

National Hotels Company B.S.C.

**CONDENSED INTERIM
FINANCIAL INFORMATION**

30 September 2021

NATIONAL HOTELS COMPANY B.S.C.

**CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2021**

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Independent auditors' report on review of condensed interim financial information

The Board of Directors
National Hotels Company B.S.C.
Kingdom of Bahrain

11 November 2021

Introduction

We have reviewed the accompanying 30 September 2021 condensed interim financial information of National Hotels Company B.S.C. (the "Company") which comprises:

- the condensed statement of financial position as at 30 September 2021;
- the condensed statement of profit or loss for the three-month and nine-month periods ended 30 September 2021;
- the condensed statement of comprehensive income for the three-month and nine-month periods ended 30 September 2021;
- the condensed statement of changes in equity for the nine-month period ended 30 September 2021;
- the condensed statement of cash flows for the nine-month period ended 30 September 2021; and
- notes to the condensed interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 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 the International Standard on Review Engagements 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*'. A review of 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 30 September 2021 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.

Emphasis of matter

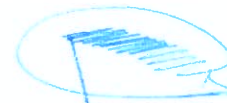
We draw attention to Note 12 to the condensed interim financial information which describes the effect of the Coronavirus (COVID-19) pandemic on the Company's operations, interim results and its related uncertainties. Our conclusion is not modified in respect of this matter.

NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF FINANCIAL POSITION
as at 30 September 2021

Bahraini Dinars

	Note	30 September 2021 (reviewed)	31 December 2020 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		29,094,604	30,101,545
Investment property		32,644,690	33,185,572
Investment in an associate	3	6,221,867	6,804,606
Investments at fair value through other comprehensive income	4	2,641,524	2,658,980
Investment at amortised cost	4	969,751	-
Total non-current assets		71,572,436	72,750,703
Current assets			
Inventories		79,244	73,945
Investments at fair value through profit or loss	4	77,784	2,064,063
Trade receivables and other assets		414,021	399,073
Bank deposits	5	3,300,000	2,500,000
Cash and cash equivalents	5	2,873,759	1,435,960
Total current assets		6,744,808	6,473,041
Total assets		78,317,244	79,223,744
LIABILITIES AND EQUITY			
Non-current liabilities			
Employees' end of service benefits		217,858	226,599
Total non-current liabilities		217,858	226,599
Current liabilities			
Trade and other payables		904,134	1,032,708
Total current liabilities		904,134	1,032,708
Total liabilities		1,121,992	1,259,307
EQUITY			
Share capital		12,127,500	12,127,500
Treasury shares		(94,726)	(94,726)
Reserves		21,995,949	21,958,199
Retained earnings		43,166,529	43,973,464
Total equity		77,195,252	77,964,437
Total liabilities and equity		78,317,244	79,223,744


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 nine months ended 30 September 2021

Bahraini Dinars

	Note	Nine months ended 30 September		Three months ended 30 September	
		2021 (reviewed)	2020 (reviewed)	2021 (reviewed)	2020 (reviewed)
Revenue from contracts with customers		2,581,737	1,977,143	963,094	465,312
Rent income		850,130	844,772	287,503	271,083
Total revenue		3,431,867	2,821,915	1,250,597	736,395
Operating costs		(2,428,320)	(1,981,840)	(925,371)	(682,490)
GROSS OPERATING PROFIT		1,003,547	840,075	325,226	53,905
Share of profit of an associate	3	762,055	737,873	458,448	188,191
Dividend income	6	99,576	113,394	582	1,651
Interest income		159,514	161,243	50,633	53,669
Change in fair value of Investments at fair value through profit or loss	4	13,721	(6,024)	3,593	4,408
Other income		210,325	8,953	3,653	3,174
Depreciation		(1,912,212)	(1,828,869)	(639,714)	(607,613)
General and administration expenses		(182,851)	(171,859)	(63,136)	(42,610)
Profit / (loss) for the period		153,675	(145,214)	139,285	(345,225)
Basic and diluted earnings per share (fils)	7	1	(1)	1	(3)



