

Bahrain Family Leisure Company B.S.C.

Condensed interim financial information
for the quarter and nine months period
ended 30 September 2019
(Unaudited)

Bahrain Family Leisure Company B.S.C.
Condensed interim financial information for the quarter and
nine months period ended 30 September 2019
(Unaudited)

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Bahrain Family Leisure Company B.S.C.
Administration and contact details as at 30 September 2019

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. Ron Peters Mr. Suresh Surana	Chairman Vice-Chairman and Managing Director 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 Mr. Ron Peters	Chairman
Corporate governance committee	Mr. Adel Salman Kanoo Mr. Sharif Mohammed Ahmadi Mr. Suresh Surana Mr. Ron Peters	Chairman
Registered office	Gulf Executive Offices 10 th Floor, Block No. 338 Adliya, PO Box 11612 Manama Kingdom of Bahrain	
Registrars	Karvy fintech (Bahrain) W.L.L. PO Box 514, Manama, Kingdom of Bahrain Bahrain Clear B.S.C. (c) PO Box 3203, Manama, Kingdom of Bahrain	
Bankers	National Bank of Bahrain Bank of Bahrain and Kuwait National Bank of Kuwait	
Auditors	BDO 17 th 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 30 September 2019, 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 nine 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 30 September 2019, and of its financial performance and its cash flows for the quarter and nine months period then ended in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*".

BDO

Manama, Kingdom of Bahrain
23 October 2019



Bahrain Family Leisure Company B.S.C.
Condensed interim statement of financial position as at 30 September 2019
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	30 September 2019 (Unaudited)	31 December 2018 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	412,676	512,969
Intangible assets	5	21,033	23,068
Right-of-use assets	6	842,176	-
Financial assets at fair value through profit or loss	7	<u>4,291,081</u>	<u>5,730,662</u>
		<u>5,566,966</u>	<u>6,266,699</u>
Current assets			
Inventories		29,373	61,908
Prepayments and other receivables		108,726	122,732
Cash and cash equivalents		<u>367,582</u>	<u>172,372</u>
		<u>505,681</u>	<u>357,012</u>
Total assets		<u>6,072,647</u>	<u>6,623,711</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	4,000,000	4,000,000
Statutory reserve		794,927	794,927
Capital reserve		68,245	68,245
Retained earnings		218,534	1,534,030
Treasury shares		<u>(400,000)</u>	<u>(400,000)</u>
Total equity		<u>4,681,706</u>	<u>5,997,202</u>
Non-current liabilities			
Non-current portion of lease liabilities	9	590,709	-
Employees' terminal benefits		<u>86,274</u>	<u>85,869</u>
		<u>676,983</u>	<u>85,869</u>
Current liabilities			
Current portion of lease liabilities	9	244,030	-
Trade and other payables		<u>469,928</u>	<u>540,640</u>
		<u>713,958</u>	<u>540,640</u>
Total liabilities		<u>1,390,941</u>	<u>626,509</u>
Total equity and liabilities		<u>6,072,647</u>	<u>6,623,711</u>

The unaudited condensed interim financial information, set out on pages 4 to 16 were approved and authorised for issue by the Board of Directors on 23 October 2019 and signed on its behalf by:



