

ZAIN BAHRAIN B.S.C.

CONDENSED INTERIM FINANCIAL INFORMATION
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

ZAIN BAHRAIN B.S.C.

<u>Commercial Registration No.</u>	50603
<u>Chairman of the Board</u>	Sh. Ahmed Bin Ali Al Khalifa
<u>Members of the Board of Directors</u>	Sh. Rashid Bin Abdulrahman Al Khalifa – Independent Director Mr. Ali Hassan Al-Khaja – Independent Director Mr. Bader Nasser Al-Kharafi Mr. Ahmed Tahous Al-Tahous Mr. Yousif Khaled Alabdurazzaq Mr. Saud Ahmed Al-Nahari
<u>Corporate Secretary</u>	Ms. Latifah Salahuddin
<u>Chief Executive Officer</u>	Mr. Scott Gegnheimer
<u>General Manager</u>	Mr. Mohammed Zainalabedin
<u>Finance Director</u>	Mr. Mudassar Muhammad Ali
<u>Registered Office</u>	P.O. Box 266 Manama, Kingdom of Bahrain
<u>Principal Bankers</u>	National Bank of Kuwait Bank of Bahrain and Kuwait National Bank of Bahrain First Abu Dhabi Bank Ahli United Bank Ithmaar Bank Arab Bank Khaleeji Commercial Bank Al Salam Bank Kuwait Finance House Bahrain Islamic Bank Al Baraka Islamic Bank Standard Chartered Bank United Bank Ltd
<u>Auditors</u>	Deloitte & Touche - Middle East P.O. Box 421 Manama, Kingdom of Bahrain

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Chairman and Board Members
Zain Bahrain B.S.C.
Kingdom of Bahrain

Introduction

We have reviewed the accompanying interim statement of financial position of Zain Bahrain B.S.C. (the "Company") as at September 30, 2019 and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). 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 is not prepared, in all material respect, in accordance with International Accounting Standard 34.



DELOITTE & TOUCHE – MIDDLE EAST
Partner Registration No. 184
Manama, Kingdom of Bahrain

November 4, 2019

ZAIN BAHRAIN B.S.C.
INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2019

	Notes	September 30, 2019 (Unaudited) BD '000	December 31, 2018 (Audited) BD '000
ASSETS			
Current assets			
Cash and banks		12,047	5,045
Accounts receivable and other assets	5	21,560	23,555
Inventories	6	1,502	3,081
Total current assets		35,109	31,681
Non-current assets			
Accounts receivable and other assets	5	5,289	4,222
Right-of-use assets	7.1	11,775	-
Property and equipment	8	48,115	56,058
Intangible assets	9	15,776	2,842
Total non-current assets		80,955	63,122
Total assets		116,064	94,803
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Accounts payable and other liabilities	10	22,504	22,115
Lease liabilities	7.2	3,658	-
Contract liabilities		2,325	2,175
Total current liabilities		28,487	24,290
Non-current liabilities			
Accounts payable and other liabilities	10	7,819	-
Lease liabilities	7.2	8,614	-
Provision for employees' end of service benefits		337	300
Total non-current liabilities		16,770	300
Total liabilities		45,257	24,590
Equity			
Share capital		36,800	36,800
Treasury shares		(754)	(754)
Treasury shares reserve		(6)	(6)
Share premium		3,032	3,032
Statutory reserve		12,137	11,755
Retained earnings		19,598	19,386
Total equity		70,807	70,213
Total liabilities and equity		116,064	94,803

The condensed interim financial information was approved and authorized for issue on November 4, 2019 and signed on behalf of the Directors by:


Al Shaikh Ahmed Bin Ali Al Khalifa
Chairman


Mr. Bader Nasser Al-Kharafi
Director

The attached notes 1 to 16 form part of this condensed interim financial information

