

**Bahrain Car Parks Company B.S.C.**

Condensed interim financial information  
for the quarter and nine months ended  
30 September 2018  
(Unaudited)

**Bahrain Car Parks Company B.S.C.**  
**Condensed interim financial information for the quarter and nine months ended**  
**30 September 2018**  
**(Unaudited)**

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**Bahrain Car Parks Company B.S.C.**  
**Administration and contact details as at 30 September 2018**

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<b>Commercial registration number</b>	11455 obtained on 31 October 1981	
<b>Board of Directors</b>	Ismaeel AbdulNabi Ismaeel AlMarhoon Nabeel Khaled Mohammed Kanoo Ali Mohamed Qasim Buhamood Ali Abdulla Mohamed Isa Mohamed Abdulelah AbdulRahim Alkooheji Aamal Hamad Salman AlZayani Abdulla Nooruddin Abdulla Nooruddin Yusuf AbdulRahman Yusuf Fakhro Yaser AbdulJalil Ali Alsharifi Badr A S Alhasawi	- Chairman - Vice chairman
<b>Executive Committee members</b>	Yaser AbdulJalil Ali Alsharifi Ali Mohamed Qasim Buhamood Aamal Hamad Salman AlZayani Abdulla Nooruddin Abdulla Nooruddin	- Chairman
<b>Audit Committee members</b>	Mohamed Abdulelah AbdulRahim Alkooheji Ali Abdulla Mohamed Isa Yusuf AbdulRahman Yusuf Fakhro	- Chairman
<b>NRCG Committee members</b>	Ismaeel AbdulNabi Ismaeel AlMarhoon Nabeel Khaled Mohammed Kanoo Badr A S Alhasawi	- Chairman
<b>Chief Executive Officer</b>	Tariq Ali Husain Aljowder	
<b>Director Finance</b>	Mahmood Husain Yaseen	
<b>Registered office</b>	Flat No. 210, Building No.128, Road No. 383, Block No. 316 2 <sup>nd</sup> Floor, Car Parks & Commercial Centre Government Avenue PO Box 5298 Manama Kingdom of Bahrain	
<b>Bankers</b>	Ahli United Bank National Bank of Bahrain Bank of Bahrain and Kuwait Al Salam Bank National Bank of Kuwait Ithmaar Bank	
<b>External auditors</b>	BDO 17 <sup>th</sup> Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	
<b>Internal auditors</b>	Protiviti - Bahrain PO Box 10231 Manama Kingdom of Bahrain	
<b>Share Registrar</b>	Karvy Computershare W.L.L. PO Box 514, Manama Kingdom of Bahrain  Bahrain Clear PO Box 3203 Manama Kingdom of Bahrain	

## **Review report on the condensed interim financial information to the Board of Directors of Bahrain Car Parks Company B.S.C.**

### ***Introduction***

We have reviewed the accompanying condensed interim statement of financial position of Bahrain Car Parks Company B.S.C. ("the Company") as at 30 September 2018, the condensed interim statement of profit or loss, the condensed interim statement of other comprehensive income, the condensed interim statement of changes in shareholders' equity and the condensed interim statement of cash flows for the quarter and nine months then ended, and selected explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### ***Scope of review***

We conducted our review in accordance with 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 condensed interim financial information does not present fairly, in all material respects, the financial position of the Company as at 30 September 2018, and of its financial performance and its cash flows for the quarter and nine months then ended in accordance with International Financial Reporting Standard IAS 34 - "*Interim Financial Reporting*".




