

**National Hotels Company B.S.C.**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**30 June 2021**

**CONDENSED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2021**

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**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2021**

Bahraini Dinars

	Note	30 June 2021 (reviewed)	31 December 2020 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		29,477,181	30,101,545
Investment property		32,834,488	33,185,572
Investment in an associate	3	6,132,981	6,804,606
Investments at fair value through other comprehensive income	4	2,656,863	2,658,980
<b>Total non-current assets</b>		<b>71,101,513</b>	<b>72,750,703</b>
<b>Current assets</b>			
Inventories		72,892	73,945
Investments at fair value through profit or loss	4	2,074,191	2,064,063
Trade receivables and other assets		565,573	399,073
Bank deposits	5	2,500,000	2,500,000
Cash and cash equivalents	5	1,781,561	1,435,960
<b>Total current assets</b>		<b>6,994,217</b>	<b>6,473,041</b>
<b>Total assets</b>		<b>78,095,730</b>	<b>79,223,744</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Non-current liabilities</b>			
Employees' end of service benefits		237,324	226,599
<b>Total non-current liabilities</b>		<b>237,324</b>	<b>226,599</b>
<b>Current liabilities</b>			
Trade and other payables		817,538	1,032,708
<b>Total current liabilities</b>		<b>817,538</b>	<b>1,032,708</b>
<b>Total liabilities</b>		<b>1,054,862</b>	<b>1,259,307</b>
<b>EQUITY</b>			
Share capital		12,127,500	12,127,500
Treasury shares		(94,726)	(94,726)
Reserves		21,980,850	21,958,199
Retained earnings		43,027,244	43,973,464
<b>Total equity</b>		<b>77,040,868</b>	<b>77,964,437</b>
<b>Total liabilities and equity</b>		<b>78,095,730</b>	<b>79,223,744</b>



Faisal Ahmed Al Zayani  
Chairman



Adel Nahabah Hamadeh  
Vice Chairman and Managing  
Director

The accompanying notes 1 to 13 form an integral part of this condensed interim financial information

**CONDENSED STATEMENT OF PROFIT OR LOSS**  
**for the six months ended 30 June 2021**

Bahraini Dinars

	Note	Six months ended 30 June		Three months ended 30 June	
		2021 (reviewed)	2020 (reviewed)	2021 (reviewed)	2020 (reviewed)
Revenue from contracts with customers		1,618,643	1,511,831	890,986	423,578
Rent income		562,627	573,689	277,184	277,754
<b>Total revenue</b>		<b>2,181,270</b>	<b>2,085,520</b>	<b>1,168,170</b>	<b>701,332</b>
Operating costs		(1,502,949)	(1,299,350)	(807,416)	(462,615)
<b>GROSS OPERATING PROFIT</b>		<b>678,321</b>	<b>786,170</b>	<b>360,754</b>	<b>238,717</b>
Share of profit of an associate	3	303,607	549,682	144,431	192,603
Dividend income	6	98,994	111,743	685	-
Interest income		108,881	107,574	53,985	49,198
Change in fair value of Investments at fair value through profit or loss	4	10,128	(10,432)	10,966	4,982
Other income		206,672	5,779	47,777	1,404
Depreciation		(1,272,498)	(1,221,256)	(636,879)	(517,476)
General and administration expenses		(119,715)	(129,249)	(67,024)	(34,180)
<b>Profit / (loss) for the period</b>		<b>14,390</b>	<b>200,011</b>	<b>(85,305)</b>	<b>(64,752)</b>
<b>Basic and diluted earnings per share (fils)</b>	7	<b>0.12</b>	<b>1.67</b>	<b>(0.71)</b>	<b>(0.54)</b>



Faisal Ahmed Al Zayani  
Chairman



Adel Nahabah Hamadeh  
Vice Chairman and Managing  
Director

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## NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
for the six months ended 30 June 2021

Bahraini Dinars

	Note	Six months ended 30 June		Three months ended 30 June	
		2021 (reviewed)	2020 (reviewed)	2021 (reviewed)	2020 (reviewed)
<b>Profit / (loss) for the period</b>		<b>14,390</b>	200,011	<b>(85,305)</b>	(64,752)
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>					
- Net movement in fair value of Investments at fair value through other comprehensive income during the period	4	(2,117)	(92,976)	15,339	(95,104)
- Share in associates' other comprehensive income	3	23,768	(91,192)	17,517	(17,088)
<b>Total other comprehensive income for the period</b>		<b>21,651</b>	(184,168)	<b>32,856</b>	(112,192)
<b>Total comprehensive income for the period</b>		<b>36,041</b>	15,843	<b>(52,449)</b>	(176,944)

The accompanying notes 1 to 13 form an integral part of these condensed interim financial information.

