

National Hotels Company B.S.C.

BALANCE SHEET

31 December 2008

		2008	2007
		BD	BD
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	5	51,305,900	49,379,826
Investment in an associate	6	2,578,703	2,159,927
Available-for-sale investments	7	2,752,892	3,039,495
Total non-current assets		56,637,495	54,579,248
Current assets			
Inventories	8	123,991	217,309
Managed portfolios	9	807,670	1,690,407
Available-for-sale investments	7	139,832	-
Trade and other receivables	10	999,103	918,173
Bank balances and cash	11	4,230,324	1,848,345
Total current assets		6,300,920	4,674,234
TOTAL ASSETS		62,938,415	59,253,482
EQUITY AND LIABILITIES			
Equity			
Share capital	12	10,000,000	10,000,000
Treasury shares	13	(94,726)	(94,726)
Statutory reserve	14	3,262,651	2,678,282
General reserve	15	3,215,079	3,215,079
Revaluation reserve	16	27,602,997	27,602,997
Cumulative changes in fair values		1,661,043	2,032,099
Retained earnings		11,635,692	8,158,821
Proposed dividend		1,782,445	1,782,949
Total equity		59,065,181	55,375,501
Non-current liabilities			
Employees' end of service benefits	18	220,542	198,950
Borrowings	20	336,188	-
Total non-current liabilities		556,730	198,950
Current liability			
Trade and other payables	19	3,316,504	3,679,031
Total current liability		3,316,504	3,679,031
Total liabilities		3,873,234	3,877,981
TOTAL EQUITY AND LIABILITIES		62,938,415	59,253,482

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 15 February 2009 and signed on their behalf by:

Faisal Ahmed Al Zayani
Chairman

Yousef Dakhil Al Dakhil
Vice Chairman and Managing Director

The attached notes 1 to 31 form part of these financial statements.

National Hotels Company B.S.C.

STATEMENT OF INCOME

Year ended 31 December 2008

		2008	2007
		BD	BD
	<i>Notes</i>		
Gross operating revenue	21	13,582,570	11,426,651
Gross operating costs	22	(6,480,765)	(5,675,324)
GROSS OPERATING PROFIT		7,101,805	5,751,327
Share of profit from an associate	6	1,089,546	954,815
Miscellaneous income	23	288,519	506,864
Dividend income		190,390	197,698
Interest on term deposits		78,887	24,959
Profit on sale of available-for-sale investments	7	622	18,063
Net change in the value of managed portfolios		(882,737)	507,229
Depreciation	5	(1,482,322)	(1,587,967)
General and administration expenses		(541,025)	(505,681)
Finance charges		-	(39,614)
PROFIT FOR THE YEAR	24	5,843,685	5,827,693
Basic and diluted earnings per share (in fils)	25	59.01	58.85
Dividend per share (in fils)	17 (b)	18.00	18.00

The attached notes 1 to 31 form part of these financial statements.

National Hotels Company B.S.C.

STATEMENT OF CASH FLOWS

Year ended 31 December 2008

	Notes	2008 BD	2007 BD
OPERATING ACTIVITIES			
Profit for the year		5,843,685	5,827,693
Adjustments for:			
Depreciation	5	1,482,322	1,587,967
Share of profit from an associate	6	(1,089,546)	(954,815)
Write-off of doubtful debts	10	(35,866)	-
Provision for employees' end of service benefits	18	74,536	59,172
Write-off of property, plant and equipment		1,773	1,648
Profit on disposal of available-for-sale investments	7	(622)	(18,063)
Net change in the value of managed portfolios		882,737	(507,229)
Dividend income		(190,390)	(197,698)
Interest on term deposits		(78,887)	(24,959)
Finance charges		-	39,614
Operating profit before working capital changes		<u>6,889,742</u>	<u>5,813,330</u>
Working capital changes:			
Inventories		93,318	21,304
Trade and other receivables		(64,864)	(240,608)
Trade and other payables		(487,313)	153,319
Net investment in managed portfolios		-	4,249
Cash from operations		<u>6,430,883</u>	<u>5,751,594</u>
Directors' remuneration paid		(124,000)	(86,500)
Employees' end of service benefits paid	18	(52,944)	(55,319)
Finance charges paid		-	(39,614)
Charity contributions paid		(51,750)	(26,700)
Net cash from operating activities		<u>6,202,189</u>	<u>5,543,461</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,109,633)	(3,386,803)
Dividend received from an associate	6	465,000	370,000
Other dividends received		190,390	197,698
Interest received		78,887	24,959
Proceeds from disposal of available-for-sale investments		1,907	677,936
Net cash used in investing activities		<u>(2,373,449)</u>	<u>(2,116,210)</u>
FINANCING ACTIVITIES			
Dividend paid	17 (b)	(1,782,949)	(1,188,633)
Proceeds from borrowings		1,944,706	-
Repayments of borrowings		(1,608,518)	-
Net cash used in financing activities		<u>(1,446,761)</u>	<u>(1,188,633)</u>
INCREASE IN CASH AND CASH EQUIVALENTS		2,381,979	2,238,618
Cash and cash equivalents at 1 January		<u>1,848,345</u>	<u>(390,273)</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	11	<u>4,230,324</u>	<u>1,848,345</u>