Manama, Kingdom of Bahrain  
17 October 2018



Bahrain Car Parks Company B.S.C.  
Condensed interim statement of financial position as at 30 September 2018  
(Unaudited)  
(Expressed in Bahrain Dinars)

	Notes	30 September 2018 (Unaudited)	31 December 2017 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,906,880	2,934,605
Financial assets at fair value through other comprehensive income	5	3,104,956	-
Financial assets at fair value through profit or loss	6	-	3,344,978
Financial assets at amortised cost	7	380,871	-
Held-to-maturity investments	8	-	380,871
Investment properties	9	<u>492,044</u>	<u>481,360</u>
		<u>6,884,751</u>	<u>7,141,814</u>
<b>Current assets</b>			
Inventories		5,462	5,153
Short-term fixed deposits	10	5,343,210	5,375,417
Trade and other receivables	11	282,204	125,775
Cash and bank balances	12	<u>715,443</u>	<u>756,175</u>
		<u>6,346,319</u>	<u>6,262,520</u>
<b>Total assets</b>		<u>13,231,070</u>	<u>13,404,334</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	13	7,031,723	7,031,723
Treasury shares	13	(101,456)	(101,456)
Statutory reserve		2,949,540	2,949,540
Charity reserve		12,400	4,900
Investment fair value reserve		(240,022)	-
Retained earnings		<u>3,298,967</u>	<u>3,070,559</u>
<b>Total equity</b>		<u>12,951,152</u>	<u>12,955,266</u>
<b>Non-current liabilities</b>			
Employees' terminal benefits		<u>24,504</u>	<u>22,765</u>
<b>Current liabilities</b>			
Other payables	14	<u>255,414</u>	<u>426,303</u>
<b>Total liabilities</b>		<u>279,918</u>	<u>449,068</u>
<b>Total equity and liabilities</b>		<u>13,231,070</u>	<u>13,404,334</u>

These unaudited condensed interim financial information, set out on pages 4 to 21, was approved and authorised for issue by the Board of Directors on 17 October 2018 and signed on their behalf by:

  
Ismaeel AbdulNabi AlMarhoon  
Chairman

  
Nabeel Khaled Mohammed Kanoo  
Vice Chairman

  
Tariq Ali Aljowder  
Chief Executive Officer

**Bahrain Car Parks Company B.S.C.**  
**Condensed interim statement of profit or loss for the quarter and nine months ended 30 September 2018 (Unaudited)**  
**(Expressed in Bahrain Dinars)**

	Notes	Nine months ended 30 September 2018	Nine months ended 30 September 2017	Quarter ended 30 September 2018	Quarter ended 30 September 2017
Operating income	15	906,852	810,194	323,919	280,235
Net income from investments	16	293,937	343,463	60,954	131,113
Operating, general and administrative expenses	17	(582,999)	(528,789)	(194,293)	(179,784)
<b>Operating profit</b>		<b>617,790</b>	<b>624,868</b>	<b>190,580</b>	<b>231,564</b>
Other income		4,475	3,133	400	1,783
Directors' remuneration	18	(37,343)	(4,581)	-	-
<b>Net profit for the period</b>		<b>584,922</b>	<b>623,420</b>	<b>190,980</b>	<b>233,347</b>
<b>Basic and diluted earnings per share</b>	19	<b>8.44 fils</b>	<b>9.00 fils</b>	<b>2.75 fils</b>	<b>3.37 fils</b>

These unaudited condensed interim financial information, set out on pages 4 to 21, was approved and authorised for issue by the Board of Directors on 17 October 2018 and signed on their behalf by:

  
 Ismaeel AbdulNabi AlMarhoon  
 Chairman

  
 Nabeel Khaled Mohammed Kanoo  
 Vice Chairman

  
 Tariq Ali Aljowder  
 Chief Executive Officer

Bahrain Car Parks Company B.S.C.  
 Condensed interim statement of other comprehensive income for the quarter and nine months ended 30 September 2018 (Unaudited)  
 (Expressed in Bahrain Dinars)

	Notes	Nine months ended 30 September 2018	Nine months ended 30 September 2017	Quarter ended 30 September 2018	Quarter ended 30 September 2017
Net profit for the period		584,922	623,420	190,980	233,347
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Unrealised fair value losses on financial assets at fair value through other comprehensive income	5	(240,022)	-	(73,212)	-
Other comprehensive loss for the period		(240,022)	-	(73,212)	-
Total comprehensive income for the period		<u>344,900</u>	<u>623,420</u>	<u>117,768</u>	<u>233,347</u>