**NATIONAL HOTELS COMPANY B.S.C.**

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
for the six months ended 30 June 2021

Bahraini Dinars

2021 (reviewed)	Share capital	Treasury shares	Statutory reserve	General reserve	Property revaluation reserve	Investments fair value reserve	Share of reserves of associate	Retained earnings	Total
At 1 January 2021	12,127,500	(94,726)	5,670,492	1,087,579	13,043,666	2,026,403	130,059	43,973,464	77,964,437
- Profit for the period	-	-	-	-	-	-	-	14,390	14,390
- Other comprehensive income for the period	-	-	-	-	-	(2,117)	23,768	-	21,651
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(2,117)	23,768	14,390	36,041
Adjustment to the associate's reserve	-	-	-	-	-	-	1,000	-	1,000
Dividends declared for 2020	-	-	-	-	-	-	-	(960,610)	(960,610)
<b>Balance at 30 June 2021</b>	<b>12,127,500</b>	<b>(94,726)</b>	<b>5,670,492</b>	<b>1,087,579</b>	<b>13,043,666</b>	<b>2,024,286</b>	<b>154,827</b>	<b>43,027,244</b>	<b>77,040,868</b>
2020 (reviewed)	Share capital	Treasury reserve	Statutory reserve	General reserve	Property revaluation reserve	Investments fair value reserve	Share of reserves of associate	Retained earnings	Total
At 1 January 2020	12,127,500	(94,726)	5,670,492	1,087,579	13,391,305	2,108,674	181,300	50,687,050	85,159,174
- Profit for the period	-	-	-	-	-	-	-	200,011	200,011
- Other comprehensive income for the period	-	-	-	-	-	(92,976)	(91,192)	-	(184,168)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(92,976)	(91,192)	200,011	15,843
Dividends declared for 2019	-	-	-	-	-	-	-	(1,200,922)	(1,200,922)
<b>Balance at 30 June 2020</b>	<b>12,127,500</b>	<b>(94,726)</b>	<b>5,670,492</b>	<b>1,087,579</b>	<b>13,391,305</b>	<b>2,015,698</b>	<b>90,108</b>	<b>49,686,139</b>	<b>83,974,095</b>

The accompanying notes 1 to 13 form an integral part of these condensed interim financial information.

## NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF CASH FLOWS  
for the six months ended 30 June 2021

Bahraini Dinars

	Note	30 June 2021 (reviewed)	30 June 2020 (reviewed)
<b>OPERATING ACTIVITIES</b>			
Profit for the period		14,390	200,011
Adjustments for:			
Depreciation		1,272,498	1,221,256
Share of profit of an associate	3	(303,607)	(549,682)
Change in fair value on investments at FVTPL	4	(10,128)	10,432
Dividend income	6	(98,994)	(111,743)
Interest income		(108,881)	(107,574)
Interest expense		131	53
Impairment on financial assets		6,039	2,206
Provision for employees' benefits		25,961	26,329
<i>Operating profit before working capital changes</i>		<b>797,409</b>	<b>691,288</b>
Change in inventories		1,053	21,789
Change in trade receivables and other assets		(171,706)	(69,806)
Change in trade and other payables		(128,748)	(604,442)
<i>Cash flows from operations</i>		<b>498,008</b>	<b>38,829</b>
Employees' end of service benefits paid		(15,236)	(22,553)
Directors' remuneration paid	9	(40,000)	(156,125)
Charitable contributions paid		(43,000)	(55,000)
<b>Net cash flows from operating activities</b>		<b>399,772</b>	<b>(194,849)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and investment property		(297,050)	(191,129)
Dividends received from an associate	3	1,000,000	1,400,000
Dividend received		98,308	111,743
Interest received		108,734	76,481
<b>Net cash flows from investing activities</b>		<b>909,992</b>	<b>1,397,095</b>
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(960,610)	(1,200,922)
Finance cost paid		(131)	(53)
<b>Net cash used in financing activities</b>		<b>(960,741)</b>	<b>(1,200,975)</b>
<b>Net increase in cash and cash equivalents</b>		<b>349,023</b>	<b>1,271</b>
Cash and cash equivalents at 1 January		1,432,538	1,933,003
<b>Cash and cash equivalents at 30 June</b>		<b>1,781,561</b>	<b>1,934,274</b>

The accompanying notes 1 to 13 form an integral part of these condensed interim financial information.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2021**

