

Condensed interim financial statements and review report
Banader Hotels Company B.S.C.
For the period from 1 January 2016 to 30 June 2016

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General information

Commercial registration	:	59045 obtained on 20 December 2005	
Directors	:	Mr. Abdulla Hasan Buhindi Mr. Jehad Yusuf Abdulla Amin Mr. Khaled Ali Al-Ameen Mr. Mohammed Farooq Yusuf Al-Moayyed Mr. Ammar Aqeel Al-Hassan Mr. Sulaiman Ahmed Saeed Al-Houqani Mr. Suhail Mohammed Hajee Mr. Nael Jamil Isa Hashweh Mr. Yusuf Abdulrahman Fakhroo Mr. Redha Abdulla Ali Faraj	- Chairman - Vice Chairman - Director - Director - Director - Director - Director - Director - Director - Director
Audit Committee	:	Mr. Khaled Ali Al-Ameen Mr. Yusuf Abdulrahman Yusuf Fakhro Mr. Mohammed Farooq Yusuf Al-Moayyed Mr. Ammar Aqeel Al-Hassan Mr. Redha Abdulla Ali Faraj	- Chairman - Vice Chairman - Member - Member - Member
General Manager	:	Mr. Ebrahim M. A. Bucheery	
Registered office	:	Office 12, Building 1006 Road 2813, Block 428 Al Seef Area P.O. Box 2474 Manama, Kingdom of Bahrain	
Bankers	:	Kuwait Finance House Bank of Bahrain and Kuwait HSBC Bank Middle East Limited	
Reviewers	:	Grant Thornton - Abdulaal P.O. Box 11175 12 th Floor, Al Nakheel Tower Seef District, Kingdom of Bahrain	
Registrar	:	Karvy Computershare W.L.L. P.O. Box 514 Manama, Kingdom of Bahrain	

Review report

Grant Thornton - Abdulaal
PO Box: 11175
12th Floor, Al Nakheel Tower
Seef District, Kingdom of Bahrain

T (+973) 17 500188
F (+973) 17 500199
www.gt.bahrain.com
C.R. No : 38883

**To the Shareholders of
Banader Hotels Company B.S.C.**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Banader Hotels Company B.S.C.** (the “**Company**”) as at 30 June 2016 and the condensed interim statements of comprehensive income, changes in equity and cash flows for the period from 1 January 2016 to 30 June 2016, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this 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 interim financial information does not present fairly, in all material respects, the financial position of the entity as at 30 June 2016, and its financial performance and its cash flows for the six month period then ended in accordance with IAS 34 Interim Financial Reporting.



Partner's Registration No. 30
10 August 2016
Manama, Kingdom of Bahrain

Condensed interim statement of financial position

	Notes	Unaudited 30 June 2016 BD	31 December 2015 BD
Assets			
Non-current asset			
Property, plant and equipment	3	43,526,332	3,071,979
Capital work in progress	4	-	40,166,411
		43,526,332	43,238,390
Current assets			
Inventories	5	393,872	338,794
Trade and other receivables	6	416,903	468,925
Cash and cash equivalents	7	245,113	221,770
		1,055,888	1,029,489
Total assets		44,582,220	44,267,879
Equity and liabilities			
Equity			
Share capital	13	22,950,150	15,000,000
Preference shares	13	-	6,115,500
Capital adjustment account	13	(2,434,650)	(600,000)
Statutory reserve	14	65,681	65,681
General reserve	15	12,264	-
Accumulated losses		(3,653,888)	(1,153,766)
		16,939,557	19,427,415
Liabilities			
Non-current liabilities			
Term loan	9	20,687,030	18,409,313
Amount due to related party	10	2,063,363	315,222
Retention payables		431,978	1,579,922
Employees' terminal benefits	12	55,084	38,050
		23,237,455	20,342,507
Current liabilities			
Trade and other payables	8	635,146	1,626,554
Current portion of term loan	9	1,105,923	568,038
Current portion of amount due to related party	10	-	600,000
Current portion of retention payables		2,664,139	1,579,921
Bank overdraft	11	-	123,444
		4,405,208	4,497,957
Total liabilities		27,642,663	24,840,464
Total equity and liabilities		44,582,220	44,267,879