Abdul Latif Khalid Al Aujan
Chairman



Garfield Jones
Vice-Chairman and
Managing Director

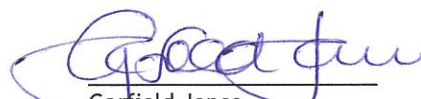
Bahrain Family Leisure Company B.S.C.
Condensed interim statement of profit or loss and other comprehensive income
for the quarter and nine months period ended 30 September 2019
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Quarter ended 30 September 2019 (Unaudited)	Quarter ended 30 September 2018 (Unaudited)	Nine months period ended 30 September 2019 (Unaudited)	Nine months period ended 30 September 2018 (Unaudited)
Operating income		366,115	356,798	1,080,100	1,049,087
Operating costs		(356,405)	(335,958)	(1,038,373)	(981,115)
Operating profit for the period		<u>9,710</u>	<u>20,840</u>	<u>41,727</u>	<u>67,935</u>
Expenses					
Staff costs		(17,242)	(19,664)	(55,913)	(62,023)
General and administrative expenses		(15,465)	(13,310)	(42,623)	(74,040)
Selling and advertising expenses		(17,140)	(15,816)	(48,590)	(68,744)
Finance cost on lease liabilities		(10,661)	-	(31,345)	-
Depreciation of property, plant and equipment		(743)	(807)	(2,225)	(3,124)
Amortisation of intangible assets	5	(901)	(874)	(2,805)	(2,555)
Directors' fees		(10,500)	(6,600)	(32,500)	(76,250)
Total expenses		<u>(72,652)</u>	<u>(57,071)</u>	<u>(216,001)</u>	<u>(286,736)</u>
Loss before investment and other income		(62,942)	(36,231)	(174,274)	(218,801)
Investment and other loss	10	2,645	(170,381)	(1,141,222)	(764,865)
Net loss and other comprehensive loss for the period		<u>(60,297)</u>	<u>(206,612)</u>	<u>(1,315,496)</u>	<u>(983,666)</u>
Basic and diluted loss per share	11	<u>Fils(1.67)</u>	<u>Fils(5.74)</u>	<u>Fils(36.54)</u>	<u>Fils(27.32)</u>

The unaudited condensed interim financial information were approved and authorised for issue by the Board of Directors and signed on its 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 nine months period ended 30 September 2019
(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 2017	4,000,000	794,927	68,245	2,932,511	(400,000)	7,395,683
Dividends paid for the year 2017	-	-	-	(360,000)	-	(360,000)
Net loss and other comprehensive loss for the period	-	-	-	(983,666)	-	(983,666)
At 30 September 2018	<u>4,000,000</u>	<u>794,927</u>	<u>68,245</u>	<u>1,588,845</u>	<u>(400,000)</u>	<u>6,052,017</u>
At 31 December 2018	4,000,000	794,927	68,245	1,534,030	(400,000)	5,997,202
Net loss and other comprehensive loss for the period	-	-	-	(1,315,496)	-	(1,315,496)
At 30 September 2019	<u>4,000,000</u>	<u>794,927</u>	<u>68,245</u>	<u>218,534</u>	<u>(400,000)</u>	<u>4,681,706</u>

Bahrain Family Leisure Company B.S.C.
Condensed interim statement of cash flows for the nine months
period ended 30 September 2019
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	Nine months period ended 30 September 2019 (Unaudited)	Nine months period ended 30 September 2018 (Unaudited)
Operating activities			
Net loss for the period		(1,315,496)	(983,666)
Adjustments for:			
Depreciation property, plant and equipment	4	118,858	112,640
Amortisation of intangible assets	5	2,805	2,555
Amortization of right-of-use asset	6	196,125	-
Unrealised fair value losses on financial assets at fair value through profit or loss	10	1,432,348	1,086,878
Dividend income	10	(286,508)	(286,320)
Interest income	10	(3,005)	(578)
Finance cost on lease liabilities	9	31,345	-
Changes in operating assets and liabilities:			
Inventories		32,535	11,230
Prepayments and other receivables		(24,180)	(32,097)
Trade and other payables		(70,712)	(37,229)
Employees' terminal benefits, net		406	8,736
Net cash provided by/(used in) operating activities		<u>114,521</u>	<u>(117,851)</u>
Investing activities			
Purchase of property, plant and equipment	4	(18,565)	(20,629)
Proceeds from disposal investment		7,233	-
Purchase of Intangible assets	3	(770)	(2,250)
Net movement in capital work-in-progress		-	(75,827)
Additions in investments		-	(4,011)
Dividend received	10	286,508	286,320
Interest received	10	3,005	578
Net cash provided by investing activities		<u>277,411</u>	<u>184,181</u>
Financing activities			
Lease liability paid		(196,722)	-
Dividends paid		-	(360,000)
Net cash provided used in financing activities		<u>(196,722)</u>	<u>(360,000)</u>
Net increase /(decrease) in cash and cash equivalents		195,210	(293,670)
Cash and cash equivalents, beginning of the period		<u>172,372</u>	<u>502,235</u>
Cash and cash equivalents, end of the period		<u>367,582</u>	<u>208,565</u>

Bahrain Family Leisure Company B.S.C.

