

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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**31 MARCH 2014**

## **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 2014, comprising of the interim consolidated statement of financial position as at 31 March 2014 and the related interim 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 Accounting Standard 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated 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. 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.




22 April 2014  
Manama, Kingdom of Bahrain


Seef Properties B.S.C.

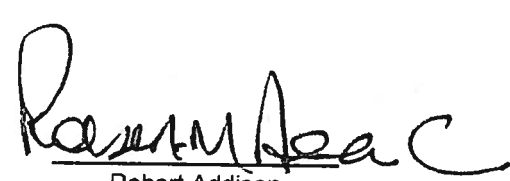
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014 (Unaudited)

	Note	31 March 2014 Unaudited BD	31 December 2013 Audited BD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Furniture, equipment and vehicles		1,086,274	1,212,894
Capital work-in-progress		858,653	425,720
Investment properties		104,359,921	104,347,000
Investment in joint venture		5,215,569	5,256,264
		<u>111,520,417</u>	<u>111,241,878</u>
<b>Current assets</b>			
Trade and other receivables		1,069,581	965,548
Cash and bank balances	4	19,334,452	17,985,456
		<u>20,404,033</u>	<u>18,951,004</u>
<b>TOTAL ASSETS</b>		<u>131,924,450</u>	<u>130,192,882</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		46,000,000	46,000,000
Statutory reserve		16,043,000	16,043,000
Furniture and fixtures replacement reserve		155,186	143,610
Retained earnings		58,620,433	61,675,256
<b>Total equity</b>		<u>120,818,619</u>	<u>123,861,866</u>
<b>Liabilities</b>			
<b>Non-current liability</b>			
Employees' end of service benefits		209,678	205,762
<b>Current liabilities</b>			
Unclaimed dividends	6	8,955,710	4,457,975
Other payables and accruals		1,940,443	1,667,279
		<u>10,896,153</u>	<u>6,125,254</u>
<b>Total liabilities</b>		<u>11,105,831</u>	<u>6,331,016</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>131,924,450</u>	<u>130,192,882</u>

  
Essa Mohamed Najibi  
Chairman

  
Sager Shaheen Sager  
Vice Chairman

  
Robert Addison  
General Manager

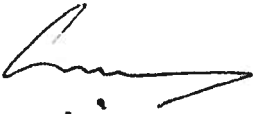
The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

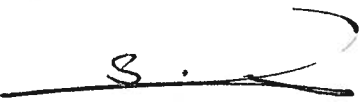
## Seef Properties B.S.C.

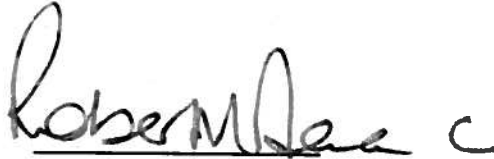
### INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2014 (Unaudited)

	Note	Three months ended 31 March	
		2014 BD	2013 BD
<b>Income</b>			
Property rental income and service charges		2,306,091	2,127,553
Income from serviced apartments		604,720	552,642
Leisure and recreational income		178,900	322,693
		<u>3,089,711</u>	<u>3,002,888</u>
Less: cost of sales		514,628	575,718
<b>Gross profit</b>		<u>2,575,083</u>	<u>2,427,170</u>
Other operating income		247,242	235,157
Profit on term deposits		118,036	108,444
<b>Operating profit</b>		<u>2,940,361</u>	<u>2,770,771</u>
<b>Expenses</b>			
Staff costs		397,662	444,246
General, administration, marketing and advertisement		477,102	387,994
Depreciation		127,747	120,369
Directors' remuneration	10	198,000	172,500
Donations and charitable contributions		160,000	150,000
Provision for doubtful debts		13,000	13,000
		<u>1,373,511</u>	<u>1,288,109</u>
Share of net (loss) profit from joint venture		(3,531)	1,698
<b>PROFIT AND</b>			
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>1,563,319</u>	<u>1,484,360</u>
Basic and diluted earnings per share	7	<u>3.40 Fils</u>	<u>3.23 Fils</u>

