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SEEF- MARCH 1

**Seef Properties B.S.C.**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**31 MARCH 2011**

**REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SEEF PROPERTIES B.S.C.*****Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of Seef Properties B.S.C. ('the Company') and its subsidiary (together 'the Group') as at 31 March 2011, comprising of the interim condensed consolidated statement of financial position as at 31 March 2011 and the related interim condensed consolidated statements of 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 consolidated 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 consolidated financial statements based on our review.

The corresponding amounts presented have been reviewed or audited, as applicable, by other auditors whose review opinion dated 11 May 2010 and audit opinion dated 22 February 2011 have expressed unqualified opinions on those amounts.

***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. Consequently, it 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



11 May 2011

Manama, Kingdom of Bahrain

**Seef Properties B.S.C.**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 31 March 2011 (Unaudited)

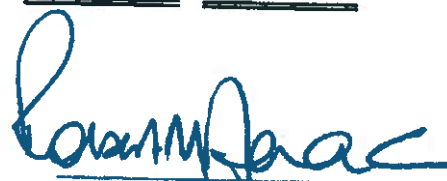
	Note	31 March 2011 Unaudited BD	31 December 2010 Audited BD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	1,374,791	1,443,851
Capital work-in-progress	4	2,177,037	1,733,123
Investment properties	5	94,803,998	94,803,998
Investment in a joint venture	6	11,000	11,000
		<u>98,366,826</u>	<u>97,991,972</u>
<b>Current assets</b>			
Available-for-sale investments	7	75,400	263,900
Trade and other receivables		2,333,657	2,261,265
Cash and bank balances	8	14,904,136	13,567,025
		<u>17,313,193</u>	<u>16,092,190</u>
<b>TOTAL ASSETS</b>		<u>115,680,019</u>	<u>114,084,162</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	48,000,000	46,000,000
Statutory reserve	10	13,350,000	13,350,000
Furniture and fixture reserve	12	36,239	28,171
Retained earnings		46,557,076	48,634,397
<b>Total equity</b>		<u>105,943,315</u>	<u>108,012,568</u>
<b>Non-current liability</b>			
Employees' end of service benefits		117,791	105,637
<b>Current liabilities</b>			
Unclaimed dividends	14	7,132,559	3,700,781
Trade and other payables		2,486,354	2,265,176
		<u>9,618,913</u>	<u>5,965,957</u>
<b>Total liabilities</b>		<u>9,736,704</u>	<u>6,071,594</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>115,680,019</u>	<u>114,084,162</u>



Abdulla bin Khalifa Al-Khalifa  
Chairman



Essa Mohamed Najibi  
Vice - Chairman



Robert Addison  
General Manager

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

**Seef Properties B.S.C.**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

For the three month period ended 31 March 2011 (Unaudited)

	Note	Three month period ended 31 March	
		2011 BD	2010 BD
<b>Income</b>			
Property rental income and service charges		<b>2,069,038</b>	2,062,416
Net income from service apartments		<b>307,218</b>	436,798
Other operating income		<b>188,670</b>	313,809
Leisure and recreational income		<b>152,832</b>	224,680
Profit on term deposits		<b>115,182</b>	84,763
		<b>2,832,940</b>	3,122,466
<b>Expenses</b>			
Staff costs		<b>448,619</b>	428,184
General and administration expenses		<b>670,332</b>	708,556
Depreciation	3	<b>108,242</b>	115,891
Directors' remuneration		<b>105,000</b>	80,000
Donations and charitable contributions		<b>120,000</b>	100,000
		<b>1,452,193</b>	1,432,631
<b>PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME</b>		<b>1,380,747</b>	1,689,835
Basic and diluted earnings per share (fils)	11	<b>3.0 Fils</b>	3.7 Fils

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

## Seef Properties B.S.C.

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three month period ended 31 March 2011 (Unaudited)