Selected explanatory notes to the condensed interim financial information for the quarter and nine months period ended 30 September 2019 (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” was closed and a new restaurant was opened under the name of “Bayti”. In 2015, “Bayti” operations have been discontinued. In 2017, the Company has opened a new restaurant “Bennigan’s Restaurant” (Amwaj). In 2018, the Company has opened new restaurant under the name of “Bayti” in Oasis Mall Juffair.

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

The unaudited condensed interim financial information, set out on pages 4 to 16 were approved and authorised for issue by the Board of Directors on 23 October 2019.

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 2018. The financial information has been presented in Bahraini Dinar (BD) which is also the functional currency of the Company.

The condensed interim financial information 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.

Bahrain Family Leisure Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the quarter and
nine months period ended 30 September 2019 (Unaudited)
(Expressed in Bahrain Dinars)

2 Basis of preparation (continued)

Improvements/amendments to IFRS/IAS

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS 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 future accounting period with earlier adoption.

Standards, amendments and interpretations effective and adopted in 2019

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 2019 and has been adopted in the preparation of the condensed interim financial information:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 16	Leases	1 January 2019

IFRS 16 supersedes IAS 17 Leases. As a result of adoption of IFRS 16 the Company will recognise right of use assets and lease liabilities for all contracts that are, or contain, a lease. The Company has implemented IFRS 16 and has recognised right of use of assets and leases on balance sheet as at 1 January 2019. In addition, it is also decided to measure right-of-use assets by reference to the measurement of the lease liability on that date.

In accordance with the transition provisions of IFRS 16, instead of recognising an operating expense for its operating lease arrangements, the Company will recognise finance cost on its lease liabilities and amortisation on its right-of-use assets. This will increase reported EBITDA by the amount of its operating lease cost.

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. As a result of the adoption of this standard, BD1,038,897 was recognised as right of use assets and BD1,000,732 was recognised as lease liabilities resulting in reduction in the prepayment by BD38,165.

Standards, amendments and interpretations issued and effective in 2019 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 2019 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 2019
IAS 19	Employee benefits	1 January 2019
IAS 23	Borrowing costs	1 January 2019
IAS 28	Investments in Associates and Joint Ventures	1 January 2019
IFRS 9	Financial instruments	1 January 2019
IFRS 3	Business combinations	1 January 2019
IFRS 11	Joint arrangements	1 January 2019
IFRIC 23	Uncertainty over income tax treatments	1 January 2019

Bahrain Family Leisure Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the quarter and
nine months period ended 30 September 2019 (Unaudited)
(Expressed in Bahrain Dinars)

2 Basis of preparation (continued)

Standards, amendments and interpretations issued but not yet effective in 2019

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 September 2019. They have not been adopted in preparing the financial statements for the period ended 30 September 2019 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:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 17	Insurance contracts	1 January 2021

There would have been no change in the operational results of the Company for the period ended 30 September 2019 had the Company early adopted any of the above standards applicable to the Company.

Early adoption of amendments or standards in 2019

The Company did not early-adopt any new or amended standards in 2019.

3 Significant accounting policies and critical accounting judgments, estimates and assumptions

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 2018, as described in those annual audited financial statements except for those changed due to adoption of IFRS 16.

Right of use assets

As explained above in Note 2, the Company has implemented IFRS 16 from 1 January 2019 and therefore the Company has recognised a right-of-use assets and lease liability in the financial statements. In accordance with the transition provisions of IFRS 16, Instead of recognising an operating expense for its operating lease arrangements, the Company will recognise finance cost on its lease liabilities and amortisation on its right-of-use assets.

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use of asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently amortised using the straight line method from the commencement date to the earlier of the end of the useful life of the right use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Amortisation is calculated on a straight line basis over the estimated useful lives of the right of use assets is as follows:

Building	8 years
Outlets/Restaurants	1 to 5 years

3 Significant accounting policies and critical accounting judgments, estimates and assumptions (continued)

Lease liability

The lease is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Company presents right of use assets that do not meet the definition of investment property in property, plant and equipment and lease liabilities in loans and borrowings in the statement of financial position.