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

NATIONAL HOTELS COMPANY B.S.C.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the nine months ended 30 September 2021

Bahraini Dinars

	Note	Nine months ended 30 September		Three months ended 30 September	
		2021 (reviewed)	2020 (reviewed)	2021 (reviewed)	2020 (reviewed)
Profit / (loss) for the period		153,675	(145,214)	139,285	(345,225)
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods:					
- Net change in fair value of Investments at fair value through other comprehensive income during the period	4	(17,456)	(89,908)	(15,339)	3,068
- Share in associates' other comprehensive income	3	53,706	(64,454)	29,938	26,738
Total other comprehensive income for the period		36,250	(154,362)	14,599	29,806
Total comprehensive income for the period		189,925	(299,576)	153,884	(315,419)

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 nine months ended 30 September 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	-	-	-	-	-	-	-	153,675	153,675
- Other comprehensive income for the period	-	-	-	-	-	(17,456)	53,706	-	36,250
Total comprehensive income for the period	-	-	-	-	-	(17,456)	53,706	153,675	189,925
Adjustment to the associate's reserve Dividends declared for 2020	-	-	-	-	-	-	1,500	(960,610)	1,500 (960,610)
Balance at 30 September 2021	12,127,500	(94,726)	5,670,492	1,087,579	13,043,666	2,008,947	185,265	43,166,529	77,195,252

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
- Loss for the period	-	-	-	-	-	-	-	(145,214)	(145,214)
- Other comprehensive income	-	-	-	-	-	(89,908)	(64,454)	-	(154,362)
Total comprehensive income for the period	-	-	-	-	-	(89,908)	(64,454)	(145,214)	(299,576)
Dividends declared for 2019	-	-	-	-	-	-	-	(1,200,922)	(1,200,922)
Balance at 30 September 2020	12,127,500	(94,726)	5,670,492	1,087,579	13,391,305	2,018,766	116,846	49,340,914	83,658,676

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 nine months ended 30 September 2021

Bahraini Dinars

	Note	30 September 2021 (reviewed)	30 September 2020 (reviewed)
OPERATING ACTIVITIES			
Profit / (loss) for the period		153,675	(145,214)
Adjustments for:			
Depreciation		1,912,212	1,828,869
Share of profit of an associate	3	(762,055)	(737,873)
Change in fair value on investments at FVTPL	4	(13,721)	6,024
Amortization of premium		702	-
Dividend income	6	(99,576)	(113,394)
Interest income		(159,514)	(161,243)
Interest expense		177	222
Impairment on financial assets		3,854	2,206
Provision for employees' benefits		32,144	41,669
<i>Operating profit before working capital changes</i>		1,067,898	721,266
Change in inventories		(5,299)	24,360
Change in trade receivables and other assets		(52,446)	92,032
Change in trade and other payables		(40,152)	(1,054,893)
<i>Cash flows from operations</i>		970,001	(217,235)
Employees' end of service benefits paid		(40,885)	(100,599)
Directors' remuneration paid	9	(40,000)	(156,125)
Charitable contributions paid		(45,000)	(55,000)
Net cash flows from / (used in) operating activities		844,116	(528,959)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment and investment property		(364,389)	(386,314)
Purchase of investments at amortised cost		(970,453)	-
Bank deposits with maturities of more than 3 months		(800,000)	(500,000)
Disposal of investments at FVTPL		2,000,000	-
Dividends received from an associate	3	1,400,000	2,100,000
Dividend received		99,576	113,394
Interest received		193,158	95,894
Net cash flows from investing activities		1,557,892	1,422,974
FINANCING ACTIVITIES			
Dividends paid		(960,610)	(1,200,922)
Finance cost paid		(177)	(222)
Net cash used in financing activities		(960,787)	(1,201,144)
Net increase / (decrease) in cash and cash equivalents		1,441,221	(307,129)
Cash and cash equivalents at 1 January		1,432,538	1,933,003
Cash and cash equivalents at 30 September		2,873,759	1,625,874

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

NATIONAL HOTELS COMPANY B.S.C.**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 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 11 November 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 nine months ended 30 September 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 nine months ended 30 September 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. The comparatives for the condensed statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2020 and comparatives for the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows have been extracted from the reviewed condensed interim financial information of the Company for the nine-month period and three-month period ended 30 September 2020.

