

National Hotels Company B.S.C.

**INTERIM CONDENSED
FINANCIAL STATEMENTS**

30 SEPTEMBER 2012 (UNAUDITED)

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 30 September 2012, comprising of the interim statement of financial position as at 30 September 2012 and the related interim statements of income, comprehensive income, cash flows, changes in equity for the nine month period then ended and explanatory information. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting 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.




15 October 2012
Manama, Kingdom of Bahrain


National Hotels Company B.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

30 September 2012 (Unaudited)

		30 September 2012 Unaudited BD	31 December 2011 Audited BD
ASSETS			
Non-current assets			
Property, plant and equipment	4	73,424,126	73,977,455
Investment in an associate	5	4,950,360	4,665,596
Available-for-sale investments	6	2,053,911	1,900,517
Total non-current assets		80,428,397	80,543,568
Current assets			
Inventories		54,293	46,226
Held-for-trading investments		411,186	394,444
Trade and other receivables		463,538	508,523
Bank balances and cash	7	6,139,468	3,825,464
Total current assets		7,068,485	4,774,657
TOTAL ASSETS		87,496,882	85,318,225
EQUITY AND LIABILITIES			
Equity			
Share capital		10,000,000	10,000,000
Treasury shares		(94,726)	(94,726)
Statutory reserve		4,819,216	4,819,216
General reserve		3,215,079	3,215,079
Revaluation reserve		27,382,813	27,382,813
Available-for-sale investments reserve		1,449,343	1,242,479
Retained earnings		22,347,179	20,693,540
Proposed dividend		-	990,247
Total equity		69,118,904	68,248,648
Non-current liabilities			
Employees' end of service benefits		213,382	172,018
Borrowings	8	11,270,038	12,416,623
Total non-current liabilities		11,483,420	12,588,641
Current liabilities			
Trade and other payables		3,867,592	4,480,936
Borrowings	8	3,026,966	-
Total current liabilities		6,894,558	4,480,936
Total liabilities		18,377,978	17,069,577
TOTAL EQUITY AND LIABILITIES		87,496,882	85,318,225


 Faisal Ahmed Al Zayani
 Chairman


 Ayad Abdulla Ahmed Al Sumait
 Vice Chairman and Managing Director

The attached notes 1 to 13 form part of these interim condensed financial statements.

National Hotels Company B.S.C.
INTERIM STATEMENT OF INCOME

For the nine month period ended 30 September 2012 (unaudited)

	Note	Three month period ended		Nine month period ended	
		30 September		30 September	
		2012	2011	2012	2011
		BD	BD	BD	BD
Gross operating revenue		1,719,928	1,523,492	5,041,322	4,415,582
Gross operating costs		(1,020,061)	(862,797)	(2,862,481)	(2,495,853)
GROSS OPERATING PROFIT		699,867	660,695	2,178,841	1,919,729
Net investment income:					
Share of result from an associate	5	249,524	209,268	771,294	680,179
Dividend income		56,652	55,780	145,766	150,987
Net realised gain on sale of available-for-sale investments		-	-	-	87,613
Net changes in cumulative fair value of held-for-trading-investments		11,513	(29,895)	16,742	(42,114)
Interest on term deposits		26,289	30,675	61,056	96,800
		343,978	265,828	994,858	973,465
Miscellaneous income		64,290	65,185	201,657	206,339
Depreciation		(474,198)	(284,671)	(1,148,500)	(851,283)
General and administration expenses		(103,900)	(58,269)	(349,797)	(254,340)
Finance costs		(149,449)	-	(223,420)	-
PROFIT FOR THE PERIOD		380,588	648,768	1,653,639	1,993,910
BASIC AND DILUTED					
EARNINGS PER SHARE (fils)	11	3.84	6.55	16.70	20.14



Faisal Ahmed Al Zayani
Chairman



Ayad Abdulla Ahmed Al Sumait
Vice Chairman and Managing Director

The attached notes 1 to 13 form part of these interim condensed financial statements.