These condensed interim financial statements were approved by the Board of Directors on 10 August 2016 and signed on its behalf by:


Jehad Yusuf Amin,
Vice Chairman

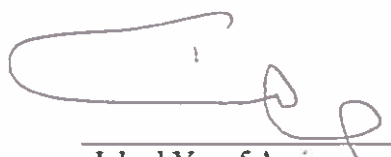

Ammar Aqeel Al-Hassan
Director

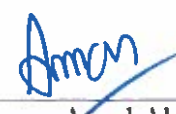
The accounting policies and the notes from pages 7 to 20 form an integral part of these condensed interim financial statements.

Condensed interim statement of comprehensive income

	Notes	Unaudited Period from 1 April 2016 to 30 June 2016 BD	Unaudited Period from 1 April 2015 to 30 June 2015 BD	Unaudited Period from 1 January 2016 to 30 June 2016 BD	Unaudited Period from 1 January 2015 to 30 June 2015 BD
Operating revenue	16	496,330	-	613,196	-
Cost of operations	17	(645,600)	-	(833,131)	-
Gross loss		(149,270)	-	(219,935)	-
Expenses					
Staff costs		(279,780)	-	(375,989)	-
General and administrative expenses	18	(153,124)	-	(184,659)	-
Corporate expenses	19	(44,962)	(27,977)	(81,469)	(63,505)
Pre-opening expenses	20	(116,671)	(111,567)	(818,867)	(141,399)
Depreciation	3	(357,558)	(153)	(478,465)	(295)
Finance costs		(258,417)	-	(328,474)	-
		(1,210,512)	(139,697)	(2,267,923)	(205,199)
Loss for the period transferred to accumulated losses		(1,359,782)	(139,697)	(2,487,858)	(205,199)
Basic and diluted loss per share	21	(0.006)	(0.001)	(0.013)	(0.001)

These condensed interim financial statements were approved by the Board of Directors on 10 August 2016 and signed on its behalf by:


Jehad Yusuf Amin
Vice Chairman


Ammar Aqeel Al-Hassan
Director

Condensed interim statement of changes in equity

	Share capital	Preference shares	Capital adjustment account	Statutory reserve	General reserve	Accumulated losses	Total
	BD	BD	BD	BD	BD	BD	BD
At 1 January 2015	15,000,000	6,115,500	(600,000)	65,681	-	1,371	20,582,552
Loss for the period	-	-	-	-	-	(205,199)	(205,199)
At 30 June 2015 – Unaudited	15,000,000	6,115,500	(600,000)	65,681	-	(203,828)	20,377,353
At 1 January 2016	15,000,000	6,115,500	(600,000)	65,681	-	(1,153,766)	19,427,415
Conversion into share capital	7,950,150	(7,950,150)	-	-	-	-	-
Effect of conversion	-	1,834,650	(1,834,650)	-	-	-	-
Loss for the period	-	-	-	-	-	(2,487,858)	(2,487,858)
Transfer to general reserve	-	-	-	-	12,264	(12,264)	-
At 30 June 2016 – Unaudited	22,950,150	-	(2,434,650)	65,681	12,264	(3,653,888)	16,939,557

The accounting policies and the notes from pages 7 to 20 form an integral part of these condensed interim financial statements.