Bahraini Dinars

**1. REPORTING ENTITY**

National Hotels Company B.S.C. (the "Company") is a public joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry, Commerce and Tourism under commercial registration (CR) number 1665. The address of the registered office of the Company is P.O. Box 5243, Building 59, Road 1701, Block 317, Diplomatic Area, Kingdom of Bahrain. The Company owns the Diplomat Radisson BLU Hotel (the "Hotel"), which is managed by Rezidor Hotel Company ("Rezidor") under a management agreement dated 20 July 2000 which was initially valid for 15 years. In 2007, the Company commenced the operations of its serviced apartments, which are also managed by Rezidor under a management agreement dated 6 May 2003 which was initially valid for 12 years. In 2012, the Company commenced the operations of its office towers, which are managed by the Company directly. In 2015, the management agreement of the Hotel and serviced apartments was amended to extend the management period up to 31 December 2030. The Company operates solely in the Kingdom of Bahrain. The financial statements were approved by the Director on 29 July 2021.

*Associate:*

The Company has a 33.33% interest in African & Eastern (Bahrain) W.L.L. (2020: 33.33%).

**2. ACCOUNTING POLICIES**

**Basis of preparation**

The condensed interim financial information for the six months ended 30 June 2021 has been prepared in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*". The condensed interim financial information does not contain all information and disclosures required for the full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual financial statements as at 31 December 2020. In addition, results for the six months ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021. In preparing these condensed interim financial information, management make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were similar to those applied to the financial statements as at and for the year ended 31 December 2020.

The condensed interim financial information are reviewed, not audited.

*Corresponding figures*

Due to the outbreak of the novel coronavirus (COVID-19) in early 2020, the Central Bank of Bahrain had exempted all public shareholding companies and locally incorporated banks from preparation and publication of their interim financial information for the three-month period ended 31 March 2020. Accordingly, the 30 June 2020 condensed interim financial information was the first interim period for 2020 and only included results for the cumulative six-month period ended 30 June 2020. In the current period interim financial information, the comparatives for the:

- a) the condensed statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2020;
- b) the condensed statements of profit or loss and other comprehensive income, changes in equity, cash flows, for the six-month period ended have been extracted from the reviewed condensed interim financial information of the Company for the six month period ended 30 June 2020; and
- c) the condensed statements of profit or loss and other comprehensive income for the three-month period ended 30 June 2020 have been extracted from the management accounts of the Company that was used to prepare the reviewed condensed interim financial information of the Company for the six month period ended 30 June 2020. However, this information was not published separately in the prior interim period.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION****for the six months ended 30 June 2021**

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**2. ACCOUNTING POLICIES (continued)****Financial risk management**

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2020. Considering the evolving situation due to the COVID-19 pandemic, the Company has taken an enhanced and pre-emptive measures to monitor and mitigate additional risks such as credit, liquidity and operational risks. This includes convening of more frequent meetings of management and board and invoking contingency plans to monitor and respond to all operational and liquidity related matters.

**New and amended standards and interpretations**

A number of new standards, amendments and interpretations were issued under International Financial Reporting Standards, which are effective as of 1 January 2021. However, these do not have a material impact on the financial statements of the Company.

**Significant accounting policies**

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2020.

**3. INVESTMENT IN AN ASSOCIATE**

The Company has a 33.33% (2020: 33.33%) interest in African & Eastern (Bahrain) W.L.L., which is incorporated in the Kingdom of Bahrain and is involved in the business of investment in bonds and shares as well as importing and selling consumer products. African & Eastern (Bahrain) W.L.L. is a private entity that is not listed on any public exchange. The Company's interest in African & Eastern (Bahrain) W.L.L. is accounted for using the equity method in these condensed interim financial information. Movements in the carrying value of the investment were as follows:

	<b>30 June 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Balance at 1 January	6,804,606	7,995,852
Share of profit for the period / year	303,607	959,995
Dividends received during the period / year	(1,000,000)	(2,100,000)
Share in associate's other comprehensive income	23,768	(53,241)
Adjustment to the associate's reserve	1,000	2,000
	<b>6,132,981</b>	<b>6,804,606</b>

- (i) Based on the reviewed condensed interim financial information of African & Eastern (Bahrain) W.L.L., profit of BD 910,831 (six months ended 30 June 2020: BD 1,649,050) was recognised by the associate for the six months ended 30 June 2021. The Company has recognised its share of profit of BD 303,607 (six months ended 30 June 2020: BD 549,682) in these condensed interim financial information.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2021**