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.

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2021

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2. ACCOUNTING POLICIES (continued)

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:

	30 September 2021 (reviewed)	31 December 2020 (audited)
Balance at 1 January	6,804,606	7,995,852
Share of profit for the period / year	762,055	959,995
Dividends received during the period / year	(1,400,000)	(2,100,000)
Share in associate's other comprehensive income	53,706	(53,241)
Adjustment to the associate's reserve	1,500	2,000
	6,221,867	6,804,606

(i) Based on the reviewed condensed interim financial information of African & Eastern (Bahrain) W.L.L., profit of BD 2,286,187 (nine months ended 30 September 2020: BD 2,213,619) was recognised by the associate for the nine months ended 30 September 2021. The Company has recognised its share of profit of BD 762,055 (nine months ended 30 September 2020: BD 737,873) in these condensed interim financial information.

4. INVESTMENTS

a) Investments at FVOCI

	30 September 2021 (reviewed)	31 December 2020 (audited)
Quoted equity Investments	2,285,567	2,307,041
Unquoted equity Investments	355,957	351,939
	2,641,524	2,658,980

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2021

Bahraini Dinars

4. INVESTMENTS (continued)

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

	30 September 2021 (reviewed)	31 December 2020 (audited)
Balance at 1 January	2,658,980	2,741,251
Change in fair value during the period / year	(17,456)	(82,271)
	2,641,524	2,658,980

b) Investments at FVTPL

	30 September 2021 (reviewed)	31 December 2020 (audited)
Unquoted equity investment (i)	-	2,000,000
Quoted equity investment	77,784	64,063
	77,784	2,064,063

(i) Unquoted equity investment of BD 2,000,000 as of 31 December 2020, 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 matured on 3 September 2021 and carried a profit rate of 6.5% per annum.

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

	30 September 2021 (reviewed)	31 December 2020 (audited)
Balance at 1 January	2,064,063	2,061,515
Disposal during the period / year	(2,000,000)	-
Change in fair value during the period / year	13,721	2,548
	77,784	2,064,063

c) Investment at amortised cost

	30 September 2021 (reviewed)	31 December 2020 (audited)
Quoted debt investment	969,751	-
	969,751	-

Quoted debt investment consist of bonds issued by the National Oil & Gas Authority bonds with face value of USD 2,300,000 maturing on 25 October 2027 with an interest rate of 7.5% payable on semi-annual basis.

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2021

Bahraini Dinars

5. CASH AND CASH EQUIVALENTS

	30 September 2021 (reviewed)	31 December 2020 (audited)
Cash on hand	7,098	6,811
Cash at banks	2,866,661	1,429,149
Cash and cash equivalents as per the condensed statement of financial position	2,873,759	1,435,960
Less: Restricted cash	-	(3,422)
Cash and cash equivalents as per the condensed statement of cash flows	2,873,759	1,432,538

Bank deposits of BD 3,300,000 (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 2.55% (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 99,576 for the nine months ended 30 September 2021 (for the nine months ended 30 September 2020: BD 113,394) 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

	30 September 2021 (reviewed)	30 September 2020 (reviewed)
Profit for the period	153,675	(145,214)
Weighted average number of equity shares	120,092,219	120,092,219
Basic earnings per share in fils	1	(1)

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 nine months ended 30 September 2021

Bahraini Dinars

8. SEGMENT INFORMATION

The Company's operating businesses are organised into the following segments:

Hotel business	Room rental, food and beverage sales, conferences and events.
Office towers	Office rental from commercial towers.
Investments and corporate	Income from investments including the associate, equity investments and bank deposits, and head office expenses.

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, inventories, investments and accounts receivable. Whilst the majority of the assets can be directly attributed to individual business segments, the carrying amounts of certain assets used jointly by two segments is allocated to segments on a reasonable basis. Segment liabilities include all operating liabilities and consist primarily of accounts payable and accrued liabilities.

