Gulf Hotels Group
B.S.C

CONSOLIDATED FINANCIAL STATEMENTS
31 December 2019

Gulf Hotels Group B.S.C.

Consolidated Financial Statements
For the year ended 31 December 2019

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Consolidated Financial Statements

GENERAL INFORMATION

Gulf Hotels Group B.S.C. ("the Company") is a public joint stock company domiciled in the Kingdom of Bahrain and registered with the Ministry of Industry, Commerce and Tourism under commercial registration (CR) number 950.

SHARE CAPITAL

Authorised	: BD 30,000,000 (2018: BD 30,000,000) divided into 300,000,000 shares (2018: 300,000,000 shares) of 100 fils each
Issued and fully paid-up	: BD 22,599,487 (2018: BD 22,599,487)

BOARD OF DIRECTORS

: Farouk Yousuf Almoayyed (Chairman)
: Fawzi Ahmed Kanoo (Vice Chairman)
: Mohamd Husain Ali Yateem
: Khalid Mohamed Kanoo
: Ahmed Mohamed Ali Mohamed Janahi
: Peter Cook
: Khalid Hussain Ali Mohammed Taqi
: Mohammed Jassim Buzizi
: Adel Husain Mahdi Al Maskati
: Jassim Abdulaal

EXECUTIVE COMMITTEE

: Mohamed Husain Ali Yateem (Chairman)
: Fawzi Ahmed Kanoo (Vice Chairman)
: Ahmed Mohamed Ali Mohamed Janahi
: Mohammed Jassim Buzizi

CORPORATE GOVERNANCE COMMITTEE

: Farouk Yousuf Almoayyed (Chairman)
: Peter Cook
: Jassim Abdulaal

AUDIT COMMITTEE

: Jassim Abdulaal (Chairman)
: Khalid Mohamed Kanoo
: Khalid Hussain Ali Mohammed Taqi
: Adel Husain Mahdi Al Maskati

INVESTMENT COMMITTEE

: Farouk Yousuf Almoayyed (Chairman)
: Mohamed Husain Ali Yateem
: Ahmed Mohamed Ali Mohamed Janahi
: Khalid Hussain Ali Mohammed Taqi

GENERAL INFORMATION (Continued)

REMUNERATION COMMITTEE

: Farouk Yousuf Almoayyed (Chairman)
: Mohammed Jassim Buzizi
: Jassim Abdulaal

MANAGEMENT

	: Garfield Jones	Chief Executive Officer
	: Charbel Sarkis	Chief Financial Officer

BOARD'S SECRETARY

: Shaheed Elaiwi

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Manama, Kingdom of Bahrain
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AUDITORS : KPMG Fakhro
PO Box 710
Building 470
Manama, Kingdom of Bahrain

BDO Jawad Habib
PO Box 787
17th Floor, Diplomat commercial office tower
Manama, Kingdom of Bahrain

BANKERS : National Bank of Bahrain
: Mashreq Bank Bahrain
: Mashreq Bank Dubai
: Bank of Bahrain and Kuwait
: Ahli United Bank
: Standard Chartered Bank
: National Bank of Kuwait
: SICO
: Commercial Bank of Srilanka
: Emirates NBK - Dubai

REGISTRARS : Karvy Computershare WLL
Office No 74 , Al Zamil Tower
Manama , Kingdom of Bahrain

LISTING : Bahrain Bourse
PO Box 3203
Manama, Kingdom of Bahrain

PRINCIPAL LAWYERS : Essa Ebhrahim Mohammed Law Office
PO Box 11021
Manama, Kingdom of Bahrain
: Hassan Radhi & Associates
PO Box 5366
605 Diplomat Tower
Manama, Kingdom of Bahrain
: Nezar Raees & Associates
PO Box 1380
Gulf Executive Offices, Gulf Hotel
Manama, Kingdom of Bahrain

INSURANCE CONSULTANTS
: Marsh (Bahrain) CO S.P.C
PO Box 3237
1st Floor, Unitag House
150 Government Avenue
Manama, Kingdom of Bahrain

On behalf of the Board of Directors, I have the pleasure in submitting the Annual Report and Financial Statements of the **Gulf Hotels Group BSC** for the year ended 31st December 2019.

MARKET TRENDS AND COMPARATIVE PERFORMANCE

Whilst trading conditions in the hospitality industry in Bahrain for 2019 continued to be challenging, there was a welcome increase in demand which helped improve occupancy levels however this was offset by a continued drop in the Average Daily Rate (ADR). The net result was an encouraging increase in the Revenue Per Available Room (REVPAR), the first such increase for a number of years. The expected impact from the introduction of VAT on the hotel and restaurant business was negated when the authorities reduced the Government Levy charge.

The retail sector however, was impacted by the introduction of VAT which pushed up the cost of goods and this, combined with the overall increase in living costs resulting from the price increase in essentials such as utilities and fuel, had a negative effect on demand.

Equally, the hospitality industry in Dubai is experiencing a major oversupply of bedrooms in the build up to Expo 2020, resulting in a significant drop in the ADR and revenues far below expectations. Hospitality industry specialists, STR, reported that 2019 saw the worst Q2 and Q3 performance in the Dubai market for over fifteen years.