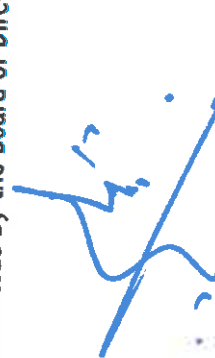
These unaudited condensed interim financial information, set out on pages 4 to 21, was approved and authorised for issue by the Board of Directors on 17 October 2018 and signed on their behalf by:



Ismaeel AbdulNabi AlMarhoon  
 Chairman



Nabeel Khaled Mohammed Kanoo  
 Vice Chairman



Tariq Ali Aljowder  
 Chief Executive Officer

**Bahrain Car Parks Company B.S.C.**  
**Condensed interim statement of changes in shareholders' equity for the nine months ended 30 September 2018 (Unaudited)**  
**(Expressed in Bahrain Dinars)**

	Share capital	Treasury shares	Statutory reserve	Charity reserve	Investment fair value reserve	Retained earnings	Total
At 31 December 2016 (audited)	7,031,723	(101,456)	2,869,545	5,900	-	2,707,123	12,512,835
Total comprehensive income for the period	-	-	-	-	-	623,420	623,420
Dividends paid for 2016 (Note 20)	-	-	-	-	-	(346,514)	(346,514)
Charity reserve created during the period	-	-	-	10,000	-	(10,000)	-
At 30 September 2017 (unaudited)	7,031,723	(101,456)	2,869,545	15,900	-	2,974,029	12,789,741
At 31 December 2017 (audited)	7,031,723	(101,456)	2,949,540	4,900	-	3,070,559	12,955,266
Total comprehensive income for the period	-	-	-	-	(240,022)	584,922	344,900
Dividends paid for 2017 (Note 20)	-	-	-	-	-	(346,514)	(346,514)
Charity reserve created during the period	-	-	-	10,000	-	(10,000)	-
Charity payments during the period	-	-	-	(2,500)	-	-	(2,500)
At 30 September 2018 (unaudited)	7,031,723	(101,456)	2,949,540	12,400	(240,022)	3,298,967	12,951,152



**Bahrain Car Parks Company B.S.C.**  
**Condensed interim statement of cash flows for the nine months ended 30 September 2018**  
**(Unaudited)**  
**(Expressed in Bahrain Dinars)**

	Notes	Nine months ended 30 September 2018	Nine months ended 30 September 2017
<b>Operating activities</b>			
Net profit for the period		584,922	623,420
Adjustments for:			
Depreciation	4	46,940	23,682
Unrealised fair value gains on financial assets at fair value through profit or loss	16	-	(94,122)
Unrealised fair value gains on investment properties	16	(10,684)	-
Interest income	16	(158,822)	(138,840)
Dividends income	16	(124,431)	(110,501)
Changes in operating assets and liabilities:			
Inventories		(309)	2,912
Trade and other receivables		(156,429)	279,045
Other payables		(170,889)	74,902
Employees' terminal benefits, net		1,739	2,492
Net cash provided by operating activities		<u>12,037</u>	<u>662,990</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	4	(19,215)	(75,031)
Additions to capital work-in-progress			(79,980)
Interest income received	16	158,822	138,840
Dividends received	16	124,431	110,501
Net movement in fixed deposits		<u>32,207</u>	<u>(489,627)</u>
Net cash provided by/(used in) investing activities		<u>296,245</u>	<u>(395,297)</u>
<b>Financing activities</b>			
Dividends paid	20	(346,514)	(346,514)
Charity payments		<u>(2,500)</u>	<u>-</u>
Net cash used in financing activities		<u>(349,014)</u>	<u>(346,514)</u>
Net decrease in cash and cash equivalents		(40,732)	(78,821)
Cash and cash equivalents, beginning of the period		<u>756,175</u>	<u>709,731</u>
Cash and cash equivalents, end of the period	12	<u>715,443</u>	<u>630,910</u>

**1 Organisation and activities**

Bahrain Car Parks Company B.S.C. (“the Company”) is a public Bahraini shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 11455 obtained on 31 October 1981.