	Note	Three month period ended 31 March	
		2011 BD	2010 BD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		<b>1,380,747</b>	1,689,835
Adjustments for:			
Depreciation	3	<b>108,242</b>	115,891
Profit on term deposits		<b>(115,182)</b>	(84,763)
Provision for doubtful debts (net)		<b>7,500</b>	-
Operating profit before working capital changes		<b>1,381,307</b>	1,720,963
Working capital changes:			
Trade and other receivables		<b>7,104</b>	(729,210)
Trade and other payables		<b>256,559</b>	(299,195)
Net cash from operations		<b>1,644,970</b>	692,558
Employees' end of service benefits (net)		<b>12,153</b>	12,304
Directors' remuneration paid		<b>(20,000)</b>	-
Donations and charitable contributions paid		<b>(15,381)</b>	(2,000)
Net cash from operating activities		<b>1,621,742</b>	702,862
<b>INVESTING ACTIVITIES</b>			
Net movements in term deposits		<b>7,238,526</b>	5,000,000
Movement in bank balances representing unclaimed		<b>18,222</b>	85,009
Proceeds from redemption of available-for-sale investments	7	<b>188,500</b>	-
Expenditure incurred on capital work-in-progress	4	<b>(443,914)</b>	(220,852)
Purchase of property and equipment	3	<b>(39,182)</b>	(60,556)
Profit on term deposits received		<b>28,186</b>	84,763
Additions to investment properties		-	(29,400)
Net cash from investing activities		<b>6,990,338</b>	4,858,964
<b>FINANCING ACTIVITY</b>			
Dividend paid	14	<b>(18,222)</b>	(85,009)
Net cash used in financing activity		<b>(18,222)</b>	(85,009)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>8,593,858</b>	5,476,817
Cash and cash equivalents at 1 January		<b>2,102,899</b>	8,113,825
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	8	<b>10,696,757</b>	13,590,642

#### Non-cash items:

1) Donations and charitable contributions accrued but not yet settled amounting to BD 104,619 (2010: BD 98,000) have been excluded from the movement of trade and other payables.

2) Profit on term deposits of BD 86,996 (2010: nil) which has been accrued but is not yet collected has been excluded from trade and other receivables.

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the three month period ended 31 March 2011 (Unaudited)

	Note	Share capital BD	Statutory reserve BD	Furniture and fixture reserve BD	Retained earnings* BD	Total BD
Balance at 1 January 2011		46,000,000	13,350,000	28,171	48,634,397	108,012,568
Total comprehensive income		-	-	-	1,380,747	1,380,747
Dividends declared for 2010	13	-	-	-	(3,450,000)	(3,450,000)
Transfer to furniture and fixture reserve		-	-	8,068	(8,068)	-
<b>Balance at 31 March 2011</b>		<b>46,000,000</b>	<b>13,350,000</b>	<b>36,239</b>	<b>46,557,076</b>	<b>105,943,315</b>
Balance at 1 January 2010		46,000,000	12,400,000	6,815	42,533,777	100,940,592
Total comprehensive income		-	-	-	1,689,835	1,689,835
Dividends declared for 2009	13	-	-	-	(2,300,000)	(2,300,000)
Transfer to furniture and fixture reserve		-	-	5,380	(5,380)	-
Balance at 31 March 2010		46,000,000	12,400,000	12,195	41,918,232	100,330,427

\* Retained earnings includes BD 25,000 relating to the statutory reserve of the subsidiary.

# Seef Properties B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2011 (Unaudited)

### 1 ACTIVITIES

Seef Properties 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 44344. The postal address of the Company's registered head office is at P O Box 20084, Manama, Kingdom of Bahrain.

The Company had the following wholly owned subsidiary at the date of the interim condensed consolidated statement of financial position.

<i>Name</i>	<i>Ownership interest</i>	<i>Country of incorporation</i>	<i>Principal activities</i>
Fraser Suites Seef - Bahrain S.P.C.	100%	Kingdom of Bahrain	Hotel, tourist furnished flats and restaurants for tourist services management.