National Hotels Company B.S.C.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the nine month period ended 30 September 2012 (unaudited)

	<i>Note</i>	<i>Three month period ended 30 September</i>		<i>Nine month period ended 30 September</i>	
		2012	2011	2012	2011
		BD	BD	BD	BD
Profit for the period		380,588	648,768	1,653,639	1,993,910
Other comprehensive income					
Net movement in fair values of available-for-sale investments during the period	6	97,615	(55,780)	153,394	(101,418)
Share in associate's realised losses transferred to statement of income on impairment of the associate's available for sale investments	5	-	-	-	10,419
Share in associate's cumulative changes in fair values	5	43,038	(9,328)	53,470	(42,201)
Other comprehensive income (loss) for the period		140,653	(65,108)	206,864	(133,200)
Total comprehensive income for the period		521,241	583,660	1,860,503	1,860,710

The attached notes 1 to 13 form part of these interim condensed financial statements.

National Hotels Company B.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2012 (unaudited)

	Note	Nine month period ended 30 September	
		2012 Unaudited BD	2011 Unaudited BD
OPERATING ACTIVITIES			
Profit for the period		1,653,639	1,993,910
Adjustments for:			
Depreciation		1,148,500	851,283
Share of result from an associate	5	(771,294)	(680,179)
Provision for employees' end of service benefits		50,831	34,232
Net realised gain on sale of available-for-sale investments		-	(87,613)
Net change in the value of held-for-trading investments		(16,742)	42,114
Dividend income		(145,766)	(150,987)
Interest on term deposits		(61,056)	(96,800)
		1,858,112	1,905,960
Working capital changes:			
Inventories		(8,067)	16,501
Trade and other receivables		44,985	173,574
Trade and other payables		134,207	(459,539)
		2,029,237	1,636,496
Directors' remuneration paid		(144,000)	(144,000)
Employees' end of service benefits paid		(9,467)	(116,684)
Charity contributions paid		(64,000)	(76,000)
Net cash flows from operating activities		1,811,770	1,299,812
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,140,725)	(6,781,561)
Dividends received from an associate	5	540,000	380,000
Dividend income		145,766	150,987
Interest received		61,056	96,800
Proceeds from sale of available-for-sale investments		-	279,883
Term deposits with maturity greater than 3 months (net)		1,686,746	(90,438)
Net cash flows from (used in) investing activities		1,292,843	(5,964,329)
FINANCING ACTIVITIES			
Proceeds from borrowings		4,716,234	8,773,824
Repayments of borrowings		(2,835,853)	(2,020,450)
Dividends paid		(990,247)	(1,980,494)
Net cash flows from financing activities		890,134	4,772,880
INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January	7	209,194	364,168
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	7	4,203,941	472,531

Non-cash items

- (i) Liabilities towards acquisition of property, plant and equipment to the extent of BD 2,265,143 (30 September 2011: BD 2,937,101) were not settled as of the statement of financial position date.
- (ii) Unclaimed dividends pertaining to prior years amounting to BD 216,877 (30 September 2011: BD 212,952) has been excluded from the movement of trade and other payables.

The attached notes 1 to 13 form part of these interim condensed financial statements.

National Hotels Company B.S.C.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2012 (unaudited)

	Share capital	Treasury shares	Statutory reserve	General reserve	Revaluation reserve	Investments reserve	Available for sale reserve	Retained earnings	Proposed dividends	Total
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Balance at 1 January 2012	10,000,000	(94,726)	4,819,216	3,215,079	27,382,813	1,242,479	20,693,540	990,247	68,248,648	
Profit for the period	-	-	-	-	-	-	1,653,639	-	1,653,639	
Other comprehensive income for the period	-	-	-	-	-	206,864	-	-	206,864	
Total comprehensive income for the period	-	-	-	-	-	206,864	1,653,639	-	1,860,503	
Dividends paid (note 10)	-	-	-	-	-	-	-	(990,247)	(990,247)	
Balance at 30 September 2012 (Unaudited)	10,000,000	(94,726)	4,819,216	3,215,079	27,382,813	1,449,343	22,347,179	-	69,118,904	
Balance at 1 January 2011	10,000,000	(94,726)	4,574,246	3,215,079	27,382,813	1,319,899	19,479,060	1,980,494	67,856,865	
Profit for the period	-	-	-	-	-	-	1,993,910	-	1,993,910	
Other comprehensive loss for the period	-	-	-	-	-	(133,200)	-	-	(133,200)	
Total comprehensive (loss) income for the period	-	-	-	-	-	(133,200)	1,993,910	-	1,860,710	
Dividends paid (note 10)	-	-	-	-	-	-	-	(1,980,494)	(1,980,494)	
Balance at 30 September 2011 (Unaudited)	10,000,000	(94,726)	4,574,246	3,215,079	27,382,813	1,186,699	21,472,970	-	67,737,081	

The attached notes 1 to 13 form part of these interim condensed financial statements.