The principal activity of the Company is the construction and operation of car parks.

The registered office of the Company is in the Kingdom of Bahrain.

**2 Basis of preparation**

***Basis of presentation***

The condensed interim financial information has been prepared in accordance with International Accounting Standard 34 - “Interim Financial Reporting”. The condensed interim financial information should therefore be read in conjunction with the annual audited financial statements prepared as at, and for the year ended, 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company’s accounting policies.

These financial statements have been prepared using the going concern assumption under the historical cost convention, except for the investment classified as financial assets at fair value through profit or loss which are recorded at their fair market value at the statement of financial position date.

The financials information has been presented in Bahraini Dinar (BD) which is also the functional currency of the Company.

***Improvements/amendments to IFRS 2014/2016 and 2015/2017 cycles***

Improvements/amendments to IFRS issued in 2014/2016 and 2015/2017 cycles contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. ‘Improvements to IFRS’ comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company’s annual audited financial statements beginning on or after 1 January 2018 and subsequent periods with earlier adoption permitted. No material changes to accounting policies are expected as a result of these amendments.

***Standards, amendments and interpretations effective and adopted in 2018***

The following new standards, amendment to existing standards or interpretation to published standards is mandatory for the first time for the financial year beginning 1 January 2018 and has been adopted in the preparation of these condensed interim financial information:

<b>Standard or interpretation</b>	<b>Title</b>	<b>Effective for annual periods beginning on or after</b>
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018

Bahrain Car Parks Company B.S.C.  
 Selected explanatory notes to the condensed interim financial information for the quarter and nine months ended 30 September 2018  
 (Unaudited)  
 (Expressed in Bahrain Dinars)

2 Basis of preparation (continued)

*Standards, amendments and interpretations effective and adopted in 2018 (continued)*

The impact of the adoption of IFRS 9 and 15 and related new accounting policies are disclosed in Note 3 below. The other standards did not have any impact on the Company's accounting policies and did not require retrospective adjustments.

*Standards, amendments and interpretations issued and effective in 2018 but not relevant*

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2018 or subsequent periods, but is not relevant to the Company's operations:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 28	Investments in associates	1 January 2018
IFRS 1	First-time adoption of International Financial Reporting Standards	1 January 2018
IFRS 2	Share-based payment	1 January 2018
IFRS 4	Insurance contracts	1 January 2018
IFRIC 22	Foreign currency transactions and advance consideration	1 January 2018

*Standards, amendments and interpretations issued but not yet effective in 2018*

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 September 2018. They have not been adopted in preparing the financial statements for the period ended 30 September 2018 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 12	Income taxes	1 January 2019
IAS 19	Employee benefits	1 January 2019
IAS 23	Borrowing costs	1 January 2019
IAS 40	Investment properties	1 July 2018
IFRS 3	Business combinations	1 January 2019
IFRS 11	Joint arrangements	1 January 2019
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance contracts	1 January 2021
IFRIC 23	Uncertainty over income tax treatments	1 January 2019

There would have been no change in the operational results of the Company for the period ended 30 September 2018 had the Company early adopted any of the above standards applicable to the Company, except for IFRS 16, the impact of which is being assessed by the Company.

*Early adoption of amendments or standards in 2018*

The Company did not early-adopt any new or amended standards in 2018.

### 3 Accounting policies

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the annual audited financial statements of the Company prepared as at, and for the year ended 31 December 2017, as described in those annual audited financial statements except for those changed due to adoption of IFRS 9 and 15.

#### *IFRS 9 - "Financial Instruments"*

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 January 2018 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are as set out below. In accordance with the exemptions available as per the transitional provisions in IFRS 9, the standard is applied retrospectively and the comparative figures have not been restated.