ZAIN BAHRAIN B.S.C.
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Notes	Three-month period ended September 30,		Nine-month period ended September 30,	
		(Unaudited) 2019	(Unaudited) 2018 (Restated)	(Unaudited) 2019	(Unaudited) 2018 (Restated)
		BD `000	BD `000	BD `000	BD `000
Revenue	11	15,242	16,194	45,789	49,203
Cost of revenue		(4,121)	(4,994)	(13,310)	(16,148)
Gross profit		11,121	11,200	32,479	33,055
Operating and administrative expenses		(5,734)	(6,759)	(15,709)	(20,613)
Depreciation and amortization	7.1, 8 & 9	(3,566)	(2,613)	(11,042)	(7,802)
Impairment losses on financial assets	5	(259)	(439)	(986)	(868)
Provision for inventories		(24)	(58)	(98)	(117)
Operating profit		1,538	1,331	4,644	3,655
Other income – net		11	9	(166)	34
(Loss) / gain on currency translation adjustment		(3)	7	(8)	(2)
Interest income		79	20	184	48
Finance costs	12	(343)	(14)	(839)	(50)
Profit for the period		1,282	1,353	3,815	3,685
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1,282	1,353	3,815	3,685
Basic and diluted earnings per share	13	Fils 4	Fils 4	Fils 10	Fils 10

Al Shaikh Ahmed Bin Ali Al Khalifa
Chairman

Mr. Bader Nasser Al-Kharafi
Director

The attached notes 1 to 16 form part of this condensed interim financial information

ZAIN BAHRAIN B.S.C.
INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Share capital BD '000	Treasury shares BD '000	Treasury shares reserve BD '000	Share premium BD '000	Statutory reserve BD '000	Retained earnings BD '000	Total BD '000
Balance, December 31, 2018	36,800	(754)	(6)	3,032	11,755	19,386	70,213
Transition adjustment on adoption of IFRS 16 (note 3.2)	-	-	-	-	-	(1,402)	(1,402)
Balance as restated, January 1, 2019	36,800	(754)	(6)	3,032	11,755	17,984	68,811
Dividends declared	-	-	-	-	-	(1,819)	(1,819)
Total comprehensive income for the period	-	-	-	-	-	3,815	3,815
Appropriation to statutory reserve	-	-	-	-	382	(382)	-
Balance, September 30, 2019	<u>36,800</u>	<u>(754)</u>	<u>(6)</u>	<u>3,032</u>	<u>12,137</u>	<u>19,598</u>	<u>70,807</u>
Balance, December 31, 2017	36,800	(754)	(6)	3,032	11,238	16,800	67,110
Transition adjustment on adoption of IFRS 15	-	-	-	-	-	(252)	(252)
Balance as restated, January 1, 2018	36,800	(754)	(6)	3,032	11,238	16,548	66,858
Dividends declared	-	-	-	-	-	(1,819)	(1,819)
Total comprehensive income for the period	-	-	-	-	-	3,685	3,685
Appropriation to statutory reserve	-	-	-	-	368	(368)	-
Balance, September 30, 2018	<u>36,800</u>	<u>(754)</u>	<u>(6)</u>	<u>3,032</u>	<u>11,606</u>	<u>18,046</u>	<u>68,724</u>

The Annual General Assembly of shareholders held on March 25, 2019 approved cash dividends equivalent to 5% of the issued share capital.

