

National Hotels Company B.S.C.

**INTERIM CONDENSED
FINANCIAL STATEMENTS**

31 MARCH 2015 (REVIEWED)

REVIEW REPORT TO THE BOARD OF DIRECTORS OF NATIONAL HOTELS COMPANY B.S.C.

Introduction

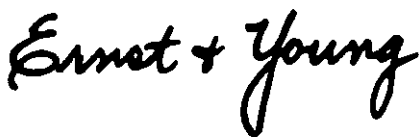
We have reviewed the accompanying interim condensed financial statements of National Hotels Company B.S.C. ("the Company") as at 31 March 2015, comprising of the interim condensed statement of financial position as at 31 March 2015 and the related interim condensed statements of profit or loss, other comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.



Auditor's Registration No. 115
30 April 2015
Manama, Kingdom of Bahrain

National Hotels Company B.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

At 31 March 2015 (Reviewed)

	Note	31 March 2015 Reviewed BD	31 December 2014 Audited BD
ASSETS			
Non-current assets			
Property, plant and equipment	3	78,201,842	78,666,173
Investment in an associate	4	5,894,907	6,228,485
Available-for-sale investments	5	2,765,100	2,681,430
Total non-current assets		86,861,849	87,576,088
Current assets			
Inventories		67,598	65,687
Held-for-trading investments		48,935	49,127
Trade and other receivables		758,747	617,160
Bank balances and cash	6	5,915,902	4,890,680
Total current assets		6,791,182	5,622,654
TOTAL ASSETS		93,653,031	93,198,742
EQUITY AND LIABILITIES			
Equity			
Share capital	8	11,025,000	10,500,000
Treasury shares		(94,726)	(94,726)
Statutory reserve		5,250,000	5,250,000
General reserve		2,190,079	2,190,079
Revaluation reserve		35,604,343	35,604,343
Available-for-sale investments reserve		2,211,324	2,097,817
Retained earnings		25,952,850	24,879,085
Proposed dividend		-	1,564,759
Total equity		82,138,870	81,991,357
Non-current liabilities			
Employees' end of service benefits		335,075	330,110
Term loan		5,594,478	6,216,087
Total non-current liabilities		5,929,553	6,546,197
Current liabilities			
Trade and other payables		3,098,172	2,174,752
Current portion of term loan		2,486,436	2,486,436
Total current liabilities		5,584,608	4,661,188
Total liabilities		11,514,161	11,207,385
TOTAL EQUITY AND LIABILITIES		93,653,031	93,198,742



Faisal Ahmed Al Zayani
Chairman



Ayad Abdulla Ahmed Al Sumait
Vice Chairman and Managing Director

The attached notes 1 to 12 form part of these interim condensed financial statements.

National Hotels Company B.S.C.
INTERIM STATEMENT OF PROFIT OR LOSS
For the three months ended 31 March 2015 (Reviewed)

	Note	Three months ended 31 March	
		2015 Reviewed BD	2014 Reviewed BD
Gross operating revenue		2,689,420	1,935,464
Gross operating costs		(1,341,735)	(1,026,328)
GROSS OPERATING PROFIT		1,347,685	909,136
Net investment income:			
Share of profit from an associate	4	336,585	271,014
Dividend income	7	84,225	86,273
Interest on term deposits		6,850	16,925
Net changes in cumulative fair value of held-for-trading investments		(192)	7,262
		427,468	381,474
Miscellaneous income		64,760	96,250
Depreciation		(491,683)	(446,414)
General and administration expenses		(176,851)	(161,803)
Financial charges		(72,203)	(98,188)
Loss on write-off of property, plant and equipment	3	(25,411)	-
PROFIT FOR THE PERIOD		1,073,765	680,455
BASIC AND DILUTED EARNINGS PER SHARE (in fils)	9	10	6



Faisal Ahmed Al Zayani
Chairman



Ayad Abdulla Ahmed Al Sumait
Vice Chairman and Managing Director


The attached notes 1 to 12 form part of these interim condensed financial statements.

National Hotels Company B.S.C.