#### **Investments and other financial assets - Classification and measurement**

The Company classifies its financial assets in the following measurement categories:

1. Fair value through other comprehensive income, and
2. Amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in equity instruments that are not held for trading, fair value gains and losses recognition will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments under amortised cost representing financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. If there are any impairment losses, those are presented in the statement of profit or loss.

### 3 Accounting policies (continued)

#### *IFRS 9 - "Financial Instruments" (continued)*

##### Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of realised fair value gains and losses to profit or loss at each reporting date following the derecognition of the investment. Dividends from such investments continues to be recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the unrealised and realised fair value of financial assets at FVOCI are recognised in in the statement of other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its trade receivables and debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

If these equity instruments had not been reclassified, the Company would have recognised a fair value loss of BD240,022 in the statement of profit or loss for the nine months period ended 30 September 2018.

#### **Investments and other financial assets - impact of adoption**

##### *a) Reclassification from held-to-maturity to amortised cost*

Bonds which were previously classified as held-to-maturity amounting to BD380,871 are now classified at amortised cost. The Company intends to hold these investments to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. Therefore, for these held-to-maturity investments there was no difference between the previous carrying amount and the revised carrying amount of the other financial assets at 1 January 2018 to be recognised in opening retained earnings and only classification change as financial assets at amortised cost.

##### *b) Reclassification from financial assets at fair value through profit or loss to financial assets at fair value through other comprehensive income*

Equity securities are measured at fair value and all changes in fair value are recognised in the statement of other comprehensive income under IFRS 9. This category only includes equity instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to so classify upon initial recognition or transition. There was no impact on the amounts recognised in relation to these assets from the adoption of IFRS 9 as previously these were classified at fair value through profit or loss as allowed under IAS 39.

#### **IFRS 15 - "Revenue from Contracts with Customers"**

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

### 3 Accounting policies (continued)

#### IFRS 15 - "Revenue from Contracts with Customers" (continued)

##### Services income

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. Most of the Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

#### IFRS 16 - "Leases"

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments. However, the Company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Company does not intend to adopt the standard before its effective date.

Bahrain Car Parks Company B.S.C.  
 Selected explanatory notes to the condensed interim financial information for the quarter and nine months ended 30 September 2018  
 (Unaudited)  
 (Expressed in Bahrain Dinars)

4 Property, plant and equipment

	Freehold land	Building on leasehold land	Car park and other equipment	Office furniture and equipment	Total
<b>Cost</b>					
At 31 December 2016	2,487,226	8,138,413	15,525	62,869	10,704,033
Additions during the year	-	-	158,824	33,447	192,271
At 31 December 2017	2,487,226	8,138,413	174,349	96,316	10,896,304
Additions during the period	-	-	13,483	5,732	19,215
At 30 September 2018	<u>2,487,226</u>	<u>8,138,413</u>	<u>187,832</u>	<u>102,048</u>	<u>10,915,519</u>
<b>Accumulated depreciation</b>					
At 31 December 2016	32,696	7,844,825	898	46,345	7,924,764
Charge for the year	-	18,352	9,160	9,423	36,935
At 31 December 2017	32,696	7,863,177	10,058	55,768	7,961,699
Charge for the period (Note 17)	-	13,726	22,044	11,170	46,940
At 30 September 2018	<u>32,696</u>	<u>7,876,903</u>	<u>32,102</u>	<u>66,938</u>	<u>8,008,639</u>
<b>Net book amount</b>					
At 30 September 2018 (unaudited)	<u>2,454,530</u>	<u>261,510</u>	<u>155,730</u>	<u>35,110</u>	<u>2,906,880</u>
At 31 December 2017 (audited)	<u>2,454,530</u>	<u>275,236</u>	<u>164,291</u>	<u>40,548</u>	<u>2,934,605</u>

The land on which the car park building is constructed has been leased from the Government of the Kingdom of Bahrain at variable lease rentals for a period of 50 years commencing from the year 1982.