ZAIN BAHRAIN B.S.C.
INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Notes	Nine-month period ended September 30,	
		(Unaudited) 2019	(Unaudited) 2018
		BD '000	BD '000
Cash flows from operating activities			
Profit for the period		3,815	3,685
Adjustments for:			
Depreciation and amortization	7.1, 8 & 9	11,042	7,802
Impairment losses on financial assets	5	986	868
Provision for inventories		98	117
Finance costs	12	839	50
Interest income		(184)	(48)
Provision for employees' end of service benefits		50	44
Other income (net)		196	-
Gain on disposal of property and equipment		-	(4)
		<u>16,842</u>	<u>12,514</u>
Working capital changes:			
Net change in inventories	6	1,481	755
Net change in accounts receivable and other assets	5	(753)	(3,098)
Net change in accounts payable and other liabilities	10	(1,862)	(4,340)
Net change in contract liabilities		150	(22)
Payments for employees' end of service benefits		(13)	(76)
Interest expense		(839)	-
<i>Net cash generated from operating activities</i>		<u>15,006</u>	<u>5,733</u>
Cash flows from investing activities			
Acquisition of property and equipment	8	(243)	(483)
Proceeds from disposal of property and equipment		-	4
Payment for intangible assets		(3,104)	(7)
Interest received		184	48
<i>Net cash used in investing activities</i>		<u>(3,163)</u>	<u>(438)</u>
Cash flows from financing activities			
Repayment of term loans		-	(1,875)
Repayment of lease liabilities		(3,083)	-
Interest paid		-	(50)
Dividends paid		(1,758)	(1,772)
<i>Net cash used in financing activities</i>		<u>(4,841)</u>	<u>(3,697)</u>
Net increase in cash and cash equivalents		7,002	1,598
Cash and cash equivalents, beginning of period		5,045	1,912
Cash and cash equivalents, end of period		<u>12,047</u>	<u>3,510</u>
Non-cash transactions:			
Dividends declared not yet settled at the reporting date		<u>199</u>	<u>139</u>
Payable write off against credit note		<u>754</u>	<u>-</u>
Write-off property and equipment against payables		<u>-</u>	<u>695</u>

The attached notes 1 to 16 form part of this condensed interim financial information

ZAIN BAHRAIN B.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

1. CORPORATE INFORMATION

Zain Bahrain B.S.C. (the "Company") is a Bahraini Shareholding Company (Public) incorporated in the Kingdom of Bahrain on April 19, 2003 and registered with the Ministry of Industry, Commerce and Tourism under Commercial Registration number 50603. Its shares are listed on the Bahrain Bourse. The Company is a subsidiary of Mobile Telecommunications Company K.S.C.P. (the "Parent Company"), a Kuwaiti shareholding company listed on the Kuwait Stock Exchange. The Company's registered office is P.O. Box 266, Manama, Kingdom of Bahrain.

The Company is mainly engaged in the provision of public telecommunications and related products and services.

2. BASIS OF PREPARATION

The condensed interim financial information has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The condensed interim financial information is prepared in Bahraini Dinar, which is the Company's functional and presentation currency and all values are rounded to the nearest thousands (BD'000) except where indicated otherwise.

The condensed interim financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards ("IFRSs"). For more details, please refer to the audited financial statements for the year ended December 31, 2018.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial information has been prepared under the historical cost convention.

The same accounting policies, presentation and methods of computation are followed in this condensed interim financial information as were applied in the preparation of the Company's financial statements for the year ended December 31, 2018, except for the adoption of new and revised Standards which became effective in the current period as set out below:

Standards affecting the disclosures and presentation in the current period

None of the new and revised Standards that have been adopted in the current period which are effective for an annual period that begins on, or after January 1, 2019 have affected the disclosures and presentation in the financial information, except for IFRS 16 *Leases* as detailed below under 3.2.

3.1 Leases (The Company as lessee)

The Company has applied IFRS 16 *Leases* on its effective date of January 1, 2019.

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following where applicable:

- Fixed lease payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amount expected to payable by the lessee under the residual value guarantees;
- The exercise price of the purchase option, if the lessee is reasonably certain to exercise the options; and
- Payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated amortisation (over the shorter period of lease term and useful life of the underlying asset) and impairment losses.

ZAIN BAHRAIN B.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

The Company recognizes a provision when it incurs an obligation for costs to dismantle and remove a leased asset or restore the site on which it is located.

3.2 Practical expedients used and impact of application of IFRS 16 Leases

Upon adoption of IFRS 16, the Company has opted for the modified retrospective application permitted by the Standard.

