bahrain Gas	Common Shareholder	Purchase of cooking gas	1,026	2,117

A summary of related party balances is as follows:

	<u>31 March 2016</u>	<u>31 December 2015</u>
<b><i>Amounts due to related parties</i></b>		
Gulf Hotels Group B.S.C. - Shareholder	3,656	1,757
Abul Latif Al Aujan Food International - Common Shareholder	<u>2,087</u>	<u>1,706</u>
	<u>5,743</u>	<u>3,463</u>

## **12 Interim financial information**

The interim net profit for the three months period ended 31 March 2016 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 Events after reporting date**

There were no significant events subsequent to 31 March 2016 and occurring before the date of signing of the financial statements that would have a significant impact on these financial statements.