5 Investments in fair value through other comprehensive income

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Reclassification from Financial assets at fair value through Profit or loss on adoption of IFRS 9 (Note 6)	3,344,978	-
Unrealised fair value losses recognised in statement of other comprehensive income	(240,022)	-
Closing balance	<u>3,104,956</u>	<u>-</u>

The above investments are further classified as follows:

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Shares listed on the Bahrain Bourse	2,632,199	-
Unquoted equity shares	<u>472,757</u>	<u>-</u>
	<u>3,104,956</u>	<u>-</u>

Bahrain Car Parks Company B.S.C.  
 Selected explanatory notes to the condensed interim financial information for the quarter and nine months ended 30 September 2018  
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**5 Investments in fair value through other comprehensive income (continued)**

The investment categorised as financial assets at fair value through other comprehensive income are denominated in the following currencies:

Currency	30 September 2018 (Unaudited)	31 December 2017 (Audited)
United States Dollar	449,026	-
Bahrain Dinar	2,655,930	-
	<u>3,104,956</u>	<u>-</u>

**6 Financial assets at fair value through profit or loss**

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Opening balance	3,344,978	3,238,463
Transferred to Investments in fair value through other comprehensive income on adoption of IFRS 9 (Note 5)	(3,344,978)	-
Unrealised fair value gains for the period/year	-	106,515
Closing balance	<u>-</u>	<u>3,344,978</u>

**7 Financial assets at amortised cost**

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Reclassified form Held-to-maturity investments on adoption of IFRS 9 (Note 8)	<u>380,871</u>	<u>-</u>

Amortised cost investments represent bonds (Ahli United Bank Perpetual Tier 1 Capital Securities) carrying coupon interest of 6.875%, having maturity period of 5 years and are denominated in United States Dollars.

**8 Held-to-maturity investments**

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Opening balance	380,871	380,871
Transferred to Financial assets at amortised cost on adoption of IFRS 9 (Note 7)	(380,871)	-
Closing balance	<u>-</u>	<u>380,871</u>

Held-to-maturity investments represent bonds (Ahli United Bank Perpetual Tier 1 Capital Securities) carrying coupon interest of 6.875%, having maturity period of 5 years and are denominated in United States Dollars.



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9 Investment properties

	30 September 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Opening balance	481,360	481,360
Unrealised fair value gains for the period (Note 16)	<u>10,684</u>	<u>-</u>
Closing balance	<u>492,044</u>	<u>481,360</u>

During the period, the Company has carried out independent valuation for the freehold lands and the fair value of the properties as per valuation report based on recent open market price, amounted to BD492,044. Accordingly, a fair value gain amounting to BD10,684 was recognised during the period.

10 Short term fixed deposits

	30 September 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Short-term fixed deposit with banks maturing after 3 months but within 1 year	<u>5,343,210</u>	<u>5,375,417</u>

Fixed deposits held with the Company's bankers earn interest at rates ranging between 2.75% and 5% per annum (2017: between 1.95% and 4% per annum) and are denominated in Bahrain Dinars.

11 Trade and other receivables

	30 September 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Rents receivable from tenants	176,547	106,821
Less: provision for impaired rents receivable from tenants	<u>(46,633)</u>	<u>(46,633)</u>
	129,914	60,188
Accrued interest	121,975	54,469
Advances paid to creditors	14,063	4,066
Staff advances	4,000	4,000
Prepayments and other receivables	<u>12,252</u>	<u>3,052</u>
	<u>282,204</u>	<u>125,775</u>

The Company's rent receivables are generally on 30 days credit terms and are primarily denominated in Bahrain Dinar.

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12 Cash and bank balances

	30 September 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Cash on hand	779	477
Current account balances with banks	<u>714,664</u>	<u>755,698</u>
	<u>715,443</u>	<u>756,175</u>

The current account balances with banks bears interest rate ranging from 0% to 2.5% per annum.