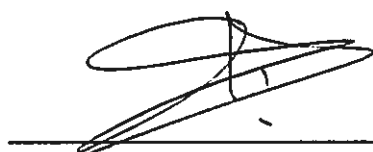
INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2015 (Reviewed)

	Note	Three months ended 31 March	
		2015 Reviewed BD	2014 Reviewed BD
Profit for the period		1,073,765	680,455
Other comprehensive income			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Net movement in fair values of available-for-sale investments during the period	5	83,670	83,670
Share in associate's cumulative changes in fair values	4	29,837	25,617
Other comprehensive income for the period		113,507	109,287
Total comprehensive income for the period		1,187,272	789,742



Faisal Ahmed Al Zayani
Chairman



Ayad Abdulla Ahmed Al Sumait
Vice Chairman and Managing Director

The attached notes 1 to 12 form part of these interim condensed financial statements.

National Hotels Company B.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the three months ended 31 March 2015 (Reviewed)

	Note	Three months ended 31 March	
		2015 Reviewed BD	2014 Reviewed BD
OPERATING ACTIVITIES			
Profit for the period		1,073,765	680,455
Adjustments for:			
Depreciation		491,683	446,414
Loss on write-off of property, plant and equipment	3	25,411	-
Share of profit from an associate	4	(336,585)	(271,014)
Net changes in cumulative fair value of held-for-trading investments		192	(7,262)
Dividend income		(84,225)	(86,273)
Interest on term deposits		(6,850)	(16,925)
Provision for employees' end of service benefits		13,866	26,273
		1,177,257	771,668
Working capital changes:			
Inventories		(1,911)	11,143
Trade and other receivables		(141,587)	(306,388)
Trade and other payables		(42,983)	64,088
Cash flows from operations		990,776	540,511
Employees' end of service benefits paid		(8,901)	(1,611)
Directors' remuneration paid		(50,000)	(146,000)
Net cash flows from operating activities		931,875	392,900
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(74,814)	(434,045)
Proceeds from disposal of property, plant and equipment		-	29,000
Dividends received from an associate	4	700,000	500,000
Other dividends received		84,225	86,273
Interest received		6,850	16,925
Net cash flows from investing activities		716,261	198,153
FINANCING ACTIVITY			
Repayments of term loan and cash flow used in financing activity		(621,609)	(621,609)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,026,527	(30,556)
Cash and cash equivalents at 1 January		4,669,281	5,672,289
CASH AND CASH EQUIVALENTS AT 31 MARCH	6	5,695,808	5,641,733

Non-cash items:

- (i) Liabilities towards acquisition of property, plant and equipment to the extent of BD 166,264 (31 March 2014: BD 139,641) with a net decrease of BD 22,051 during the period (31 March 2014: BD 112,857) were not settled as of the date of interim condensed statement of financial position.
- (ii) Unclaimed dividends pertaining to prior years amounting to BD 220,094 (31 March 2014: BD 218,963) with a net decrease of BD 1,305 (31 March 2014: BD 1,114) has been excluded from the movement of trade and other payables.
- (iii) Declared dividends pertaining to year ended 31 December 2014 amounting to BD 1,039,759 (31 December 2013: BD 990,247) has been excluded from the movement of trade and other payables.

The attached notes 1 to 12 form part of these interim condensed financial statements.

National Hotels Company B.S.C.
INTERIM STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2015 (Reviewed)

	Share capital	Treasury shares	Statutory reserve	General reserve	Revaluation reserve	Available-for-sale investments reserve	Retained earnings	Proposed dividend	Total
	BD	BD	BD	BD	BD	BD	BD	BD	BD
As at 1 January 2015	10,500,000	(94,726)	5,250,000	2,190,079	35,604,343	2,097,817	24,879,085	1,564,759	81,991,357
Profit for the period	-	-	-	-	-	-	1,073,765	-	1,073,765
Other comprehensive income for the period	-	-	-	-	-	113,507	-	-	113,507
Total comprehensive income for the period	-	-	-	-	-	113,507	1,073,765	-	1,187,272
Issue of bonus shares (note 8)	525,000	-	-	-	-	-	-	(525,000)	-
Dividends declared (note 8)	-	-	-	-	-	-	-	(1,039,759)	(1,039,759)
As at 31 March 2015 (reviewed)	11,025,000	(94,726)	5,250,000	2,190,079	35,604,343	2,211,324	25,952,850	-	82,138,870
As at 1 January 2014	10,000,000	(94,726)	5,000,000	2,715,079	35,604,343	2,017,287	23,110,831	1,490,247	79,843,061
Profit for the period	-	-	-	-	-	-	680,455	-	680,455
Other comprehensive income for the period	-	-	-	-	-	109,287	-	-	109,287
Total comprehensive income for the period	-	-	-	-	-	109,287	680,455	-	789,742
Issue of bonus shares (note 8)	500,000	-	-	-	-	-	-	(500,000)	-
Dividends declared (note 8)	-	-	-	-	-	-	-	(990,247)	(990,247)
As at 31 March 2014 (reviewed)	10,500,000	(94,726)	5,000,000	2,715,079	35,604,343	2,126,574	23,791,286	-	79,642,556