  
Essa Mohamed Najibi  
Chairman

  
Sager Shaheen Sager  
Vice Chairman

  
Robert Addison  
General Manager

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

# Seef Properties B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2014 (Unaudited)

	Note	Three months ended 31 March	
		2014 BD	2013 BD
<b>OPERATING ACTIVITIES</b>			
Profit for the year		1,563,319	1,484,360
Adjustments for:			
Depreciation		164,474	182,163
Profit on disposal of furniture, equipment and vehicles		(524)	-
Profit on term deposits		(118,036)	(108,444)
Provision for doubtful debts		13,000	13,000
Directors' remuneration		198,000	172,500
Donations and charitable contributions		160,000	150,000
Employees' end of service benefits		14,220	14,027
Write-back of accruals no longer payable		(50)	(16,564)
Elimination of intercompany charges		37,164	-
Share of net (loss) profit from joint venture		3,531	(1,698)
Operating profit before working capital changes		2,035,098	1,889,344
Working capital changes:			
Trade and other receivables		(158,125)	(84,606)
Other payables and accruals		129,490	8,250
		2,006,463	1,812,988
Direct utilisation of furniture and fixtures replacement reserve		(6,566)	-
Employees' end of service benefits paid		(10,304)	(4,100)
Directors' remuneration paid		(180,783)	-
Donations and charitable contributions paid		(33,493)	(2,373)
Net cash from operating activities		1,775,317	1,806,515
<b>INVESTING ACTIVITIES</b>			
Net movement in term deposits		1,968,500	2,254,473
Profit on term deposits received		159,128	216,959
Purchase of furniture, equipment and vehicles		(37,854)	(10,663)
Proceeds from disposal of furniture, equipment and vehicles		524	-
Expenditure incurred on capital work-in-progress		(444,881)	(62,289)
Additions to investment properties		(973)	(9,341)
Net cash from investing activities		1,644,444	2,389,139
<b>FINANCING ACTIVITIES</b>			
Dividends paid	6	(102,265)	(32,603)
Movement in bank balances representing unclaimed dividends		(2,278,276)	12,644
Net cash used in financing activities		(2,380,541)	(19,959)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,039,220</b>	<b>4,175,695</b>
Cash and cash equivalents at 1 January		5,282,060	2,111,809
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	4	<b>6,321,280</b>	<b>6,287,504</b>

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the three months ended 31 March 2014 (Unaudited)

**Non-cash items:**

- 1) Movement in donations and charitable contributions accrued but not yet settled amounting to BD 126,507 (31 March 2013: BD 147,627) have been excluded from the movement of other payables and accruals.
- 2) Movement in profit on term deposits of BD 41,092 (31 March 2013: BD 108,515) which has been accrued but not yet received has been excluded from trade and other receivables.
- 3) During the period, the Group has written back certain accruals no longer payable amounting to BD 50 (31 March 2013: BD 16,564) which have been excluded from the movement of other payables and accruals.
- 4) Accrued directors' remuneration not yet settled as of 31 March 2014 of BD 17,217 (31 March 2013: BD 172,500) has been excluded from the movement in other payables and accruals.
- 5) Capital expenditures transferred from capital work-in-progress to investment properties during the period of BD 11,948 (31 March 2013: nil) have been excluded from the statement of cash flows.

Seef Properties B.S.C.

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the three months ended 31 March 2014 (Unaudited)