13 Share capital

	30 September 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
<b>Authorised:</b>		
100,000,000 ordinary shares of 100 fils each (2017: 100,000,000 ordinary shares of 100 fils each)	<u>10,000,000</u>	<u>10,000,000</u>
<b>Issued and fully paid-up:</b>		
70,317,230 ordinary shares of 100 fils each (2017: 70,317,230 ordinary shares of 100 fils each)	7,031,723	7,031,723
Less: 1,014,560 treasury shares of 100 fils each (2017: 1,014,560 treasury shares of 100 fils each)	<u>(101,456)</u>	<u>(101,456)</u>
	<u>6,930,267</u>	<u>6,930,267</u>

14 Other payables

	30 September 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Unclaimed dividends	93,352	74,718
Other payables	146,062	339,980
Advances received from tenants	1,698	1,619
Provision for leave salary and air passage	<u>14,302</u>	<u>9,986</u>
	<u>255,414</u>	<u>426,303</u>

Other payables are generally settled within 30 to 60 days of the suppliers' invoice date.

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15 Operating income	Nine months ended 30 September 2018	Nine months ended 30 September 2017	Quarter ended 30 September 2018	Quarter ended 30 September 2017
Car park income	422,994	380,351	151,729	135,131
Rental income	370,153	358,967	122,180	120,970
Service charges income	<u>113,705</u>	<u>70,876</u>	<u>50,010</u>	<u>24,134</u>
	<u>906,852</u>	<u>810,194</u>	<u>323,919</u>	<u>280,235</u>
16 Net income/(loss) from investments	Nine months ended 30 September 2018	Nine months ended 30 September 2017	Quarter ended 30 September 2018	Quarter ended 30 September 2017
Unrealised fair value gains on financial assets at fair value through profit or loss	-	94,122	-	85,971
Dividend income	124,431	110,501	4,752	-
Interest income	158,822	138,840	56,202	45,142
Unrealised fair value gain on investment properties (Note 9)	<u>10,684</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>293,937</u>	<u>343,463</u>	<u>60,954</u>	<u>131,113</u>
17 Operating, general and administrative expenses	Nine months ended 30 September 2018	Nine months ended 30 September 2017	Quarter ended 30 September 2018	Quarter ended 30 September 2017
Other operating, general and administrative expenses	188,866	192,591	63,827	66,820
Staff costs	210,894	198,842	61,978	57,166
Lease rent expenses	82,848	62,322	35,044	29,504
Maintenance costs	53,451	51,352	17,334	16,788
Depreciation (Note 4)	<u>46,940</u>	<u>23,682</u>	<u>16,110</u>	<u>9,506</u>
	<u>582,999</u>	<u>528,789</u>	<u>194,293</u>	<u>179,784</u>

#### 18 Directors' remuneration

##### Accrued and expensed

An amount of BD37,343 has been accrued and expensed as directors' remuneration in 2018, relating to the year ended 31 December 2017 (2017: BD4,581 for the year ended 31 December 2016). The payment was approved by the shareholders in the Annual General Meeting held on 21 March 2018 (2017: 22 March 2017). Directors' remuneration is only expensed in the statement of profit or loss in the year in which it is approved by the shareholders.

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**19 Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding for the period.

	Nine months ended 30 September 2018	Nine months ended 30 September 2017	Quarter ended 30 September 2018	Quarter ended 30 September 2017
Net profit attributable to the shareholders	<u>584,922</u>	<u>623,420</u>	<u>190,980</u>	<u>233,347</u>
Weighted average number of ordinary shares	<u>69,302,670</u>	<u>69,302,670</u>	<u>69,302,670</u>	<u>69,302,670</u>
Basic and diluted earnings per share	<u>8.44 fils</u>	<u>9.00 fils</u>	<u>2.75 fils</u>	<u>3.37 fils</u>

The Company does not have any potentially dilutive ordinary shares. Hence the diluted earnings per share and basic earnings per share are identical.