Preparation of the condensed interim financial information in accordance with IFRS requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant area requiring the use of management estimates and assumptions in the condensed interim financial information relate to economic useful life of right of use assets.

Economic useful life of right of use assets

Right of use assets are amortised over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of condensed interim financial information in specific periods.

The Company's right of use assets are amortised on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

Economic useful lives of right of use assets are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

Bahrain Family Leisure Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the quarter and
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(Expressed in Bahrain Dinars)

4 Property, plant and equipment

	<u>Buildings on leasehold land</u>	<u>Kitchen equipment</u>	<u>Furniture, fixtures and office equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
Cost					
At 31 December 2017 (Audited)	1,100,288	601,405	904,420	61,103	2,667,216
Additions during the year	-	31,125	100,996	-	132,121
Written-off during the year	<u>-</u>	<u>(131,631)</u>	<u>(4,250)</u>	<u>-</u>	<u>(135,881)</u>
At 31 December 2018 (Audited)	1,100,288	500,899	1,001,166	61,103	2,663,456
Additions during the period	<u>-</u>	<u>10,187</u>	<u>7,628</u>	<u>750</u>	<u>18,565</u>
At 30 September 2019 (Unaudited)	<u>1,100,288</u>	<u>511,086</u>	<u>1,008,794</u>	<u>61,853</u>	<u>2,682,021</u>
Accumulated depreciation					
At 31 December 2017 (Audited)	933,720	512,705	619,855	55,576	2,121,856
Charge for the year	51,074	25,251	84,351	3,198	163,874
On write-off during the year	<u>-</u>	<u>(131,631)</u>	<u>(3,612)</u>	<u>-</u>	<u>(135,243)</u>
At 31 December 2018 (Audited)	984,794	406,325	700,594	58,774	2,150,487
Charge for the period	<u>39,828</u>	<u>18,398</u>	<u>59,276</u>	<u>1,356</u>	<u>118,858</u>
At 30 September 2019 (Unaudited)	<u>1,024,622</u>	<u>424,723</u>	<u>759,870</u>	<u>60,130</u>	<u>2,269,345</u>
Net book value					
At 30 September 2019 (Unaudited)	<u>75,666</u>	<u>86,363</u>	<u>248,924</u>	<u>1,723</u>	<u>412,676</u>
At 31 December 2018 (Audited)	<u>115,494</u>	<u>94,574</u>	<u>300,572</u>	<u>2,329</u>	<u>512,969</u>

5 Intangible assets

	<u>30 September 2019 (Unaudited)</u>	<u>31 December 2018 (Audited)</u>
Cost		
Opening balance	289,916	286,416
Additions during the period/year	<u>770</u>	<u>3,500</u>
At 30 September 2019	<u>290,686</u>	<u>289,916</u>
Accumulated amortisation		
Opening balance	266,848	263,375
Amortisation charge for the period/year	<u>2,805</u>	<u>3,473</u>
Closing balance	<u>269,653</u>	<u>266,848</u>
Net book value	<u>21,033</u>	<u>23,068</u>

Bahrain Family Leisure Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the quarter and
nine months period ended 30 September 2019 (Unaudited)
(Expressed in Bahrain Dinars)

6 Right-of-use asset

	<u>Office building</u>	<u>Outlets/ restaurants</u>	<u>Total</u>
Balance as at 1 January 2019 and 30 September 2019 (Unaudited)	148,629	890,268	1,038,897
Amortisation charge for the period	<u>(53,678)</u>	<u>(143,043)</u>	<u>(196,721)</u>
Balance as at 30 September 2019 (Unaudited)	<u>94,951</u>	<u>747,225</u>	<u>842,176</u>

7 Financial assets at fair value through profit or loss

	30 September <u>2019</u> (Unaudited)	31 December <u>2018</u> (Audited)
Opening balance	5,730,662	6,813,529
Unrealised fair value loss (Note 10)	(1,432,348)	(1,086,878)
Additions	-	4,011
Disposal	<u>(7,233)</u>	<u>-</u>
Closing balance	<u>4,291,081</u>	<u>5,730,662</u>

8 Share capital

	30 September <u>2019</u> (Unaudited)	31 December <u>2018</u> (Audited)
Authorised 200,000,000 (2018: 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 (2018: 40,000,000) Ordinary shares of 100 fils each	4,000,000	4,000,000
Less: Treasury shares 4,000,000 (2018: 4,000,000) Ordinary shares of 100 fils each	<u>(400,000)</u>	<u>(400,000)</u>
	<u>3,600,000</u>	<u>3,600,000</u>

Treasury shares were acquired consistent with the Ministry of Industry, Commerce and tourism'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.