During the first time application of IFRS 16 to operating leases, the Company has used the following practical expedients:

- Use of a single discount rate.
- Reliance on previous assessments on whether leases are onerous.
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. The recognised right-of-use assets relate to the following types of assets:

	September 30, 2019	January 1, 2019
	BD '000	BD '000
Building and premises	3,126	3,995
Sites	8,613	10,110
Vehicles	36	52
	<u>11,775</u>	<u>14,157</u>

The off-balance sheet lease obligations as of December 31, 2018 are reconciled as follows to the recognized the lease liabilities as of January 1, 2019:

	BD '000
Operating lease commitments disclosed as of December 31, 2018	<u>26,051</u>
Discounted using the Company's incremental borrowing rate at the date of initial application	20,192
Adjustments as a result of a different treatment of extension and termination options and other adjustments	<u>(5,329)</u>
Lease liabilities recognised as at January 1, 2019 (Unaudited)	<u>14,863</u>
Of which are:	
Current lease liabilities	4,690
Non-current lease liabilities	<u>10,173</u>
	<u>14,863</u>

Impact of the application of IFRS 16 on assets, liabilities and equity as at January 1, 2019:

	As previously reported	IFRS 16 adjustments	As restated
	BD '000	BD '000	BD '000
Right-of-use assets	-	14,157	14,157
Accounts receivable and other assets	27,777	(696)	27,081
Net impact on total assets	<u>27,777</u>	<u>13,461</u>	<u>41,238</u>
Lease liabilities	-	14,863	14,863
Net impact on total liabilities	<u>-</u>	<u>14,863</u>	<u>14,863</u>
Net impact on retained earnings	<u>19,386</u>	<u>(1,402)</u>	<u>17,984</u>

ZAIN BAHRAIN B.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

The following table summarizes the impact on the condensed statement of profit or loss for the three and nine months period ended September 30, 2019.

	For the three-month period ended September 30, 2019		
	As reported	IFRS 16	Without adoption of IFRS 16
	BD '000	BD '000	BD '000
Operating and administrative expenses	(5,734)	(1,234)	(6,968)
Depreciation and amortization	(3,566)	747	(2,819)
Finance costs	(343)	175	(168)
Profit for the period	1,282	<u><u>(312)</u></u>	970
	For the nine-month period ended September 30, 2019		
	As reported	IFRS 16	Without adoption of IFRS 16
	BD '000	BD '000	BD '000
Operating and administrative expenses	(15,709)	(3,742)	(19,451)
Depreciation and amortization	(11,042)	2,874	(8,168)
Finance costs	(839)	559	(280)
Profit for the period	3,815	<u><u>(309)</u></u>	3,506

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these condensed interim financial information, the significant judgements made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended December 31, 2018.

ZAIN BAHRAIN B.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

5. ACCOUNTS RECEIVABLE AND OTHER ASSETS

	(Unaudited) September 30, 2019	December 31, 2018
	BD `000	BD `000
Trade receivables:		
Due from post-paid subscribers	24,707	23,383
Due from roaming partners	1,676	1,460
Contract assets	7,700	10,031
Due from distributors	404	301
Interconnect receivables from other operators	764	475
	35,251	35,650
Loss allowance	(12,467)	(11,539)
	22,784	24,111
Accrued income (unbilled services)	51	90
	22,835	24,201
Other assets:		
Prepaid expenses	2,440	2,486
Due from a related party (note 15)	1	1
Sundry receivables and advance payments	1,684	1,179
Staff receivables	123	86
Loss allowance	(234)	(176)
	4,014	3,576
Total accounts receivable and other assets	26,849	27,777
Less: Non-current portion of contract assets	(4,118)	(2,930)
Less: Non-current portion of prepaid expenses	(1,171)	(1,292)
	21,560	23,555

The movement in the loss allowance was as follows:

	Nine-month period ended September 30, 2019		
	Collectively assessed	Individually assessed	Total
	BD `000	BD `000	BD `000
Balance, January 1, 2019	11,311	404	11,715
Net increase in loss allowance	928	58	986
Balance, September 30, 2019 (Unaudited)	12,239	462	12,701