**20 Dividends**

**Declared and paid**

A dividend of BD346,514 representing 5% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2017 (at 5 fils per share) (2017: BD346,514 for the year ended 31 December 2016 at 5 fils per share), was approved by the shareholders in the Annual General Meeting of the shareholders held on 21 March 2018 (2017: 22 March 2017).

**21 Transactions and balances with related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the shareholders, key management personnel and their close family members and such other companies over which the Company or its shareholders, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management and are on arm's length basis.

A summary of the significant transactions entered into with the related parties are as follows:

	Nine months ended 30 September 2018 (Unaudited)	Nine months ended 30 September 2017 (Unaudited)
Directors' remuneration	<u>37,343</u>	<u>4,581</u>
Board of directors attendance fee	<u>26,750</u>	<u>33,600</u>

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## 22 Lease commitments

The annual rent for the land on which the car park building is situated gets revised every ten years: it is either the higher of a fixed element increase or a percentage of the Company's gross operating profit. The charge for the quarter and nine months ended 30 September 2018 of BD82,848 is included in operating, general and administrative expenses (charge for the year ended 31 December 2017: BD101,596 (20% of the gross operating profit generated)).

The minimum lease commitments under the mentioned non-cancellable operating leases are as follows:

	30 September <u>2018</u>	31 December <u>2017</u>
Less than 1 year	10,000	10,000
More than 1 year and less than 5 years	57,500	40,000
More than 5 years	<u>165,000</u>	<u>190,000</u>
	<u>232,500</u>	<u>240,000</u>

## 23 Segmental information

### *Business segments - primary reporting segment*

The Company's primary segment reporting format is business segments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. The Company's primary business segments are:

- Car park rental - This business segment is involved in the operation of car parks.
- Investment activities - This business segment is involved in investing in shares listed on stock exchanges, managed funds and unquoted equity shares

### *As at, and for the quarter and nine months ended 30 September 2018*

	<u>Car park rental</u>	<u>Investment activities</u>	<u>Total</u>
Operating income	906,852	-	906,852
Other income	<u>4,475</u>	-	<u>4,475</u>
Total revenue	911,327	-	911,327
Net income from investments	-	293,937	293,937
Depreciation	<u>(46,940)</u>	-	<u>(46,940)</u>
Segment profit	<u>290,985</u>	<u>293,937</u>	<u>584,922</u>
Reportable segment assets as at 30 September 2018	<u>3,073,348</u>	<u>10,157,722</u>	<u>13,231,070</u>
Reportable segment liabilities as at 30 September 2018	<u>279,918</u>	-	<u>279,918</u>

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23 Segmental information (continued)

*As at 31 December 2017, and for the nine months ended 30 September 2017*

	<u>Car park rental</u>	<u>Investment activities</u>	<u>Total</u>
Operating income	810,194	-	810,194
Other income	<u>3,133</u>	<u>-</u>	<u>3,133</u>
Total revenue	813,327	-	813,327
Net income from investments	-	343,463	343,463
Depreciation	<u>(23,682)</u>	<u>-</u>	<u>(23,682)</u>
Segment profit	<u>279,957</u>	<u>343,463</u>	<u>623,420</u>
Reportable segment assets as at 31 December 2017	<u>3,009,784</u>	<u>10,394,550</u>	<u>13,404,334</u>
Reportable segment liabilities as at 31 December 2017	<u>449,068</u>	<u>-</u>	<u>449,068</u>

**Geographical segments - secondary reporting segment**

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The Company's operations are restricted to the Kingdom of Bahrain; therefore no geographical segmental information has been presented.

24 Interim results

The interim net profit for the quarter and nine months ended 30 September 2018 may not represent a proportionate share of the annual net profit or loss due to the variability in timing of the receipt of dividend and investments income.

25 Events after the reporting date

There were no events occurring subsequent to 30 September 2018 and before the date of the report that are expected to have a significant impact on these condensed interim financial information.