The Company and its wholly owned subsidiary are referred to together as the Group.

The Group is primarily engaged in the real estate business and provides leisure and recreational game facilities. The Group owns and manages the Seef Mall, the Isa Town Mall, Fraser Suites Seef and other commercial facilities in the Kingdom of Bahrain and operates Magic Island, leisure and recreational game facilities.

The interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 11 May 2011.

### 2 ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated 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 Group's annual consolidated financial statements as at 31 December 2010. In addition, results for the three month period ended 31 March 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2010 except for the adoption of new Standards and Interpretations, noted below:

- *IAS 24 Related Party Disclosures (Amendment) effective for annual periods beginning on or after 1 January 2011;*
- *IAS 28 Investments in Associates (Amendment) effective for annual periods beginning on or after 1 January 2011;*
- *IFRIC 14 Prepayments of a minimum funding requirement (Amendment) effective for annual periods beginning on or after 1 January 2011;*
- *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments effective for annual beginning on or after 1 July 2010; and*
- *Improvements to IFRSs (issued in May 2010) effective for annual periods on or after either 1 July 2010 or 1 January 2011.*

#### *IAS 24 Related Party Disclosures (Amendment)*

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The adoption of the standard did not have any impact on the Group's financial position or performance.

# Seef Properties B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2011 (Unaudited)

### 2 ACCOUNTING POLICIES (continued)

#### *IAS 28 Investments in Associates (Amendment)*

The amended standard is effective for annual periods beginning on or after 1 January 2011. It provides exemptions for certain investments held by venture capital organisations, mutual funds, unit trusts and similar entities when those investments are classified as held for trading and accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement and provides exemptions from the application of the equity method similar to those provided for certain parents not to prepare consolidated financial statements. The adoption of the standard did not have any impact on the Group's financial position or performance.

#### *Improvements to IFRSs*

In May 2010 the Board issued a series of amendments to its standards. There are separate transitional provisions for each standard. The adoption of these amendments did not have any effect on the financial performance or position of the Group and did not result in any significant changes to the disclosures in the Group's consolidated financial statements.

### 3 PROPERTY AND EQUIPMENT

	<i>Plant and equipment</i>	<i>Furniture and fixtures</i>	<i>Motor vehicles</i>	<i>Total</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b>Cost</b>				
At 1 January 2011	2,861,042	2,467,111	37,514	5,365,667
Additions	13,754	25,428	-	39,182
<b>At 31 March 2011</b>	<b>2,874,796</b>	<b>2,492,539</b>	<b>37,514</b>	<b>5,404,849</b>
<b>Depreciation:</b>				
At 1 January 2011	2,377,628	1,534,180	10,008	3,921,816
Charge for the period	73,468	32,895	1,879	108,242
<b>At 31 March 2011</b>	<b>2,451,096</b>	<b>1,567,075</b>	<b>11,887</b>	<b>4,030,058</b>
<b>Net carrying values:</b>				
<b>At 31 March 2011</b>	<b>423,700</b>	<b>925,464</b>	<b>25,627</b>	<b>1,374,791</b>
	<i>Plant and equipment</i>	<i>Furniture and fixtures</i>	<i>Motor vehicles</i>	<i>Total</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b>Cost</b>				
At 1 January 2010	2,704,212	2,377,162	37,514	5,118,888
Additions	138,516	108,263	-	246,779
Reclassifications	18,314	(18,314)	-	-
<b>At 31 December 2010</b>	<b>2,861,042</b>	<b>2,467,111</b>	<b>37,514</b>	<b>5,365,667</b>
<b>Depreciation:</b>				
At 1 January 2010	2,040,402	1,443,022	2,501	3,485,925
Charge for the year	336,616	91,768	7,507	435,891
Reclassifications	610	(610)	-	-
<b>At 31 December 2010</b>	<b>2,377,628</b>	<b>1,534,180</b>	<b>10,008</b>	<b>3,921,816</b>
<b>Net carrying values:</b>				
<b>At 31 December 2010</b>	<b>483,414</b>	<b>932,931</b>	<b>27,506</b>	<b>1,443,851</b>



Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2011 (Unaudited)

**4 CAPITAL WORK-IN-PROGRESS**

	<b>31 March 2011</b>	<i>Audited</i> <b>31 December 2010</b>
	<i>BD</i>	<i>BD</i>
Balance at the beginning of the period / year	<b>1,733,123</b>	364,119
Expenditure incurred during the period / year	<b>443,914</b>	1,949,195
Transfers to investment properties	-	(580,191)
Balance at the end of the period / year	<b><u>2,177,037</u></b>	<u>1,733,123</u>

**5 INVESTMENT PROPERTIES**

	<b>31 March 2011</b>	<i>Audited</i> <b>31 December 2010</b>
	<i>BD</i>	<i>BD</i>
Balance at the beginning of the period / year	<b>94,803,998</b>	91,400,648
Transferred from capital work in progress	-	580,191
Unrealised fair value gain	-	2,823,159
Balance at the end of the period / year	<b><u>94,803,998</u></b>	<u>94,803,998</u>

Investment properties are stated at fair values, which have been determined by the directors based on the valuations performed by independent valuers. The surveyors are industry specialists in valuing these types of investment properties. The valuations undertaken are based on the income yield capitalisation method and were last carried out at 31 December 2010.

**6 INVESTMENT IN A JOINT VENTURE**

The Company's investment in a joint venture consists of the following Joint venture at the date of the consolidated statement of financial position:

<i>Name of the joint venture company</i>	<i>Principal activities</i>	<i>% of ownership</i>	<i>Cost of investment BD</i>
Saar Complex Company	Development of Saar shopping complex	55%	11,000

The joint venture commenced its commercial operations during the year 2010 and in the opinion of the management, there is no significant difference in the value of the Group's investment given the current operational stage of the joint venture.

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2011 (Unaudited)

#### 7 AVAILABLE-FOR-SALE INVESTMENTS

	<i>31 March</i> <b>2011</b> <i>BD</i>	<i>Audited</i> <i>31 December</i> <b>2010</b> <i>BD</i>
Equity investments:		
* Unquoted investments (at cost)	<b>75,400</b>	263,000

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

	<i>For the three months ended</i>	
	<i>31 March</i> <b>2011</b> <i>BD</i>	<i>31 March</i> <b>2010</b> <i>BD</i>
Opening balance	<b>263,900</b>	263,900
Disposals **	<b>(188,500)</b>	-
Closing balance	<b>75,400</b>	263,900

\* The unquoted investments are carried at cost less impairment, as fair value cannot be reliably determined due to the unpredictable nature of the future cash flows. The closing investment balance represents the investments in Ahli United Bank - Capital Protected MSCI Hedge which matures on 29 June 2011.

\*\* The investments in National Bank of Bahrain - Capital Guaranteed Tranche II had matured during the three months period ended 31 March 2011 and cash proceeds of BD 188,500 were received.

#### 8 CASH AND BANK BALANCES

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprises the following at the date of the consolidated statement of financial position.

	<i>31 March</i> <b>2011</b> <i>BD</i>	<i>Audited</i> <i>31 December</i> <b>2010</b> <i>BD</i>
Cash on hand, bank balances and term deposits	<b>14,904,136</b>	13,567,025
less: Term deposits with an original maturity of more than three months	<b>(3,275,484)</b>	(10,514,010)
Bank balances representing unclaimed dividends *	<b>(931,895)</b>	(950,116)
	<b>10,696,757</b>	2,102,899

Bank balances are non-interest bearing. Term deposits are placed for varying periods ranging between one month to six months. The profit rates on term deposits as at 31 March 2011 range between 2.75% to 4.25% ( 31 March 2010: 2.5% - 3.6% ).