Condensed interim statement of cash flows

	Unaudited Period from 1 January 2016 to 30 June 2016	Unaudited Period from 1 January 2015 to 30 June 2015
	BD	BD
Operating activities		
Loss for the period	(2,487,858)	(205,199)
Adjustments for:		
Depreciation	478,465	295
Loss on disposal of property, plant and equipment	-	86
Provision for employees' terminal benefits	21,836	1,871
Finance costs	328,474	-
Operating loss before working capital changes	(1,659,083)	(202,947)
Changes in operating assets and liabilities:		
Change in inventories	(55,078)	-
Change in trade and other receivables	52,022	1,347,376
Change in trade and other payables	(991,408)	(150,241)
Change in retention payables	(63,726)	597,898
Payment of employees' terminal benefits	(4,802)	-
Net cash (used in)/generated from operating activities	(2,722,075)	1,592,086
Investing activities		
Purchase of property, plant and equipment	(207,091)	(1,330)
Proceeds from sale of property, plant and equipment	-	100
Additions to capital work in progress	(559,316)	(8,056,862)
Net cash used in investing activities	(766,407)	(8,058,092)
Financing activities		
Proceeds from term loan	2,815,602	-
Additions to amount due to related party	1,148,141	-
Proceeds from murabaha financing	-	6,074,107
Finance costs paid	(328,474)	-
Net cash generated from financing activities	3,635,269	6,074,107
Net change in cash and cash equivalents	146,787	(391,899)
Cash and cash equivalents, beginning of the period	98,326	829,291
Cash and cash equivalents, end of the period	245,113	437,392
Comprises:		
Cash in hand	5,543	502
Bank balances	239,570	436,890
	245,113	437,392

The accounting policies and the notes from pages 7 to 20 form an integral part of these condensed interim financial statements.

Notes to the condensed interim financial statements

30 June 2016

1. Organisation and activities

Banader Hotels Company B.S.C. (the “Company”) is a public joint stock company registered in the Kingdom of Bahrain with the Ministry of Industry and Commerce under commercial registration number 59045 dated 20 December 2005. The Company owns the Downtown Rotana Hotel which is managed by Rotana Hotel Management Corporation Limited LLC under a 10 year agreement beginning from the actual date of takeover of the management and renewable for three additional terms of ten years.

These condensed interim financial statements include operations and results of its following branch:

- i) Downtown Rotana Hotel B.S.C. CR. No. 59045-2 obtained on 15 February 2016.

The Downtown Rotana Hotel commenced its operations from 1 March 2016.

The principal activities of the Company are building and investing in hotels.

The Company’s registered office is situated in the Kingdom of Bahrain.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Company’s condensed interim financial statements have been prepared on the basis of historical cost convention. The Company’s condensed interim financial statements are presented in Bahrain Dinars which is the functional currency of the Company.

2.2 Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2015.

2.3 Accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Company’s financial statements for the year ended 31 December 2015 except for revenue recognition adopted during the period and depreciation rates for building, furniture and fixtures as disclosed in Notes 2.5 and 2.6 to the condensed interim financial statements.

2.4 Standards and amendments not yet effective

Certain new standards, amendments and interpretations to existing standards have been published and are expected to be relevant to the Company but are not yet effective and have not been adopted early by the Company.

- IFRS 9, “Financial Instruments” (effective for annual periods beginning on or after 1 January 2018); and
- IFRS 15, “Revenue from Contracts with Customers” (effective from annual periods beginning on or after 1 January 2018).

Management does not expect the above standards to have a material effect on the Company’s financial position and results of its operations.

2.5 Property, plant and equipment

Depreciation is recognised on the basis of straight line method to write down the cost less estimated residual value of property, plant and equipment other than freehold land. The estimated useful lives of property, plant and equipment for the depreciation purpose are as follows:

Building	40 years
Furniture and fixtures	5 years
Computers and office equipment	5 years
Motor vehicles	5 years

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding government levy.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from services is recognized upon rendering of services provided the amount of the revenue can be measured reliably.