	Note	Share capital BD	Statutory reserve BD	Furniture and fixtures replacement reserve BD	Retained earnings* BD	Total BD
Balance at 1 January 2014		46,000,000	16,043,000	143,610	61,675,256	123,861,866
Total comprehensive income		-	-	-	1,563,319	1,563,319
Dividends declared for 2013	5	-	-	-	(4,600,000)	(4,600,000)
Transfer to furniture and fixtures replacement reserve		-	-	18,142	(18,142)	-
Direct utilisation of furniture and fixtures replacement reserve		-	-	(6,566)	-	(6,566)
<b>Balance at 31 March 2014</b>		<b>46,000,000</b>	<b>16,043,000</b>	<b>155,186</b>	<b>58,620,433</b>	<b>120,818,619</b>
Balance at 1 January 2013		46,000,000	15,040,000	111,025	56,831,191	117,982,216
Total comprehensive income		-	-	-	1,484,360	1,484,360
Dividends declared for 2012	5	-	-	-	(4,140,000)	(4,140,000)
Transfer to furniture and fixtures replacement reserve		-	-	16,579	(16,579)	-
Balance at 31 March 2013		46,000,000	15,040,000	127,604	54,158,972	115,326,576

\* Retained earnings include BD 25,000 (2013: BD 25,000) relating to the statutory reserve of the subsidiary.

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

# Seef Properties B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2014 (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 consolidated statement of financial position.

<b>Name</b>	<b>Ownership interest</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
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 collectively referred to as the "Group".

The Group is primarily engaged in the real estate business and also 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 and properties in the Kingdom of Bahrain and operates the Magic Island, leisure and recreational games facilities.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 April 2014.

### 2 ACCOUNTING POLICIES

#### **Basis of preparation**

The interim condensed consolidated financial statements of the Group for the three months ended 31 March 2014 have been 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 in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2013. In addition, results for the three-month period ended 31 March 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

#### **New standards, interpretations and amendments**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

As required by IAS 34, the nature and the impact of each new standard or amendment is described below:

#### *Investment Entities* (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 *Consolidated Financial Statements*. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.



## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2014 (Unaudited)

#### 2 ACCOUNTING POLICIES (continued)

##### New standards, interpretations and amendments (continued)

###### *Offsetting Financial Assets and Financial Liabilities* – Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

###### *Recoverable Amount Disclosures for Non-Financial Assets* – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 *Impairment of Assets*. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. These amendments have no impact on the Group.

Several other new standards and amendments apply for the first time in 2014; however, they do not impact the annual financial statements of the Group or the interim condensed consolidated financial statements of the Group.

#### 3 FAIR VALUE MEASUREMENT

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at the date of the interim consolidated statement of financial position:

	<b>31 March 2014 Unaudited BD</b>	<b>31 December 2013 Audited BD</b>
<b>Financial asset:</b>		
Trade and other receivables	<b>813,036</b>	843,514
<b>Financial liabilities:</b>		
Unclaimed dividends	<b>8,955,710</b>	4,457,975
Other payables and accruals	<b>1,467,413</b>	1,219,962
<b>Total</b>	<b>10,423,123</b>	5,677,937

The carrying amounts of the Group's financial instruments such as cash and bank balances, trade and other receivables and other payables, are a reasonable approximation of their fair values. Thus, a fair value disclosure is not required for such financial instruments.

As at 31 December 2013, the Company held the following assets measured at fair value:

	<i>Date of valuation</i>	<i>Fair value measurement using</i>			<i>Total BD</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>	
<b>Assets measured at fair value</b>					
Investment properties	31 December 2013	-	-	104,347,000	104,347,000

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2014 (Unaudited)

#### 3 FAIR VALUE MEASUREMENT (continued)

As at 31 March 2014, the management believes that the fair valuation of investment properties last carried out on 31 December 2013 are not materially different from carrying amounts.

During the reporting periods ended 31 March 2014 and 31 March 2013 and year ended 31 December 2013, there were no transfers within the levels of fair value hierarchy.

#### 4 CASH AND BANK BALANCES

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

	<b>31 March 2014 Unaudited BD</b>	<b>31 December 2013 Audited BD</b>	<b>31 March 2013 Unaudited BD</b>
Cash on hand, bank balances and term deposits	<b>19,334,452</b>	17,985,456	16,486,974
less: Term deposits with original maturity of more than three months	<b>(9,246,786)</b>	(11,215,286)	(8,733,845)
Bank balances representing unclaimed dividends *	<b>(3,766,386)</b>	(1,488,110)	(1,465,625)
	<b><u>6,321,280</u></b>	<u>5,282,060</u>	<u>6,287,504</u>

Bank balances are held in commercial banks in the Kingdom of Bahrain and are non-interest bearing. Term deposits are placed for varying periods ranging between one month to one year. The profit rates on term deposits as at 31 March 2014 range between 1.80% to 4.15% (31 March 2013: 2.00% to 3.60%).