\* Unclaimed dividend accounts represents cash set aside to fund dividends declared by the Company, which remained unclaimed at the period end. In April 2011, the Company has set aside an amount of BD 3,450,000 in connection with the dividends declared on 30 March 2011 (note 14).

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2011 (Unaudited)

#### 9 SHARE CAPITAL

	<b>31 March 2011</b>	<i>Audited</i> 31 December 2010
	<b>BD</b>	<b>BD</b>
Authorised: 1,000,000,000 shares of BD 0.100 each	<b>100,000,000</b>	100,000,000
Issued, subscribed and fully paid-up: 460,000,000 shares (31 December 2010: 460,000,000 shares) of BD 0.100 each	<b>46,000,000</b>	46,000,000

#### 10 STATUTORY RESERVE

Bahrain Commercial Companies Law and the Company's articles of association, requires 10% of the profit for the year to be transferred to a statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the paid up share capital. The reserve is not distributable except in such circumstances as stipulated in the Bahrain Commercial Companies Law. No transfers were made during the three-month period ended 31 March 2011 (2010: nil) to statutory reserve.

#### 11 EARNINGS PER SHARE

	<i>For the three months ended</i>	
	<b>31 March 2011</b>	31 March 2010
Profit for the period – BD	<b>1,380,747</b>	1,689,835
Weighted average number of shares outstanding	<b>460,000,000</b>	460,000,000
Basic and diluted earnings per share	<b>3.0 Fils</b>	3.7 Fils

No separate figure for diluted earnings per share has been presented as the Company has issued no financial instruments which may have a dilutive effect.

#### 12 FURNITURE AND FIXTURES RESERVE

In accordance with the Management agreement entered into between the Company and Fraser Serviced Residences Pte Ltd., a company incorporated in Singapore and involved in the operation of hotels, apartments and tourist restaurants, an amount equivalent to 1% of the total revenue for the first year, 2% of the total revenue for the second year and 3% of the total revenue for the third year and thereafter of the subsidiary, is to be set aside as furniture and fixture replacement reserve which is to be utilised for the purchase and replacement of the subsidiary's furniture and fixtures.

#### 13 DIVIDENDS

At the annual general meeting of the shareholders held on 30 March 2011, a cash dividend of 7.5 fils per share for the year 2010 (2010: 5 fils per share for the year 2009) amounting to BD 3,450,000 (2009: BD 2,300,000) was declared.

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2011 (Unaudited)

#### 14 UNCLAIMED DIVIDENDS

	<b>31 March 2011 BD</b>	<i>Audited</i> 31 December 2010 BD
Balance at the beginning of the period / year	<b>3,700,781</b>	4,828,711
Dividend declared (note 13)	<b>3,450,000</b>	2,300,000
Dividend paid	<b>(18,222)</b>	(3,427,930)
Balance at the end of the period / year	<b>7,132,559</b>	3,700,781

#### 15 COMMITMENTS

Capital expenditure commitments outstanding as at the financial position date but not yet provided for, relating to the re-theming of Seef Mall and expansion in Isa Town Mall is as follows:

	<b>31 March 2011 BD</b>	<i>Audited</i> 31 December 2010 BD
Seef re-theming	<b>2,166,750</b>	2,284,709
Expansion of Seef Mall	-	382,248
Expansion of Isa Town Mall	<b>113,174</b>	-
	<b>2,279,924</b>	2,666,957

#### 16 SEGMENT INFORMATION

For management purposes, the Group is organised into three main business segments:

Malls and properties	- Management of real estate including malls
Serviced apartments	- Management of apartments
Leisure and entertainment	- Leisure and recreational game facilities

The operations of malls and properties includes the management of Seef Mall and Isa Town Mall.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs and finance revenue) are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, investment properties and accounts receivable.