	Nine-month period ended September 30, 2018		
	Collectively assessed	Individually assessed	Total
	BD `000	BD `000	BD `000
Balance, January 1, 2018 (Post IFRS 9 adjustment)	10,000	487	10,487
Net increase in loss allowance	834	52	886
Balance, September 30, 2018 (Unaudited)	10,834	539	11,373

6. INVENTORIES

	(Unaudited) September 30, 2019	December 31, 2018
	BD `000	BD `000
Handsets, accessories and others	3,086	4,567
Provision for obsolescence	(1,584)	(1,486)
	1,502	3,081

ZAIN BAHRAIN B.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

7. LEASES

The Company only operates as a lessee.

7.1 Right-of-use assets

The recognized right-of-use assets relates to the following types of assets leased by the Company. The average lease term is five years.

	Building and premises	Sites	Vehicles	Total
	BD '000	BD '000	BD '000	BD '000
Balance, December 31, 2018	-	-	-	-
Transition adjustments on IFRS 16 application	<u>3,995</u>	<u>10,110</u>	<u>52</u>	<u>14,157</u>
Balance, January 1, 2019 (restated) (Unaudited)	3,995	10,110	52	14,157
Amortisation during the period	(907)	(1,948)	(19)	(2,874)
Additions / modifications during the period	<u>38</u>	<u>451</u>	<u>3</u>	<u>492</u>
Balance, September 30, 2019 (Unaudited)	<u>3,126</u>	<u>8,613</u>	<u>36</u>	<u>11,775</u>

The following are the amounts recognized in profit and loss for the nine-month period ended September 30, 2019:

	(Unaudited)
	BD '000
Amortisation expense on right-of-use assets	2,874
Interest expense on lease liabilities	559

The total cash outflow for leases amounted to BD 3,642 thousands during the nine-month period ended September 30, 2019.

At the reporting date, none of the property leases in which the Company is the lessee, contain variable lease payment terms.

7.2 Lease liabilities

Below is the allocation of lease liabilities as at September 30, 2019:

	(Unaudited)
	BD '000
Current lease liabilities	3,658
Non-current lease liabilities	<u>8,614</u>
	<u>12,272</u>

ZAIN BAHRAIN B.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

8. PROPERTY AND EQUIPMENT

	Freehold Land and Building BD'000	Network Equipment BD'000	Office Equipment BD'000	Furniture and Fixtures BD'000	Vehicles BD'000	Capital Work-in Progress BD'000	Total BD'000
Cost:							
Balances at December 31, 2018	3,027	87,646	36,394	2,813	17	2,389	132,286
Additions	-	-	-	-	-	243	243
Transfer	-	761	307	6	-	(1,074)	-
Write off	-	-	-	-	-	(950)	(950)
Balance at September 30, 2019	3,027	88,407	36,701	2,819	17	608	131,579
Accumulated depreciation:							
Balances at December 31, 2018	852	41,783	30,883	2,693	17	-	76,228
Depreciation expense	33	5,538	1,585	80	-	-	7,236
Balance at September 30, 2019	885	47,321	32,468	2,773	17	-	83,464
Carrying values:							
September 30, 2019	2,142	41,086	4,233	46	-	608	48,115
December 31, 2018	2,175	45,863	5,511	120	-	2,389	56,058

ZAIN BAHRAIN B.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

9. **INTANGIBLE ASSETS**

	(Unaudited) September 30, 2019	December 31, 2018
	BD '000	BD '000
National Fixed Wireless Services license	873	1,152
Mobile frequency and spectrum license	13,904	622
Other	999	1,068
	15,776	2,842

During the period, the Company renewed mobile frequency license and spectrum frequency license for 10 years and 15 years respectively and the license fees are required to be paid over five year period. Accordingly the license fees were capitalized by discounting at incremental borrowing rate.