The attached notes 1 to 12 form part of these interim condensed financial statements.

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2015 (Reviewed)

1 CORPORATE INFORMATION

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 and Commerce 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, which is managed by Rezidor Hotel Group ("Rezidor") under a 15 year management agreement dated 20 July 2000. In 2007, the Company commenced the operations of its serviced apartments, which are also managed by Rezidor under a 12 year management agreement dated 6 May 2003. In 2012, the Company commenced the operations of its office towers, which are managed by the Company directly.

The Company operates solely in the Kingdom of Bahrain.

Associate

The Company has a 33.33% interest in African & Eastern (Bahrain) W.L.L. (2014: 33.33%).

The interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 30 April 2015.

2 ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements for the three months ended 31 March 2015 have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting".

The interim condensed financial statements do not contain all information and disclosures required for 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 2014. In addition, results for the three months ended 31 March 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015.

The nature and the impact of each new standard or amendment is described below:

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Company did not record any revaluation adjustments during the current interim period.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Company as it does not receive any management services from other entities.

31 March 2015 (Reviewed)

2 ACCOUNTING POLICIES (continued)**Significant accounting policies (continued)***IFRS 13 Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Company does not apply the portfolio exception in IFRS 13.

The following other new standards and amendments apply for the first time in 2015. However, they do not impact the annual financial statements of the Company or the interim condensed financial statements of the Company.

- *Amendments to IAS 19 Defined Benefit Plans: Employee Contributions*
- *IFRS 2 Share-based Payment*
- *IFRS 3 Business Combinations*
- *IFRS 8 Operating Segments*
- *IAS 40 Investment Property*

3 PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2015, the Company incurred capital expenditure amounting to BD 61,586 (three months ended 31 March 2014: BD 93,990, year ended 31 December 2014: BD 2,169,993) on its various capital expenditure projects including the refurbishment of the ballroom and syndicate rooms.

Assets with a net book value of BD 25,411 were written off by the Company during the three months ended 31 March 2015 (three months ended 31 March 2014: nil, year ended 31 December 2014: assets with a net book value of BD 32,568 were disposed of by the Company, resulting in a net loss on disposal of BD 3,068).

4 INVESTMENT IN AN ASSOCIATE

The Company has a 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 the interim condensed financial statements.

Movements in the carrying value of the investment were as follows:

	31 March 2015 Reviewed BD	31 December 2014 Audited BD	31 March 2014 Reviewed BD
Balance at 1 January	6,228,485	5,753,702	5,753,702
Share of profit during the period / year *	336,585	1,305,812	271,014
Dividends received during the period / year	(700,000)	(800,000)	(500,000)
Share in associate's cumulative changes in fair values	29,837	(31,029)	25,617
	5,894,907	6,228,485	5,550,333

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2015 (Reviewed)

4 INVESTMENT IN AN ASSOCIATE (continued)

* Based on the approved management accounts of African & Eastern (Bahrain) W.L.L., profit of BD 1,009,856 (31 March 2014: BD 813,123) was recognised for the three months ended 31 March 2015. The Company has recognised profit of BD 336,585 (31 March 2014: BD 271,014) in these interim condensed financial statements representing their 33.33% share.

5 AVAILABLE-FOR-SALE INVESTMENTS

	31 March 2015 Reviewed BD	31 December 2014 Audited BD
Equity investments:		
Quoted investments	2,454,300	2,370,630
Unquoted investments (at cost)*	310,800	310,800
	<u>2,765,100</u>	<u>2,681,430</u>

* The unquoted investments are carried at cost, as fair value cannot be reliably determined due to the unpredictable nature of future cash flows and the lack of other suitable methods for arriving at a reliable fair value for these investments.