3. Property, plant and equipment

	Freehold land	Building	Furniture and fixtures	Computer and office equipment	Motor vehicles	30 June 2016 Total	31 December 2015 Total
	BD	BD	BD	BD	BD	BD	BD
Costs							
At 1 January	3,048,313	-	-	13,356	26,525	3,088,194	3,064,292
Additions	-	-	180,739	26,352	-	207,091	24,675
Transfers	-	38,493,360	2,043,952	188,415	-	40,725,727	-
Disposals	-	-	-	-	-	-	(773)
At 30 June/31 December	3,048,313	38,493,360	2,224,691	228,123	26,525	44,021,012	3,088,194
Accumulated depreciation							
At 1 January	-	-	-	10,005	6,210	16,215	14,704
Charge for the period/year	-	321,510	141,093	13,686	2,176	478,465	2,098
Disposals	-	-	-	-	-	-	(587)
At 30 June/31 December	-	321,510	141,093	23,691	8,386	494,680	16,215
Net book value							
At 30 June 2016	3,048,313	38,171,850	2,083,598	204,432	18,139	43,526,332	-
At 31 December 2015	3,048,313	-	-	3,351	20,315	-	3,071,979

In 2015, the Company had obtained a professional valuation of the freehold land from three independent property valuers, the fair value of which ranged between BD4,350,000 and BD5,951,351 and on a conservative basis, the Company has taken the lowest valuation of BD4,350,000 as the basis for ensuring that no provision for impairment is considered necessary.

Freehold land and building are mortgaged against the term loan and bank overdraft facility obtained by the Company (Notes 9 and 11).

Building includes accumulated borrowing costs of BD1,884,269 directly attributable to the construction of the Building.

4. Capital work in progress

	30 June 2016 BD	31 December 2015 BD
Opening balance	40,166,411	27,696,146
Construction costs incurred during the period/year (i)	509,316	12,224,909
Consultancy and architect fees	50,000	245,356
Transferred to property, plant and equipment	(40,725,727)	-
Closing balance	-	40,166,411

Capital work in progress represents expenditure incurred on construction, consultancy and architect fees for the development of the hotel at Bab-Al-Bahrain, Manama, Kingdom of Bahrain. It includes accumulated borrowing costs of BD1,884,269 (2015: BD1,745,019) directly attributable to the acquisition, construction or production of a qualifying asset.

- (i) This amount includes the borrowing costs capitalized during the period/year amounted to BD139,250 (2015: BD1,370,818).

5. Inventories

	30 June 2016 BD	31 December 2015 BD
Food and beverages	98,537	-
Consumables	295,335	338,794
	393,872	338,794

6. Trade and other receivables

	30 June 2016 BD	31 December 2015 BD
Trade receivables	101,833	-
Advance paid to suppliers/contractors	141,828	438,808
Prepayments	135,969	5,332
Deposits	30,104	23,204
Advances to staff	1,104	-
Other receivables	6,065	1,581
	416,903	468,925

All amounts are short term. The carrying values of trade and other receivables are considered to be a reasonable approximate of fair value at the interim financial position date.

7. Cash and cash equivalents

	30 June 2016 BD	31 December 2015 BD
Cash in hand	5,543	1,659
Bank balances	239,570	220,111
	245,113	221,770

There are no restrictions on bank balances at the time of approval of the condensed interim financial statements.

8. Trade and other payables

	30 June 2016 BD	31 December 2015 BD
Trade payables	248,669	161,198
Accrued expenses	109,847	-
Leave salary and air passage	102,320	52,406
Payable to contractors	24,686	1,347,217
Payable to consultant	60,000	50,000
Government levy payable	49,633	-
Advances from customers	22,120	-
Refundable subscription to share capital	15,733	15,733
Management fee payable	2,138	-
	635,146	1,626,554

The carrying values of trade and other payables are considered to be a reasonable approximate of fair value at the financial position date.

9. Term loan

	30 June 2016 BD	31 December 2015 BD
HSBC Bank Middle East Limited	21,792,953	18,977,351
Less: Current portion	(1,105,923)	(568,038)
Non - current portion	20,687,030	18,409,313

This represents term loan of up to BD25,000,000 obtained from HSBC Bank Middle East Limited to finance the settlement of the Murabaha facility, fund the Project and its pre-operating expenses until the soft opening of the Hotel, and fund the retention payable to the Project's contractors. This loan bears interest rates varying from 2.2% to 2.45% plus the BHIBOR or T-bills rate (2015: 2.2% to 2.45% plus the BHIBOR or T-bills rate), as applicable, and is repayable in 29 quarterly instalments ranging from BD131,139 to BD657,011 and final payment of BD11,145,000. The final instalment is falling due on 31 March 2023. The loan is secured against the freehold land and building bearing title deed number 146959 (Note 3) and guarantee of BMMI B.S.C. in the amount of BD25,750,000.