The amortization charge for the nine-month period ended September 30, 2019 amounted to BD 932 thousands (BD 389 thousands for the nine-month period ended September 30, 2018).

10. **ACCOUNTS PAYABLE AND OTHER LIABILITIES**

	(Unaudited) September 30, 2019	December 31, 2018
	BD '000	BD '000
Due to suppliers	12,365	3,562
Accrued expenses	10,565	8,716
Interconnection payable	1,739	2,011
Due to roaming partners	722	928
Accrued employees' benefits	955	1,074
Due to related parties	3,031	5,442
Value added tax payable	505	-
Accrued Directors' remuneration	217	223
Deposits	25	21
Dividends payable	199	138
Total accounts payable and other liabilities	30,323	22,115
Less: Non-current portion of due to suppliers	(7,819)	-
	22,504	22,115

11. **REVENUE**

The Company derives its revenues from telecommunications services and related services, which management considers a single reportable business segment, categorized as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	(Unaudited) 2019	(Unaudited) 2018 (Restated)	(Unaudited) 2019	(Unaudited) 2018 (Restated)
	BD '000	BD '000	BD '000	BD '000
Airtime, data and subscription	12,925	12,827	37,609	38,186
Trading	2,317	3,367	8,180	11,017
	15,242	16,194	45,789	49,203

12. **FINANCE COSTS**

	Three-month period ended September 30,		Nine-month period ended September 30,	
	(Unaudited) 2019	(Unaudited) 2018	(Unaudited) 2019	(Unaudited) 2018
	BD '000	BD '000	BD '000	BD '000
Interest on bank borrowings	-	14	-	50
Interest expense on lease liabilities	175	-	559	-
Others	168	-	280	-
	343	14	839	50

ZAIN BAHRAIN B.S.C.
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13. **EARNINGS PER SHARE**

	Three-month period ended September 30,		Nine-month period ended September 30,	
	(Unaudited) 2019	(Unaudited) 2018	(Unaudited) 2019	(Unaudited) 2018
	BD '000		BD '000	
Profit for the period	1,282	1,353	3,815	3,685
	Number of shares		Number of shares	
Weighted average number of shares in issue	363,883,010	363,883,010	363,883,010	363,883,010
	Fils		Fils	
Basic and diluted earnings per share	4	4	10	10

Basic and diluted earnings per share are same since the Company has not issued any instrument that would have a diluting effect.

14. **SEGMENT INFORMATION**

The Company operates in a single business segment, telecommunications and related services, organized into three main activities: mobile operation, fixed broadband operation and trading of handsets and accessories. Management considers that these business activities are not separate operating units.

The Company carries out its operations in the Kingdom of Bahrain.

15. **RELATED PARTIES**

	Three-month period ended September 30,		Nine-month period ended September 30,	
	(Unaudited) 2019	(Unaudited) 2018	(Unaudited) 2019	(Unaudited) 2018
	BD '000		BD '000	
Costs:				
Office rent and maintenance costs	245	245	735	735
Site and outlet rent	5	5	14	14
Management fees	396	393	1,160	1,287
Telecommunication services	259	397	893	1,200
Revenues:				
Telecommunication services	106	119	321	348
Remuneration of key management:				
Short-term benefits	354	341	1,028	971
Other long-term benefits	30	25	80	76
Total remuneration	384	366	1,108	1,047

Balances with related parties were as follows, as at September 30:

	(Unaudited) September 30, 2019	December 31, 2018
	BD '000	BD '000
Due from a related party:		
Zain – Lebanon	1	1
Due to related parties:		
Zain Group Holding-Bahrain S.P.C.	3,015	5,426
Zain – Jordan	16	16
	3,031	5,442

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16. **COMMITMENTS**

The Company had the following outstanding items:

	(Unaudited) September 30, 2019	December 31, 2018
	BD '000	BD '000
Letters of guarantee	8,846	584
Capital expenditures	5,726	660

Refer to note 7 for leases.