The movement in the quoted available-for-sale investments is as follows:

	31 March 2015 Reviewed BD	31 December 2014 Audited BD	31 March 2014 Reviewed BD
Balance at 1 January	2,370,630	2,259,071	2,259,071
Unrealised gain on available for sale investments	83,670	111,559	83,670
	<u>2,454,300</u>	<u>2,370,630</u>	<u>2,342,741</u>

All available-for-sale investments valued at fair value were valued under level 1 fair value hierarchy, there were no financial instruments which were fair valued under level 2 and level 3 fair value hierarchy (note 12).

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2015 (Reviewed)

6 CASH AND CASH EQUIVALENTS

For the purpose of the interim statement of cash flows, cash and cash equivalents are comprised of the following statement of financial position amounts:

	31 March 2015 Reviewed BD	31 December 2014 Audited BD	31 March 2014 Reviewed BD
Cash on hand	8,040	8,063	7,512
Cash at bank	3,092,524	2,073,971	2,032,392
Term deposits	2,815,338	2,808,646	3,820,792
Bank balances and cash	<u>5,915,902</u>	<u>4,890,680</u>	<u>5,860,696</u>
Restricted cash	(220,094)	(221,399)	(218,963)
Cash and cash equivalents as per the interim statement of cash flows	<u>5,695,808</u>	<u>4,669,281</u>	<u>5,641,733</u>

Restricted cash which represents unclaimed dividends has not been included in cash and cash equivalents.

Term deposits are short term deposits, denominated in Bahraini Dinars and held with commercial banks in the Kingdom of Bahrain with an average effective interest rate of 0.97% (31 March 2014: 1.5%). These term deposits have original maturities ranging from one month to three months (31 December 2014: same).

7 SEASONALITY OF RESULTS

Dividend income of BD 84,225 for the three months ended 31 March 2015 (for the three months ended 31 March 2014: BD 86,273) is of a seasonal nature.

8 DIVIDENDS

At the annual general meeting of the shareholders held on 29 March 2015, the shareholders of the Company resolved to distribute cash dividends of 10 fils per share amounting to BD 1,039,759 from retained earnings and bonus shares from the general reserve at 5 bonus shares for each 100 shares held totalling to 5,250,000 bonus shares with a nominal value of BD 525,000 (31 March 2014: cash dividends of 10 fils per share amounted to BD 990,247 from retained earnings and bonus shares from the general reserve at 5 bonus shares for each 100 shares held totalling to 5,000,000 bonus shares with a nominal value of BD 500,000).

9 EARNINGS PER SHARE

	<i>For the three months ended</i>	
	31 March 2015 Reviewed	31 March 2014 Reviewed
Profit for the period – BD	<u>1,073,765</u>	<u>680,455</u>
Average shares in issue - net of treasury shares (restated for bonus shares)	<u>109,174,743</u>	<u>109,174,743</u>
Basic and diluted earnings per share - in fils (restated for bonus shares)	<u>10</u>	<u>6</u>

No figure for diluted earnings per share has been presented as the Company did not issue any instruments that would have a dilutive effect.

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2015 (Reviewed)

10 SEGMENT INFORMATION

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

Hotel business and corporate	-	Room rental, food and beverage sales, conference and events, and head office expenses.
Office towers	-	Office rental from two commercial towers.
Investments	-	Income from investments including associate, held-for-trading investments, available-for-sale investments and term deposits.

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, inventories, available-for-sale investments, held-for-trading 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, accrued liabilities and term loan.

Three months ended 31 March	Hotel business and corporate			Office towers			Investments			Total		
	2015 Reviewed	2014 Reviewed	BD	2015 Reviewed	2014 Reviewed	BD	2015 Reviewed	2014 Reviewed	BD	2015 Reviewed	2014 Reviewed	BD
Gross operating revenue	2,461,233	1,753,946		228,187	181,518		-	-		2,689,420	1,935,464	
Gross operating costs	(1,271,503)	(988,856)		(70,232)	(37,472)		-	-		(1,341,735)	(1,026,328)	
Gross operating profit	1,189,730	765,090		157,955	144,046		-	-		1,347,685	909,136	
Investment income (net)	-	-		-	-		427,468	381,474		427,468	381,474	
Other income	64,760	96,250		-	-		-	-		64,760	96,250	
Depreciation	(279,943)	(234,231)		(211,740)	(212,183)		-	-		(491,683)	(446,414)	
Expenses	(202,262)	(161,803)		-	-		-	-		(202,262)	(161,803)	
Financial charges	(137)	-		(72,066)	(98,188)		-	-		(72,203)	(98,188)	
Net profit (loss) for the period	772,148	465,306		(125,851)	(166,325)		427,468	381,474		1,073,765	680,455	