\* Refer to note 6 for details of unclaimed dividends.

#### 5 DIVIDENDS DECLARED

At the Annual General Meeting held on 17 March 2014, the Company's shareholders approved to pay a final dividend of BD 0.010 per share totalling BD 4,600,000. Dividends paid amounting to BD 102,265 relate to 2013 and before.

At the Annual General Meeting held on 31 March 2013, the Company's shareholders approved to pay a final dividend of BD 0.009 per share totalling BD 4,140,000. Dividends paid amounting to BD 3,910,418 relate to 2012 and before.

#### 6 UNCLAIMED DIVIDENDS

	<b>31 March 2014 Unaudited BD</b>	<b>31 December 2013 Audited BD</b>	<b>31 March 2013 Unaudited BD</b>
Balance at the beginning of the period / year	<b>4,457,975</b>	4,228,393	4,228,393
Dividends declared (note 5)	<b>4,600,000</b>	4,140,000	4,140,000
Dividends paid	<b>(102,265)</b>	(3,910,418)	(32,603)
Balance at the end of the period / year	<b><u>8,955,710</u></b>	<u>4,457,975</u>	<u>8,335,790</u>

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2014 (Unaudited)

#### 7 EARNINGS PER SHARE

	<i>For the three months ended</i>	
	<b>31 March 2014 Unaudited</b>	<b>31 March 2013 Audited</b>
Profit for the period – BD	<b>1,563,319</b>	<b>1,484,360</b>
Weighted average number of shares outstanding	<b>460,000,000</b>	<b>460,000,000</b>
Basic and diluted earnings per share	<b>3.40 Fils</b>	<b>3.23 Fils</b>

No separate figure for diluted earnings per share has been presented as the Company has not issued any financial instruments which may have a dilutive effect.

#### 8 COMMITMENTS AND CONTINGENCIES

##### a) *Capital commitments*

Capital expenditure commitments outstanding as at the financial position date but not yet provided for, relating to the projects in malls and properties are as follows:

	<b>31 March 2014 Unaudited BD</b>	<b>31 December 2013 Audited BD</b>
Seef Mall, Isa Town Mall and Magic Island renovation works	<b>1,647,672</b>	<b>310,823</b>

The Group's share of capital expenditure commitments outstanding as at the financial position date but not yet provided for, relating to the development of Muharraq Seef Mall are as follows:

	<b>31 March 2014 Unaudited BD</b>	<b>31 December 2013 Audited BD</b>
Muharraq Seef Mall	<b>2,333,973</b>	<b>2,982,866</b>

##### b) *Operating lease commitments*

The Group has entered into leases with commercial malls in the Kingdom of Bahrain for operating its leisure and recreational facilities. The Group's share of the joint venture's operating lease relating to the land on which Muharraq Seef Mall is being developed is included in the following disclosed gross commitments.

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2014 (Unaudited)

#### 8 COMMITMENTS AND CONTINGENCIES (continued)

##### b) Operating lease commitments (continued)

Future minimum rentals payable under cancellable operating leases are as follows:

	<b>31 March 2014 Unaudited BD</b>	<b>31 December 2013 Audited BD</b>
Within one year	<b>125,000</b>	125,000
After one year but not more than five years	<b>500,000</b>	500,000
More than five years	<b>4,364,583</b>	4,395,833
	<b>4,989,583</b>	5,020,833

##### c) Other commitments

Muharraq Mall Co. W.L.L. is expected to pay a royalty charge of 2.75% of its gross rental income receivable commencing from the year 2022 until the end of the lease term in 2053.

##### d) Legal cases

In the ordinary course of business, the Group is subject to legal claims. The Company has provided for certain claims relating to employees.