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2012 (Unaudited)

1 ACTIVITIES

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 postal address of the Company's registered head office is P O Box 5243, Manama, 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. During the year 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.

The Company operates solely in the Kingdom of Bahrain.

The interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 15 October 2012.

2 ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements for the nine months period ended 30 September 2012 have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" and in conformity with the Bahrain Commercial Companies Law, applicable requirements of the Central Bank of Bahrain Rule Book and rules and procedures of the Bahrain Bourse.

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 2011. In addition, results for the nine months period ended 30 September 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

Significant accounting policies

The interim condensed financial statements have been prepared using accounting policies, which are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2011.

3 COMMITMENTS

The directors have authorised future capital expenditure amounting to nil (31 December 2011: BD 708,851) as of the statement of financial position date.

4 PROPERTY, PLANT AND EQUIPMENT

Included in the movement of property, plant and equipment for the nine months ended 30 September 2012 is capital expenditure of BD 357,934 (year ended 31 December 2011: BD 6,362,476) for the construction of a commercial property. This includes capitalised interest of BD 156,834 (31 December 2011: BD 392,181). The commercial property was completed in April 2012.

5 INVESTMENT IN AN ASSOCIATE

The Company has a 33.35% interest in African & Eastern (Bahrain) W.L.L., which is incorporated in the Kingdom of Bahrain and involved in the business of investment in bonds and shares as well as importing and selling consumer products. The entity is not listed on any public exchange.

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2012 (Unaudited)

5 INVESTMENT IN AN ASSOCIATE (continued)

The results of the associate were as follows:

	30 September 2012 Unaudited BD	31 December 2011 Audited BD	30 September 2011 Unaudited BD
At 1 January	4,665,596	4,093,340	4,093,340
Share of result during the period / year / period	771,294	984,038	680,179
Dividends received during the period / year / period	(540,000)	(380,000)	(380,000)
Share of changes in associate's cumulative changes in fair values	53,470	(31,782)	(42,201)
Share in associate's net losses transferred to statement of income on impairment of the associate's available-for-sale investments	-	-	10,419
	<u>4,950,360</u>	<u>4,665,596</u>	<u>4,361,737</u>

6 AVAILABLE-FOR-SALE INVESTMENTS

	30 September 2012 Unaudited BD	31 December 2011 Audited BD
Equity investments:		
Quoted investments	1,743,111	1,589,717
Unquoted investments (at cost)*	310,800	310,800
	<u>2,053,911</u>	<u>1,900,517</u>

*The unquoted investments are carried at cost, as fair value cannot be reliably determined due to the unpredictable nature of future cash flows.

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

	For the nine months ended 30 September 2012 Unaudited BD	For the year ended 31 December 2011 Audited BD	For the nine months ended 30 September 2011 Unaudited BD
Opening balance	1,589,717	1,635,355	1,635,355
Unrealised gain / (loss) on available for sale investments	153,394	(45,638)	(101,418)
Closing balance	<u>1,743,111</u>	<u>1,589,717</u>	<u>1,533,937</u>

30 September 2012 (Unaudited)

6 AVAILABLE-FOR-SALE INVESTMENTS (continued)**Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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.

During the nine months reporting periods ended 30 September 2012 and 30 September 2011 and the year ended 31 December 2011, there were no transfers among the levels of fair value hierarchy.

7 BANK BALANCES AND CASH

Cash and cash equivalents in the statement of cash flows consist of the following statement of financial position amounts:

	30 September 2012 Unaudited BD	31 December 2011 Audited BD	30 September 2011 Unaudited BD
Cash in hand	7,387	14,367	14,359
Cash at bank	1,632,088	405,701	671,124
Term deposits	4,499,993	3,405,396	3,375,008
Bank balances and cash	6,139,468	3,825,464	4,060,491
Term deposits with an original maturity of more than three months	(1,718,650)	(3,405,396)	(3,375,008)
Restricted cash	(216,877)	(210,874)	(212,952)
Cash and cash equivalents as per the statement of cash flows	4,203,941	209,194	472,531

Bank balances amounting to BD 216,877 (30 September 2011: BD 212,952) representing unclaimed dividends have 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 2.45% (2011: 3.93%). These term deposits have a maturity ranging from one month to six months (30 September 2011: maturity ranging from six months to one year).