National Hotels Company B.S.C.
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
31 March 2015 (Reviewed)

10 SEGMENT INFORMATION (continued)

	Hotel business and corporate		Office towers		Investments		Total	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
	BD	BD	BD	BD	BD	BD	BD	BD
Total assets	51,874,492	52,280,299	27,153,695	27,068,721	14,624,844	13,849,722	93,653,031	93,198,742
Total liabilities	3,138,155	2,182,442	8,376,006	9,024,943	-	-	11,514,161	11,207,385
Capital expenditure	61,586	2,104,188	-	65,805	-	-	61,586	2,169,993

All of the sales and profit from the hotel business and office towers are earned in the Kingdom of Bahrain and investment income is earned from GCC countries including the Kingdom of Bahrain.

11 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 approved by the Company's Board of Directors.

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

	For the three months ended 31 March 2015 (Reviewed)			For the three months ended 31 March 2014 (Reviewed)				
	Purchases	Fees for management services	Other expenses	Revenue and other income		Fees for management services	Other expenses	Revenue and other income
				BD	BD			
Associated company	28,055	-	-	58	15,702	-	-	98
Rezidor	-	87,848	-	8,570	-	58,061	-	4,192
Directors	-	-	9,750	2,932	-	-	15,210	5,887
	28,055	87,848	9,750	11,560	15,702	58,061	15,210	10,177

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2015 (Reviewed)

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	31 March 2015		31 December 2014	
	Receivables Reviewed BD	Payables Reviewed BD	Receivables Audited BD	Payables Audited BD
Associated company	-	12,080	-	21,585
Rezidor	13,067	236,168	12,954	215,983
Directors	-	122,000	-	172,000
	13,067	370,248	12,954	409,568

Terms and conditions of transactions with related parties

Outstanding balances at the period / year end 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.

Compensation of key management personnel

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

	For the three months ended	
	31 March 2015 Reviewed BD	31 March 2014 Reviewed BD
Short-term benefits	71,070	40,602
Post-employment benefits	3,513	10,447
	74,583	51,049

12 FAIR VALUE MEASUREMENT

As at 31 March 2015, the Company held the following classes of assets measured at fair value:

	Date of valuation	Fair value measurement using (Reviewed)			Total BD
		Quoted prices in active markets (Level 1) BD	Significant observable inputs (Level 2) BD	Significant unobservable inputs (Level 3) BD	
Assets measured at fair value:					
Available-for-sale investments	31 March 2015	2,454,300	-	-	2,454,300
Held-for-trading investments	31 March 2015	48,935	-	-	48,935
Revalued freehold land	31 December 2014	-	-	36,171,650	36,171,650

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

31 March 2015 (Reviewed)

12 FAIR VALUE MEASUREMENT (continued)

As at 31 December 2014, the Company held the following classes of assets measured at fair value:

		<i>Fair value measurement using (Audited)</i>			
	<i>Date of valuation</i>	<i>Quoted prices in active markets (Level 1) BD</i>	<i>Significant observable inputs (Level 2) BD</i>	<i>Significant unobservable inputs (Level 3) BD</i>	<i>Total BD</i>
Assets measured at fair value:					
<i>Available-for-sale investments</i>	<i>31 December 2014</i>	2,370,630	-	-	2,370,630
<i>Held-for-trading investments</i>	<i>31 December 2014</i>	49,127	-	-	49,127
<i>Revalued freehold land</i>	<i>31 December 2014</i>	-	-	36,171,650	36,171,650

During the reporting periods ended 31 March 2015 and 31 March 2014 and year ended 31 December 2014, there have been no transfers between Level 1, Level 2 and Level 3 fair value hierarchy.

There is no movement in the revalued freehold land, therefore, reconciliation of Level 3 fair value hierarchy is not disclosed.

The management assessed that cash and bank balances, deposits, trade and other receivables, current portion of term loan and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these financial instruments.