A third party has filed a claim against the Group towards damages caused by theft. The Group lost the case, however, it has filed an appeal against the ruling. The third party is seeking damages equal to BD 202,811 (2013: BD 202,811). The case is still ongoing as of 31 March 2014. The Group has been advised by its legal advisers that it is possible, but not probable, that the third party will succeed. Accordingly, no provision for any liability has been made in these interim condensed consolidated financial statements.

##### e) Guarantee

On 1 September 2013, Muharraq Mall Co. W.L.L., the joint venture, obtained an Islamic financing facility from a financial institution amounting to BD 8.01 million (equivalent of USD 21.25 million) to finance the construction of Muharraq Seef Mall. This financing is secured by joint and several corporate guarantees undertaken by the Company and other two venturers.

#### 9 SEGMENT INFORMATION

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

Malls and properties	-	Management of real estate including malls
Serviced apartments	-	Management of apartments
Leisure and entertainment	-	Operating leisure and recreational games facilities
Other	-	All activities other than property management and leisure activities

The operations of malls and properties include the management of Seef Mall and Isa Town Mall, and other properties in Hamad Town, Isa Town, Saar and Um-Al Hassam.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS

At 31 March 2014 (Unaudited)

**9 SEGMENT INFORMATION (continued)**

Serviced apartments represent Fraser Suites Seef - Bahrain, which generates income from the leasing of furnished serviced apartments and tourist restaurants.

The Group owns and operates leisure and recreational games facilities in different commercial malls in the Kingdom of Bahrain under its brand name, Magic Island.

The Group also earns income from the promotional space and car park areas in addition to other miscellaneous income.

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 interim condensed consolidated financial statements. Group financing (finance revenue) is managed on a group basis and is 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 furniture, equipment and vehicles, investment properties and accounts receivable.

Segment liabilities include all operating liabilities and consist primarily of employees' end of service benefits, unclaimed dividends and other payables and accruals.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2014 (Unaudited)

9 SEGMENT INFORMATION (continued)

	Malls and properties			Serviced apartments			Leisure and entertainment			Others			Elimination			Consolidated		
	Three months ended 31 March			Three months ended 31 March			Three months ended 31 March			Three months ended 31 March			Three months ended 31 March			Three months ended 31 March		
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Income from external operations	2,306,091	2,127,553	604,720	552,642	178,900	322,693	-	-	-	-	-	-	-	3,089,711	-	-	3,002,888	
Inter-segment income	38,935	55,185	-	-	-	-	-	-	-	-	-	-	(38,935)	-	-	-	-	
Less: cost of sales	246,699	198,197	156,122	154,813	150,742	277,893	-	-	-	-	-	-	(38,935)	514,628	-	-	575,718	
Gross profit	2,098,327	1,984,541	448,598	397,829	28,158	44,800	-	-	-	-	-	-	-	2,575,083	-	-	2,427,170	
Other operating income	-	-	-	-	-	-	247,242	235,157	-	-	-	-	-	247,242	-	-	235,157	
Profit on term deposits	-	-	-	-	-	-	118,036	108,444	-	-	-	-	-	118,036	-	-	108,444	
Operating profit	2,098,327	1,984,541	448,598	397,829	28,158	44,800	365,278	343,601	-	-	-	-	2,940,361	2,770,771	-	-	2,770,771	
Expenses																		
Staff costs	332,603	377,705	65,059	66,541	-	-	-	-	-	-	-	-	-	397,662	-	-	444,246	
General and administration, marketing and advertisement	361,194	288,047	109,778	87,231	6,130	12,716	-	-	-	-	-	-	-	477,102	-	-	387,994	
Depreciation	71,151	64,146	43,522	42,531	13,074	13,692	-	-	-	-	-	-	-	127,747	-	-	120,369	
Directors' remuneration	198,000	172,500	-	-	-	-	-	-	-	-	-	-	-	198,000	-	-	172,500	
Donations and charitable contributions	160,000	150,000	-	-	-	-	-	-	-	-	-	-	-	160,000	-	-	150,000	
Provision for doubtful debts	13,000	13,000	-	-	-	-	-	-	-	-	-	-	-	13,000	-	-	13,000	
Share of net (loss) profit from joint venture	962,379	919,143	230,239	201,526	8,954	18,392	365,278	343,601	-	-	-	-	1,566,850	1,482,662	-	-	1,482,662	
	(3,531)	1,698	-	-	-	-	-	-	-	-	-	-	(3,531)	1,698	-	-	1,698	
Segment profit for the period	988,848	920,841	230,239	201,526	8,954	18,392	365,278	343,601	-	-	-	-	1,563,319	1,484,360	-	-	1,484,360	