Bahraini Dinars

**4. INVESTMENTS**

## a) Equity Investments at FVOCI

	<b>30 June 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Quoted equity Investments	2,300,906	2,307,041
Unquoted equity Investments	355,957	351,939
	<b>2,656,863</b>	<b>2,658,980</b>

The movement in the equity investments of FVOCI is as follows:

	<b>30 June 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Balance at 1 January	2,658,980	2,741,251
Change in fair value during the period / year	(2,117)	(82,271)
	<b>2,656,863</b>	<b>2,658,980</b>

## b) Equity Investments at FVTPL

	<b>30 June 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Unquoted equity investment (i)	2,000,000	2,000,000
Quoted equity investment	74,191	64,063
	<b>2,074,191</b>	<b>2,064,063</b>

(i) Unquoted equity investment of BD 2,000,000 (2020: BD 2,000,000), represents Restricted Investment Account (RIA) Mudaraba Certificates pertaining to underlying investment in International Commodity Murabaha Financing for Corporate (Real Estate) entities with Kuwait Finance House "KFH" – Bahrain portfolio. The RIA Mudaraba Certificates mature on 3 September 2021 and carries a profit rate of 6.5% per annum.

(ii) The movement in the quoted equity investments of FVTPL is as follows:

	<b>30 June 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Balance at 1 January	2,064,063	2,061,515
Change in fair value during the period / year	10,128	2,548
	<b>2,074,191</b>	<b>2,064,063</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2021**

Bahraini Dinars

**5. CASH AND CASH EQUIVALENTS**

	<b>30 June 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Cash on hand	6,215	6,811
Cash at banks	1,775,346	1,429,149
<b>Cash and cash equivalents as per the condensed statement of financial position</b>	<b>1,781,561</b>	<b>1,435,960</b>
Less: Restricted cash	-	(3,422)
<b>Cash and cash equivalents as per the condensed statement of cash flows</b>	<b>1,781,561</b>	<b>1,432,538</b>

Bank deposits of BD 2,500,000 (2020: BD 2,500,000) have an original maturity date of more than three months. The average interest rate on carried by these deposits for the period was 2.86% (2020: 2.76%). Restricted cash as at 31 December 2020 represented collected dividends by the shareholders yet to be cleared.

The Company has an overdraft facility of BD 0.5 million to finance working capital requirements granted by financial institutions in the Kingdom of Bahrain. The facility bear interest of 4.5% per annum above one month Bahrain Interbank Offered Rate charged monthly.

**6. SEASONALITY OF RESULTS**

Dividend income of BD 98,994 for the six months ended 30 June 2021 (for the six months ended 30 June 2020: BD 111,743) maybe of a seasonal nature due to usual timing of payments. However, uncertainties arising due to the current COVID-19 related economic conditions, restrictions on travel and social distancing measures has impacted the Company's hotel and leasing operations, leading to decline in occupancy rates and room rates and increase in costs of additional protective measures.

**7. EARNINGS PER SHARE**

	<b>30 June 2021 (reviewed)</b>	<b>30 June 2020 (reviewed)</b>
Profit for the period	<b>14,390</b>	200,011
Weighted average number of equity shares	<b>120,092,219</b>	120,092,219
Basic earnings per share in fils	<b>0.12</b>	1.67

Diluted earnings per share is same as basic earnings per share as the Company does not have any potential dilutive instruments in issue.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2021**

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**9. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent the associated company, major shareholders, directors and key management personnel of the Company, the operator of the hotel and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are at agreed terms and approved by the Company's Board of Directors.

Transactions with related parties included in the condensed statement of profit or loss are as follows:

<b>30 June 2021 (reviewed)</b>	<b>Share of profit</b>	<b>Purchases</b>	<b>Management fees</b>	<b>Other expenses</b>	<b>Revenues</b>
Shareholder	-	-	-	-	306,372
Associate	303,607	16,574	-	-	-
Management company (Rezidor)	-	-	37,059	10,952	-
Directors	-	-	-	42,128	1,003
	<b>303,607</b>	<b>16,574</b>	<b>37,059</b>	<b>53,080</b>	<b>307,375</b>

  

<b>30 June 2020 (reviewed)</b>	<b>Share of profit</b>	<b>Purchases</b>	<b>Management fees</b>	<b>Other expenses</b>	<b>Revenues</b>
Shareholder	-	-	-	-	306,372
Associate	549,682	9,583	-	-	-
Management company (Rezidor)	-	-	39,667	11,144	-
Directors	-	-	-	36,898	1,589
	<b>549,682</b>	<b>9,583</b>	<b>39,667</b>	<b>48,042</b>	<b>307,961</b>

Balances with related parties included in the condensed statement of financial position are as follows:

	<b>Trade receivables and other assets</b>		<b>Trade and other payables</b>	
	<b>30 June 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>	<b>30 June 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Associate	-	-	3,201	4,232
Management Company (Rezidor)	1,191	2,307	69,887	51,394
Directors	672	432	20,000	161,000
	<b>1,863</b>	<b>2,739</b>	<b>93,088</b>	<b>216,626</b>

**Terms and conditions of transactions with related parties**

Outstanding balances arise in the normal course of business and are unsecured, interest free and settlement occurs in cash, and are usually settled within 30 days. There have been no guarantees received or provided for any related party payables and receivable balances.