The Company has an overdraft facility amounting to BD 15,000,000 (30 September 2011: BD 15,000,000) from a commercial bank in the Kingdom of Bahrain. As of the statement of financial position date, the Company has availed a portion of the overdraft facility from the bank. Refer to note 8 for details of the overdraft facility. The overdraft balance is not treated as a cash and cash equivalents as the overdraft is restricted in its use to capital expenditure and the Company is not required to repay the balance until it is converted to a term loan.

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2012 (Unaudited)

8 BORROWINGS

The Company has financed an overdraft facility with a commercial bank in the Kingdom of Bahrain to finalise the construction of a commercial property within the Kingdom of Bahrain. The overdraft facility amounts to BD 15 million. During the construction phase of the commercial property, the facility will be treated as an overdraft and interest will be accrued monthly at a rate of BIBOR plus 2.5% (31 December 2011: BIBOR plus 2.50%).

On 14 April 2012, the outstanding balance of the overdraft facility drawn has been converted into a term loan. The term loan carries interest at the same rate as the overdraft facility and is repayable in quarterly installments of BD 621,608 plus interest at a rate of 3 month BIBOR plus 2.5% over a period of six years starting on 12 July 2012. The effective interest at 30 September 2012 was 3.8% (31 December 2011: nil). The term loan is secured by a mortgage over the freehold land and the hotel building.

9 SEASONALITY OF RESULTS

Dividend income of BD 145,766 for the nine months period ended 30 September 2012 (for the period ended 30 September 2011: BD 150,987) is of a seasonal nature.

10 DIVIDENDS

At the annual general meeting of the shareholders held on 28 March 2012, a cash dividend of 10 fils per share relating to 2011 and totaling BD 990,247 (2011: dividends of 20 fils per share relating to 2010 totaling BD 1,980,494) was declared and paid on 4 April 2012 (2011: 5 April 2011).

11 EARNINGS PER SHARE

	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
	<i>30 September 2012</i>	<i>30 September 2011</i>	<i>30 September 2012</i>	<i>30 September 2011</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Profit for the period – BD	<u>380,588</u>	<u>648,768</u>	<u>1,653,639</u>	<u>1,993,910</u>
Average shares in issue (net of treasury shares)	<u>99,024,710</u>	<u>99,024,710</u>	<u>99,024,710</u>	<u>99,024,710</u>
Basic and diluted earnings per share – fils	<u>3.84</u>	<u>6.55</u>	<u>16.70</u>	<u>20.14</u>

Basic and diluted earnings per share are the same as the Company has issued no instruments that would have a dilutive effect.

12 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 |
| Investments | - | Income from investments including associate and term deposits |

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

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 trade receivables. 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 trade payables, accrued liabilities and borrowings.

National Hotels Company B.S.C.
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 30 September 2012 (Unaudited)

12 SEGMENT INFORMATION (continued)

	Hotel business and corporate		Investments		Total	
	2011		2011		2011	
	Unaudited	BD	Unaudited	BD	Unaudited	BD
Three months ended 30 September						
Gross operating revenue	1,719,928	1,523,492	-	-	1,719,928	1,523,492
Gross operating costs	(1,020,061)	(862,797)	-	-	(1,020,061)	(862,797)
Gross operating profit	699,867	660,695	-	-	699,867	660,695
Investment income	-	-	343,978	265,828	343,978	265,828
Other income	64,290	65,185	-	-	64,290	65,185
Depreciation	(474,198)	(284,671)	-	-	(474,198)	(284,671)
Expenses	(103,900)	(57,530)	-	(739)	(103,900)	(58,269)
Finance costs	(149,449)	-	-	-	(149,449)	-
Profit for the period	36,610	383,679	343,978	265,089	380,588	648,768