Notes to the condensed interim financial statements for the period ended 30 June 2016

The Company entered into an assignment of receivables agreement with HSBC Bank Middle East Limited on 8 July 2015 whereby the Company irrevocably and unconditionally assigned to the Bank, all monies due and to become due to the Company from its operations until the full amount of loan including the interest is settled.

That portion of the term loan which is repayable within twelve months from the financial position date is classified as current liability in the statement of financial position.

10. Amount due to related party

	30 June 2016 BD	31 December 2015 BD
BMMI B.S.C.	2,063,363	915,222
Less: Current portion	-	(600,000)
Non - current portion	<u>2,063,363</u>	<u>315,222</u>

The amount due to related party includes loan of BD1,463,363 (2015: BD315,222) obtained from BMMI B.S.C. to finance the completion of construction work of the Project. The loan from BMMI B.S.C. bears interest of 2.45% over BHIBOR and is repayable within a maximum period of 60 months. In the event of default, the Company will carry out a Rights Issuing allowing the conversion of the remaining unpaid instalments into preference shares with the process expected to result in the final allotment by 2020.

That portion of the amount due to related party which is repayable within twelve months from the financial position date is classified as current liability in the condensed interim statement of financial position.

In addition, during the period the amount due to BMMI B.S.C. in the amount of BD600,000 was transferred to non-current portion based on confirmation from related party that it will be payable one year after the financial position date.

11. Bank overdraft

	30 June 2016 BD	31 December 2015 BD
HSBC Bank Middle East Limited	-	<u>123,444</u>

The overdraft facility obtained from the Company's bankers to finance working capital requirements of the Company, bears interest at a rate of 2% per annum over one month BHIBOR and is secured against the freehold land and building bearing title deed number 146959 (Notes 3).

12. Employees' terminal benefits

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	30 June 2016	31 December 2015
	BD	BD
Opening	38,050	4,098
Amount provided for the period/year	21,836	43,440
Amount paid during the period/year	(4,802)	(9,488)
Closing	55,084	38,050

The number of staff employed by the Company at 30 June 2016 was 278 (31 December 2015: 221).

13. Share capital

	30 June 2016	31 December 2015
	BD	BD
Authorized share capital:		
Ordinary shares		
300,000,000 ordinary shares of 100 fils each (2015: 300,000,000 ordinary shares of 100 fils each)	30,000,000	30,000,000
Irredeemable preference shares		
64,500 preference shares of BD100 each (2015: 64,500 preference shares of BD100 each)	6,450,000	6,450,000
Issued share capital:		
Ordinary shares		
229,501,500 ordinary shares of 100 fils each (2015: 150,000,000 ordinary shares of 100 fils each)	22,950,150	15,000,000
Irredeemable preference shares		
2015: 61,155 preference shares of BD100 each	-	6,115,500
Less: Transaction costs	-	(600,000)
	-	5,515,500

Out of the total issued and paid up ordinary share capital, BD3,000,000 was in kind pertaining to contribution of land by one of the Company's shareholders, BMMI B.S.C.

An extraordinary general meeting of the Shareholders held on 29 March 2012 resolved to issue non-participating, irredeemable, non-cumulative, convertible preference shares to the existing Shareholders and authorised the Board of Directors to process the related formalities.

Notes to the condensed interim financial statements for the period ended 30 June 2016

			31 December 2015
			Percentage of
Nationality	Number of shares		shareholding interest
BMMI B.S.C.	Bahraini	45,726,880	30.48%
Sulaiman Ahmed Saeed Al-Hoqani	Emirati	14,939,993	9.96%
Nasser Mohamed Al Nuwais	Emirati	11,250,000	7.50%
General public	Various	78,083,127	52.06%
		150,000,000	100%

The Shareholders of ordinary shares have equal voting rights.