Non-cash item:

Liabilities towards acquisition of property, plant and equipment to the extent of BD 814,613 (2007: BD 514,077) were not settled as of the balance sheet date.

Non-cash transaction not included in the above statement of cash flows includes investment of BD 19,800 in rights shares for which an advance was made in 2007.

The attached notes 1 to 31 form part of these financial statements.

National Hotels Company B.S.C.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2008

	Notes	Share capital BD	Treasury shares BD	Statutory reserve BD	General reserve BD	Revaluation reserve BD	Cumulative changes in fair values BD	Retained earnings BD	Proposed dividend BD	Total BD
Balance at 1 January 2007		10,000,000	(94,726)	2,095,513	3,215,079	13,124,600	1,954,472	4,696,846	1,188,633	36,180,417
Net movement in unrealised gains on available-for-sale investments		-	-	-	-	-	77,627	-	-	77,627
Total income and expense for the year recognised directly in equity		-	-	-	-	-	77,627	-	-	77,627
Profit for the year		-	-	-	-	-	-	5,827,693	-	5,827,693
Surplus on revaluation of freehold land	16	-	-	-	-	14,478,397	-	-	-	14,478,397
Total income and expenses for the year		-	-	-	-	14,478,397	77,627	5,827,693	-	20,383,717
Dividend paid - 2006	17(a)	-	-	-	-	-	-	-	(1,188,633)	(1,188,633)
Proposed dividend - 2007	17(a)	-	-	-	-	-	-	(1,782,949)	1,782,949	-
Transfer to statutory reserve	14	-	-	582,769	-	-	-	(582,769)	-	-
Balance at 31 December 2007		10,000,000	(94,726)	2,678,282	3,215,079	27,602,997	2,032,099	8,158,821	1,782,949	55,375,501

The attached notes 1 to 31 form part of these financial statements.

National Hotels Company B.S.C.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2008

	Notes	Share capital BD	Treasury shares BD	Statutory reserve BD	General reserve BD	Revaluation reserve BD	Cumulative changes in fair values BD	Retained earnings BD	Proposed dividend BD	Total BD
Balance at 1 January 2008		10,000,000	(94,726)	2,678,282	3,215,079	27,602,997	2,032,099	8,158,821	1,782,949	55,375,501
Transferred to statement of income on sale of available-for-sale investments during the year		-	-	-	-	-	(622)	-	-	(622)
Net movement in unrealised losses on available-for-sale investments		-	-	-	-	-	(164,664)	-	-	(164,664)
Share of changes in associate's equity		-	-	-	-	-	(205,770)	-	-	(205,770)
Total income and expense for the year recognised directly in equity		-	-	-	-	-	(371,056)	-	-	(371,056)
Profit for the year		-	-	-	-	-	-	5,843,685	-	5,843,685
Total income and expenses for the year		-	-	-	-	-	(371,056)	5,843,685	-	5,472,629
Dividend paid - 2007	17(a)	-	-	-	-	-	-	-	(1,782,949)	(1,782,949)
Proposed dividend - 2008	17(a)	-	-	-	-	-	-	(1,782,445)	1,782,445	-
Transfer to statutory reserve	14	-	-	584,369	-	-	-	(584,369)	-	-
Balance at 31 December 2008		10,000,000	(94,726)	3,262,651	3,215,079	27,602,997	1,661,043	11,635,692	1,782,445	59,065,181

The attached notes 1 to 31 form part of these financial statements.