The directors' remuneration charged to condensed statement of profit or loss during the period ended 30 June 2021 amounted to BD 20,000 (30 June 2020: BD 19,648). Further, the directors' remuneration related to year ended 31 December 2020 paid during the period amounted to BD 40,000 (30 June 2020: BD 156,125 related to year ended 31 December 2019).

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2021**

Bahraini Dinars

**9 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**Compensation of key management personnel**

The remuneration of key management personnel, other than directors, during the period were as follows:

	<b>30 June 2021 (reviewed)</b>	<b>30 June 2020 (reviewed)</b>
Short-term benefits	40,050	39,900
Post-employment benefits	1,150	1,149
	<b>41,200</b>	<b>41,049</b>

**10. APPROPRIATIONS**

At the shareholders' annual general meeting held on 25 March 2021, the shareholders of the Company resolved to distribute cash dividends of 8 fils per share totaling BD 960,610 (2020: BD 1,200,922).

**11. FAIR VALUE MEASUREMENT**

As at reporting date, the Company held the following classes of assets measured at fair value:

<b>30 June 2021 (reviewed)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments at FVOCI	2,300,906	-	355,957	<b>2,656,863</b>
Investments at FVTPL	74,191	-	2,000,000	<b>2,074,191</b>
<b>31 December 2020 (audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments at FVOCI	2,307,041	-	351,939	2,658,980
Investments at FVTPL	64,063	-	2,000,000	2,064,063

Fair value of financial instruments is estimated based on the following methods and assumptions:

- Cash and bank balances, term deposits, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these financial instruments.
- The fair values of the quoted investments are determined by reference to published price quotations in an active market.
- The fair values of unquoted equity investments have been estimated using other appropriate valuation techniques, and using of recent arm's length market transactions, or current fair value of another similar instrument as applicable.

There is no movement in the unquoted equity shares and revalued freehold land, therefore, reconciliation of Level 3 fair value hierarchy is not disclosed. For fair value hierarchy and disclosure of fair value information for assets for which fair value is required to be disclosed, refer to note 4.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
for the six months ended 30 June 2021**

Bahraini Dinars

**12. IMPACT OF COVID-19**

On 11 March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization (WHO) and has rapidly evolved globally. This has resulted in a global economic slowdown with uncertainties in the economic environment. Global equity and commodity markets have also experienced great volatility and a significant drop in prices. Authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures. The pandemic as well as the resulting measures and policies have had some impact on the Company. The Company is actively monitoring the COVID-19 situation, and in response to this outbreak, has activated its business continuity plan and various other risk management practices to manage the potential business disruption on its operations and financial performance.

Governments and central banks across the world have responded with monetary and fiscal interventions to stabilize economic conditions. The Government of Kingdom of Bahrain has announced various economic stimulus programmes ("Packages") to support businesses in these challenging times. The Company has received some benefits from these Packages mainly in the form of temporary waiver of Electricity and Water Authority utility bills, Government levy and partial reimbursement of salaries of employees from the Unemployment Fund.

Included in statement of profit or loss is BD 37,483 of government support received relating to supporting the payroll of Company's employees and BD 80,613 relating to Government levy. The Company has elected to present payroll support by reducing the related expense. Government levy has been presented in other income.

The management and the Board of Directors (BOD) have been closely monitoring the potential impact of the COVID-19 developments on the Company's operations and financial position; including possible loss of revenue, impact on asset valuations, impairment, review of onerous contracts, outsourcing arrangements etc. Based on their assessment, the BOD is of the view that the Company will continue as a going concern entity for the next 12 months from the date of this condensed interim financial information.

In preparing the condensed interim financial information, judgements made by management in applying the Company's accounting policies and sources of estimation are subject to uncertainty regarding the potential impacts of the current economic volatility and these are considered to represent management's best assessment based on available or observable information.

**13. COMPARATIVE INFORMATION**

Certain comparative information has been reclassified to conform to the current period presentation. Such reclassifications do not affect previously reported profit or equity.