	31 March			31 December			31 March			31 December			31 March			31 December		
	2014			2013			2014			2013			2014			2013		
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Unaudited	Unaudited	Unaudited	Audited	Audited	Unaudited	Unaudited	Audited	Audited	Unaudited	Audited	
Total assets	128,818,964	127,317,942	10,685,645	10,589,104	231,654	278,033	-	-	-	(7,811,813)	(7,992,197)	131,924,450	130,192,882					
Total liabilities	10,852,974	6,131,413	8,064,670	8,191,800	-	-	-	-	-	(7,811,813)	(7,992,197)	11,105,831	6,331,016					

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 2014 (Unaudited)

**10 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 for the three months ended</i>	
	<b>31 March 2014 Unaudited BD</b>	<b>31 March 2013 Unaudited BD</b>
Directors' related entities	-	176,043
Muharraq Mall Co. W.L.L.	<b>4,099</b>	<b>4,099</b>
	<b>4,099</b>	<b>180,142</b>

During the Annual General Meeting held on 31 March 2013, a new Board of Directors has been appointed which has affected the related party balances and transactions disclosure as at the date of the interim condensed consolidated financial statements.

On 3 May 2012, the Company entered into a property services agreement with Muharraq Mall Co. W.L.L. During the period ended 31 March 2014, the Company charged the joint venture a development management fee of BD 7,500 (31 March 2013: BD 7,500), lease management fee of BD 23,664 (31 March 2013: nil) and management set-up fee of BD 6,000 (31 March 2013: nil) which are included in other operating income in the interim consolidated statement of comprehensive income.

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

	<b>31 March 2014 Unaudited BD</b>	<b>31 December 2013 Audited BD</b>
Muharraq Mall Co. W.L.L.      Other receivables	<b>74,211</b>	<b>18,260</b>

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

At 31 March 2014 (Unaudited)

**10 RELATED PARTY TRANSACTIONS (continued)****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>	
	<u>31 March</u> <b>2014</b> <i>Unaudited</i> <b>BD</b>	<u>31 March</u> <b>2013</b> <i>Unaudited</i> <b>BD</b>
Directors' remuneration	<b>198,000</b>	172,500
Management short-term benefits	<b>50,300</b>	51,100
Management end of service benefits	<b>2,025</b>	1,825
	<b>250,325</b>	225,425

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 that the debt will not be recovered. For the three months ended 31 March 2014, the Group has not recorded any impairment of amounts owed by related parties (31 March 2013: 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:

	<b>31 March</b> <b>2014</b>	<b>31 December</b> <b>2013</b>
Number of shares	<b>1,512,680</b>	1,512,680
Percentage of holdings	<b>0.33%</b>	0.33%

**11 COMPARATIVE FIGURES**

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.

	<i>As</i> <i>previously</i> <i>reported</i> <b>BD</b>	<i>Reclassification</i> <b>BD</b>	<i>As</i> <i>reported</i> <i>herein</i> <b>BD</b>
<b>Consolidated statement of comprehensive income</b>			
Cost of sales	488,217	87,501	575,718
Other operating income	235,157		235,157
Staff costs	530,894	(86,648)	444,246
General, administration, marketing and advertisement	382,747	5,247	387,994
Profit for the period	1,484,360	-	1,484,360