Segment liabilities include all operating liabilities and consist primarily of trade and other payables.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2011 (Unaudited)

16 SEGMENT INFORMATION (continued)

	Malls and properties		Serviced apartments		Leisure and entertainment		Other segments		Elimination		Consolidated	
	Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Income from external customers	2,069,038	2,062,416	403,395	537,992	152,832	224,680	303,852	398,572	-	-	2,929,117	3,223,660
Inter-segment income	48,750	48,750	-	-	-	-	-	-	(48,750)	(48,750)	-	-
Cost of sales	-	-	(96,177)	(101,194)	-	-	-	-	-	-	(96,177)	(101,194)
Total income	2,117,788	2,111,166	307,218	436,798	152,832	224,680	303,852	398,572	(48,750)	(48,750)	2,832,940	3,122,466
Expenses												
Staff costs	299,482	258,674	63,800	61,066	85,337	108,444	-	-	-	-	448,619	428,184
General and administration expenses	520,618	519,684	123,000	152,385	78,464	85,237	-	-	(48,750)	(48,750)	670,332	708,556
Depreciation	20,393	13,009	41,256	47,630	46,593	55,252	-	-	-	-	106,242	115,891
Directors' remuneration	105,000	80,000	-	-	-	-	-	-	-	-	105,000	80,000
Donations and charitable contributions	120,000	100,000	-	-	-	-	-	-	-	-	120,000	100,000
Segment profit (loss) for the period	1,052,295	1,139,799	79,162	175,717	(64,562)	(24,253)	303,852	398,572	-	-	1,380,747	1,689,835
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Total assets	104,795,856	102,917,565	10,492,374	10,742,390	391,789	424,207	-	-	-	-	115,680,019	114,084,162
Total liabilities	9,532,933	5,911,339	10,056,950	10,368,128	-	-	-	-	(9,855,179)	(10,227,873)	9,736,704	6,071,594
Capital expenditure	464,601	976,486	4,944	1,020,685	13,551	198,803	-	-	-	-	483,086	2,195,974

All of the sales and profit of the Group are earned in the Kingdom of Bahrain from the above business segments.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 31 March 2011 (Unaudited)

**17 RELATED PARTY TRANSACTIONS**

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

Transactions with related parties during the period are as follows:

	<i>Property rental income and service charges</i>	
	<i>For the three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2011</i>	<i>2010</i>
	<i>BD</i>	<i>BD</i>
Other related parties - Director related entities	<b>192,466</b>	188,588

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

	<i>Trade receivables</i>	
	<i>31 March</i>	<i>31 December</i>
	<i>2011</i>	<i>2010</i>
	<i>BD</i>	<i>BD</i>
Other related parties - Director related entities	<b>221,391</b>	214,611

**Compensation of key management personnel**

The remuneration of directors and members of key management during the period was as follows:

	<i>For the three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2011</i>	<i>2010</i>
	<i>BD</i>	<i>BD</i>
Directors' remuneration	<b>105,000</b>	80,000
Board sitting fees	<b>8,525</b>	5,800
Management short-term benefits	<b>21,900</b>	36,000
	<b>135,425</b>	121,800

Outstanding balances at the period end arise in the normal course of business and are interest free and unsecured. The Group only creates an impairment provision for related party balances where it is virtually certain the debt will not be recovered. For the three month period ended 31 March 2011, the Group has not recorded any impairment of amounts owed by related parties (31 March 2010: nil).

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:

	<i>31 March</i>	<i>31 December</i>
	<i>2011</i>	<i>2010</i>
	<i>No. of shares</i>	<i>No. of shares</i>
No of shares	<b>1,385,500</b>	<b>1,385,500</b>
Percentage of holdings	0.3%	0.3%

**18 COMPARATIVES**

Certain of the prior period's figures have been reclassified to conform to the current period's presentation. Such reclassification did not affect previously reported net income or shareholders' equity.