	Hotel business and corporate		Investments		Total	
	2011		2011		2011	
	Unaudited	BD	Unaudited	BD	Unaudited	BD
Nine months ended 30 September						
Gross operating revenue	5,041,322	4,415,582	-	-	5,041,322	4,415,582
Gross operating costs	(2,862,481)	(2,495,853)	-	-	(2,862,481)	(2,495,853)
Gross operating profit	2,178,841	1,919,729	-	-	2,178,841	1,919,729
Investment income	-	-	994,858	973,465	994,858	973,465
Other income	201,657	206,339	-	-	201,657	206,339
Depreciation	(1,148,500)	(851,283)	-	-	(1,148,500)	(851,283)
Expenses	(349,797)	(251,711)	-	(2,629)	(349,797)	(254,340)
Finance costs	(223,420)	-	-	-	(223,420)	-
Profit for the period	658,781	1,023,074	994,858	970,836	1,653,639	1,993,910

National Hotels Company B.S.C.
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 30 September 2012 (Unaudited)

12 SEGMENT INFORMATION (continued)

	Hotel business and corporate				Investments				Total			
	30 September 2012		30 September 2011		31 December 2012		31 December 2011		30 September 2012		30 September 2011	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Total assets	73,941,957	74,532,204	74,216,826	74,216,826	13,554,925	10,786,021	10,651,285	10,651,285	87,496,882	85,318,225	84,868,111	84,868,111
Total liabilities	18,377,978	17,069,577	17,131,030	17,131,030	-	-	-	-	18,377,978	17,069,577	17,131,030	17,131,030
Capital expenditure	599,171	6,426,420	5,747,395	5,747,395	-	-	-	-	599,171	6,426,420	5,747,395	5,747,395

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

National Hotels Company B.S.C.
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 30 September 2012 (Unaudited)

13 RELATED PARTY TRANSACTIONS

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 management.

Transactions with related parties during the period are as follows:

	For the three months ended 30 September 2012			For the three months ended 30 September 2011				
	Purchases BD	Fees for management services BD	Other Expenses BD	Revenue and other income BD	Purchases BD	Fees for management services BD	Other Expenses BD	Revenue and other income BD
Associated company	19,356	-	-	-	15,397	-	-	-
Rezidor	-	56,596	-	230	-	37,341	-	-
Directors	-	-	-	2,449	-	-	-	130
	<u>19,356</u>	<u>56,596</u>	<u>-</u>	<u>2,679</u>	<u>15,397</u>	<u>37,341</u>	<u>-</u>	<u>130</u>
	For the nine months ended 30 September 2012			For the nine months ended 30 September 2011				
	Purchases BD	Fees for management services BD	Other Expenses BD	Revenue and other income BD	Purchases BD	Fees for management services BD	Other Expenses BD	Revenue and other income BD
Associated company	47,816	-	-	157	45,845	-	-	-
Rezidor	-	166,182	178	1,598	-	131,604	1,173	4,754
Directors	-	-	-	5,901	-	-	-	1,172
	<u>47,816</u>	<u>166,182</u>	<u>178</u>	<u>7,656</u>	<u>45,845</u>	<u>131,604</u>	<u>1,173</u>	<u>5,926</u>

National Hotels Company B.S.C.
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 30 September 2012 (Unaudited)

13 RELATED PARTY TRANSACTIONS (continued)

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

	30 September 2012		31 December 2011	
	Receivables	Payables	Receivables	Payables
	BD	BD	BD	BD
Associated Company	28	16,862	222	15,503
Rezidor	16,314	209,051	16,169	174,472
Other related parties	-	-	-	35,094
	<u>16,342</u>	<u>225,913</u>	<u>16,391</u>	<u>225,069</u>

Ownership interest

The details of total ownership interest held by the directors along with the entities controlled, jointly controlled or significantly influenced by them are as follows:

Mr. Faisal Ahmed Al Zayani (Chairman of the Company) holds 176,764 shares (30 September and 31 December 2011: 176,764 shares) shares in the Company as at 30 September 2012 representing a 0.18% (30 September and 31 December 2011: 0.18%) holding in the Company.

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 provided for any related party payables.

Remuneration paid to the directors during the period ended 30 September 2012 amounted to BD 144,000 (30 September 2011: BD 144,000).

Compensation of key management personnel

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

	For the three months ended		For the nine months ended	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
	BD	BD	BD	BD
Short-term benefits	38,670	27,014	116,010	103,942
Post-employment benefits	2,693	1,687	20,187	9,774
	<u>41,363</u>	<u>28,701</u>	<u>136,197</u>	<u>113,716</u>