9 Lease liabilities

	30 September <u>2019</u> (Unaudited)
Lease liabilities	834,739
Less: Current lease liabilities	<u>(244,030)</u>
Non-current lease liabilities	<u>590,709</u>

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9 Lease liabilities (continued)

Maturity analysis - contractual undiscounted cash flows	30 September 2019 <u>(Unaudited)</u>
Less than one year	278,113
One to five years	486,821
More than five years	<u>122,100</u>
Total undiscounted lease liabilities at 31 December	<u>887,034</u>

10 Investment and other loss

	Quarter ended 30 September 2019 <u>(Unaudited)</u>	Quarter ended 30 September 2018 <u>(Unaudited)</u>	Nine months period ended 30 September 2019 <u>(Unaudited)</u>	Nine months period ended 30 September 2018 <u>(Unaudited)</u>
Unrealised fair value losses on financial assets at fair value through profit or loss account	103	(171,060)	(1,432,348)	(1,086,878)
Dividend income	-	-	286,508	286,320
Interest income	1,926	181	3,005	578
Miscellaneous income	<u>616</u>	<u>498</u>	<u>1,613</u>	<u>35,115</u>
	<u>2,645</u>	<u>(170,381)</u>	<u>(1,141,222)</u>	<u>(764,865)</u>

11 Basic and diluted loss per share

Basic and diluted loss per share is calculated by dividing the net 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.

	Quarter ended 30 September 2019 <u>(Unaudited)</u>	Quarter ended 30 September 2018 <u>(Unaudited)</u>	Nine months period ended 30 September 2019 <u>(Unaudited)</u>	Nine months period ended 30 September 2018 <u>(Unaudited)</u>
Net loss attributable to the shareholders	<u>(60,297)</u>	<u>(206,612)</u>	<u>(1,315,496)</u>	<u>(983,666)</u>
Weighted average number of ordinary shares	<u>36,000,000</u>	<u>36,000,000</u>	<u>36,000,000</u>	<u>36,000,000</u>
Basic and diluted loss per share	<u>Fils(1.67)</u>	<u>Fils(5.74)</u>	<u>Fils(36.54)</u>	<u>Fils(27.32)</u>

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

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12 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 the shareholders, directors, key management personnel and their close family members and such other companies over which the Company or its shareholders, directors, 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>	Period ended 30 September <u>2019</u> (Unaudited)	Period ended 30 September <u>2018</u> (Unaudited)
Directors	Directors	Attendance fees for attending board meetings	32,500	20,800
		Directors remuneration	-	<u>55,450</u>
			<u>32,500</u>	<u>76,250</u>
Gulf Hotels Group B.S.C.	Shareholder	AGM meeting hall rent etc.	1,186	854
		Staff expenses	-	2,635
Abdul Latif Al Aujan Food International	Common shareholder	Purchase of food items	10,460	10,681
	Common shareholder	Purchase of cooking gas	3,206	4,422
Bahrain Gas Company		Purchase of kitchen equipment	9,258	-

A summary of related party balances is as follows:

	30 September <u>2019</u> (Unaudited)	31 December <u>2018</u> (Audited)
<i>Amounts due to related parties</i>		
Gulf Hotels Group B.S.C. - Shareholder	113	254
Abul Latif Al Aujan Food International - Common Shareholder	3,712	4,072
Bahrain Gas W.L.L. - Common Shareholder	<u>3,381</u>	<u>391</u>
	<u>7,206</u>	<u>4,717</u>

13 Interim financial information

The interim net profit for the quarter and nine months period ended 30 September 2019 may not represent a proportionate share of the annual net profit due to the variability in the receipt of dividend and investment income.

14 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.

15 Subsequent events

There were no significant events subsequent to 30 September 2019 and occurring before the date of signing of the financial statements that would have a significant impact on these financial statements.