The distribution pattern of ordinary shares, setting out the number of shareholders and percentages in the following categories is as follows:

			30 June 2016
			Percentage of
Number of shareholders	Number of shares		total outstanding shares
Less than 1%	3,207	70,015,704	30.51%
1% up to less than 5%	4	20,818,923	9.07%
5% up to less than 10%	1	14,939,993	6.51%
10% up to less than 60%	1	123,726,880	53.91%
	3,213	229,501,500	100%

			31 December 2015
			Percentage of
Number of shareholders	Number of shares		total outstanding shares
Less than 1%	3,229	54,571,217	36.39%
1% up to less than 5%	12	23,511,910	15.67%
5% up to less than 10%	2	26,189,993	17.46%
10% up to less than 50%	1	45,726,880	30.48%
	3,244	150,000,000	100%

The percentage of shares held by the Directors to the total number of shares at 30 June 2016 was 7.59% (2015: 11.71%)

Additional information on preference shares shareholding pattern

	Nationality	Number of shares	31 December 2015
			Percentage of shareholding interest
			BD
BMMI B.S.C.	Bahraini	60,000	98.11%
General public	Various	1,155	1.89%
		61,155	100%

The distribution pattern of preference shares, setting out the number of shareholders and percentages in the following categories is as follows:

	Number of shareholders	Number of shares	31 December 2015
			Percentage of total outstanding shares
Less than 1%	15	243	0.40%
1% up to less than 5%	1	912	1.49%
5% up to less than 99%	1	60,000	98.11%
	17	61,155	100%

14. Statutory reserve

Under the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's profit for the year before appropriations is required to be transferred to a non-distributable reserve account up to a minimum of 50% of the issued share capital. No transfer has been made to this reserve as the Company has incurred a loss (2015: Nil).

15. General reserve

General reserve represents funds set aside for the future capital expenditure. It is calculated based on 2% of the gross revenue in the first two years of operations, 3% of the gross revenue on the next two years of operations and 4% thereafter.

16. Operating revenue

	Period from 1 April 2016 to 30 June 2016	Period from 1 April 2015 to 30 June 2015	Period from 1 January 2016 to 30 June 2016	Period from 1 January 2015 to 30 June 2015
	BD	BD	BD	BD
Rooms	315,311	-	396,501	-
Food and beverages	168,145	-	201,167	-
Other operating departments	12,874	-	15,528	-
	496,330	-	613,196	-

17. Cost of operations

	Period from 1 April 2016 to 30 June 2016	Period from 1 April 2015 to 30 June 2015	Period from 1 January 2016 to 30 June 2016	Period from 1 January 2015 to 30 June 2015
	BD	BD	BD	BD
Food and beverages	79,976	-	100,532	-
Other overhead expenses	106,847	-	139,837	-
Direct labour	285,878	-	380,361	-
Consumables	172,899	-	212,401	-
	645,600	-	833,131	-

18. General and administrative expenses

	Period from 1 April 2016 to 30 June 2016	Period from 1 April 2015 to 30 June 2015	Period from 1 January 2016 to 30 June 2016	Period from 1 January 2015 to 30 June 2015
	BD	BD	BD	BD
Commission	29,457	-	32,897	-
Printing and stationery	18,195	-	22,581	-
IT Costs	14,908	-	19,517	-
Advertisement expenses	13,456	-	17,337	-
Complimentary food, beverage and gifts	11,844	-	14,218	-
Management fees	9,927	-	12,264	-
Legal and professional fees	8,160	-	10,710	-
Selling expenses	8,016	-	10,440	-
Cleaning expenses	4,343	-	4,858	-
Entertainment expenses	3,170	-	4,791	-
Travelling expenses	3,005	-	3,108	-
Other expenses	28,643	-	31,938	-
	153,124	-	184,659	-