	Hotel business		Office towers		Investments and corporate		Total	
	2021 (reviewed)	2020 (reviewed)	2021 (reviewed)	2020 (reviewed)	2021 (reviewed)	2020 (reviewed)	2021 (reviewed)	2020 (reviewed)
Nine months ended 30 September								
Revenue from contracts with customers	2,581,737	1,977,143	-	-	-	-	2,581,737	1,977,143
Rental income	-	-	850,130	844,772	-	-	850,130	844,772
Gross operating costs	(2,241,301)	(1,792,075)	(187,019)	(189,765)	-	-	(2,428,320)	(1,981,840)
Gross operating profit	340,436	185,068	663,111	655,007	-	-	1,003,547	840,075
Investment income - net*	-	-	-	-	1,034,866	1,006,486	1,034,866	1,006,486
Other income	80,613	-	-	-	129,712	8,953	210,325	8,953
Depreciation	(1,342,815)	(1,392,655)	(569,397)	(436,214)	-	-	(1,912,212)	(1,828,869)
General and administration expenses	-	-	-	-	(182,851)	(171,859)	(182,851)	(171,859)
Profit / (loss) for the period	(921,766)	(1,207,587)	93,714	218,793	981,727	843,580	153,675	(145,214)

* Including share of profit of associate, dividend income, interest income and change in fair value of investments at fair value through profit or loss.

	Hotel business		Office towers		Investments and corporate		Total	
	30 September 2021 (reviewed)	31 December 2020 (audited)	30 September 2021 (reviewed)	31 December 2020 (audited)	30 September 2021 (reviewed)	31 December 2020 (audited)	30 September 2021 (reviewed)	31 December 2020 (audited)
Total assets	29,587,869	30,574,563	32,644,690	33,185,572	16,084,685	15,463,609	78,317,244	79,223,744
Total liabilities	1,071,462	1,001,621	44,034	28,272	6,496	229,414	1,121,992	1,259,307

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2021

Bahraini Dinars

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:

30 September 2021 (reviewed)	Share of profit	Purchases	Management fees	Other expenses	Revenues
Shareholder	-	-	-	-	459,558
Associate	762,055	38,468	-	-	-
Management company (Rezidor)	-	-	59,247	25,021	-
Directors	-	-	-	68,628	1,284
	762,055	38,468	59,247	93,649	460,842

30 September 2020 (reviewed)	Share of profit	Purchases	Management fees	Other expenses	Revenues
Shareholder	-	-	-	-	459,558
Associate	737,873	11,886	-	-	-
Management company (Rezidor)	-	-	51,808	11,144	-
Directors	-	-	-	48,148	2,303
	737,873	11,886	51,808	59,292	461,861

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

	Trade receivables and other assets		Trade and other payables	
	30 September 2021 (reviewed)	31 December 2020 (audited)	30 September 2021 (reviewed)	31 December 2020 (audited)
Associate	-	-	6,861	4,232
Management Company (Rezidor)	3,552	2,307	55,149	51,394
Directors	865	432	30,000	161,000
	4,417	2,739	92,010	216,626

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 September 2021 amounted to BD 30,000 (30 September 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 September 2020: BD 156,125 related to year ended 31 December 2019).

NATIONAL HOTELS COMPANY B.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 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:

	30 September 2021 (reviewed)	30 September 2020 (reviewed)
Short-term benefits	60,150	59,850
Post-employment benefits	1,726	1,725
	61,876	61,575

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:

30 September 2021 (reviewed)	Level 1	Level 2	Level 3	Total
Investments at FVOCI	2,285,567	-	355,957	2,641,524
Investments at FVTPL	77,784	-	-	77,784
31 December 2020 (audited)	Level 1	Level 2	Level 3	Total
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.
- The fair value of the debt security at amortised cost with carrying value of BD 969,751 is BD 950,871. The fair value is classified as Level 2.

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 nine months ended 30 September 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 62,480 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. COMPARATIVES

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