19. Corporate expenses

	Period from 1 April 2016 to 30 June 2016	Period from 1 April 2015 to 30 June 2015	Period from 1 January 2016 to 30 June 2016	Period from 1 January 2015 to 30 June 2015
	BD	BD	BD	BD
Staff cost	18,882	11,940	33,139	25,439
Legal and professional fees	5,400	3,425	7,406	7,200
Stock exchange subscription fees	4,594	4,594	9,188	9,188
Sitting fees	4,200	3,600	13,400	11,200
Advertisement expenses	1,806	1,682	4,255	4,168
Rent	1,578	1,167	2,746	2,331
Loss on disposal of property, plant and equipment	-	86	-	86
Other expenses	8,502	1,483	11,335	3,893
	44,962	27,977	81,469	63,505

20. Pre-opening expenses

	Period from 1 April 2016 to 30 June 2016	Period from 1 April 2015 to 30 June 2015	Period from 1 January 2016 to 30 June 2016	Period from 1 January 2015 to 30 June 2015
	BD	BD	BD	BD
Staff costs	32,979	102,933	474,681	131,163
Printing and stationery	23,079	1,102	40,142	1,152
Advertisement	17,963	1,082	68,808	2,549
Insurance	15,918	1,640	21,028	1,640
Utilities expenses	9,599	406	39,554	406
Cleaning expenses	6,414	-	17,800	-
Courier charges, clearing and customs duty	4,159	-	9,580	-
Consumables	3,780	-	83,439	-
Professional fees	1,799	-	59,160	-
Rent	-	3,250	-	3,250
Miscellaneous expenses	981	1,154	4,675	1,239
	116,671	111,567	818,867	141,399

21. Loss per share

	Period from 1 April 2016 to 30 June 2016	Period from 1 April 2015 to 30 June 2015	Period from 1 January 2016 to 30 June 2016	Period from 1 January 2015 to 30 June 2015
	BD	BD	BD	BD
Numerator				
Net loss for the period used in basic and diluted EPS	(1,359,782)	(139,697)	(2,487,858)	(205,199)
Denominator				
Weighted average number of ordinary shares issued in basic EPS	221,638,714	150,000,000	185,819,357	150,000,000
Effects of:				
Convertible preference shares issued	-	-	-	-
Weighted average number of shares used in diluted EPS	221,638,714	150,000,000	185,819,357	150,000,000
Basic and diluted loss per share	(0.006)	(0.001)	(0.013)	(0.001)

In 2015, the 61,155 non-participating, irredeemable, non-cumulative, convertible preference shares were not considered in calculation of diluted earnings per share as it is antidilutive and will decrease the loss per share.

22. Segmental information

The Company's activities are restricted to building and investing in hotels. As the Company has hotel operations as its only business segment, no business segmental information has been presented.

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

23. Related party transactions

The Company's related parties include the Shareholders, Directors, their close relatives and businesses under their control. The Company's transactions with related parties are in the ordinary course of business. The balances with related parties at financial position date have been separately disclosed in the condensed interim financial statements.

The following amount arises out of the transactions with related parties of the Companies are reflected in the condensed interim financial statements;

Name of the related party	Nature of transactions	2016 BD	2015 BD
Board of Directors	Sitting fee	13,400	7,600
BMMI B.S.C.	Purchases	51,445	-

24. Commitments

a. Operating lease commitments

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

	30 June 2016 BD	31 December 2015 BD
Within one year	271,200	264,850
More than one year but within five years	204,200	326,200
	475,400	591,050

b. Capital commitments

Commitments on capital work in progress as at 30 June 2016 and 31 December 2015 are as follows:

	30 June 2016 BD	31 December 2015 BD
Construction costs	40,190	928,605
Project management, consultancy fees and Hotel FF&E	38,063	160,589
	78,253	1,089,194

25. Post-reporting date events

No other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

26. Comparative figures

The comparative figures for the previous period have been reclassified/re-arranged wherever necessary to conform to the presentation in the current period's condensed interim financial statements.