Gulf Hotel Bahrain Convention & Spa (GH)

The Gulf Hotel continued to be a leading player in the hospitality market, delivering an increase of 15.6% in occupancies compared to 2018. This was in part due to an uplift in the market but also related to the closure for refurbishment in 2018 of the Gulf Convention Centre, which negatively affected last year's occupancies. The ADR dropped on last year by 3.1%.

The Hotel's extensive restaurant portfolio performed well, with all outlets showing revenue growth on the previous year. Numerous nominations and awards were received during the year, cementing the Hotel's reputation as one of Bahrain's premiere destination dining locations.

The Gulf Convention Centre (GCC), which reopened in October 2018 after a complete refurbishment that was exceptionally well received by the Hotel's customers, posted revenue growth of 49% as a result of a full year operation in 2019.

The Gulf Spa and Salon operations continue to show good improvement, with a revenue increase of 23% on last year which, when combined with other hotel operations, resulted in an overall revenue growth of 19.4% for the Gulf Hotel as a whole.

Gulf Executive Residence (GER)

GER occupancies improved on 2018 by 32%, although the apartments also experienced a decline in the ADR.

Gulf Executive Residence Juffair (GERJ)

This second addition to the GHG's "Executive Residence" chain opened in 2019 and is currently enjoying high occupancy from long stay contracts, positively contributing to the Group's performance

Gulf Executive Offices (GEO)

GEO maintained last year's strong performance, delivering an improvement in profit contribution of 14.7%.

Gulf Brands International (GBI)

The introduction of VAT negatively impacted on GHG's retail business which witnessed a drop in the Average Transaction Value (ATV).

Gulf Hotel Laundry Services (GHLS)

With a number of additional new contracts, the Laundry outperformed last year by 12.3%.

Gulf Court Hotel Business Bay – Dubai (GCHBB)

Opened in Q3 2018, the Hotel has made good inroads into the Dubai market in what are very difficult trading conditions, with plummeting room rates across the market. The Hotel won the 'Best Debut Hotel' in the 2019 Arabian Travel Awards, which is testimony to the high standards that the team in GCHBB deliver.

GHG Colombo

2019 was the first full year of operation for our new retailing operation in Sri Lanka, however it was hugely impacted by the terrorist attack that took place in April 2019 that decimated the tourist industry. We are optimistic that 2020 will be a significantly better year.

Bahrain Tourism Company (BTC)

The BTC reported improved performance from the Crowne Plaza hotel operations, as a result of the completion of the hotel's renovation, and from its partially owned subsidiary, African & Eastern

Bahrain Family Leisure Company (BFLC)
The Gulf Hotels Group holds a 28.06% stake in BFLC, which operates several restaurants in Bahrain. The results of BFLC were negatively affected by the impairment of Bahrain Cinema Company shares, in which BFLC has a 6.93% shareholding.

Ocean Paradise Resort, Zanzibar
GHG is both a shareholder and operator of this 98 room, African themed resort on the North East Coast of Zanzibar, which continued to enjoy strong occupancies that positively reflected in the hotel's year on year growth.

The K Hotel
The 237 bedrooms, 4-star deluxe Hotel is owned by Mokan WLL and operated by Gulf Hotels Group. Despite increased competition from newly opened 4 and 5 star hotels, The K Hotel was able to increase occupancies and revenues over last year.

Asdal Gulf Inn Boutique Hotel
The 89 bedroom 4-star boutique property is located in the Seef district, owned by the Asdal Group and operated by Gulf Hotels Group. This property also posted significant bottom line growth against 2018.

RESULTS

- Gross Operating Revenue amounted to BD 38,569,810
- Gross Operating Profit amounted to BD 17,190,529
- Net Profit amounted to BD 5,950,130

The decrease in the net profit resulted from a full year of depreciation in the Gulf Court Hotel Business Bay Dubai (opened on Aug 2018). 2018 results were positively impacted by a one-off provision reversal of BD1 million so 2019 results were on par with 2018 when this is taken into consideration

PROPOSED APPROPRIATIONS
Taking into account the results achieved by the company and keeping in mind that the company's capital requirements for continued upgrading of the facilities, future cross-border expansion, and current commitments, the Directors are pleased to seek the shareholders' approval of the following appropriations:
· Dividend distribution at 25 % (BD 5,649,872) equal to BD 0.025 per share.
· Directors' remuneration for BD 255,000.

FUTURE PROSPECTS
GHG has signed a JV (joint venture) with Gulf Air Group Holding to develop an 84 room transit hotel within the new Bahrain International Airport, which is expected to open in Q3 2020. Steps are being taken to develop a multi-unit restaurant complex on the land owned by the Group in Block 338, Adliya's Tourism Zone.
The Group has signed an MOU with Redha Group in KSA to explore operations of Hotels, Apartments, Restaurants and Laundry business in the Kingdom.

Acknowledgments

On behalf of the shareholders of Gulf Hotels Group BSC, the Board of Directors would like to express our sincere gratitude and appreciation to H.M. King Hamad Bin Isa Al Khalifa, H.R.H. Prince Khalifa Bin Salman Al Khalifa, the Prime Minister, H.R.H. Prince Salman Bin Hamad Al Khalifa, the Crown Prince and Commander in Chief of the Bahrain Defence Force, the Ministers, Undersecretaries, Directors, and Heads of Government Departments, for the immeasurable interest, guidance, and encouragement accorded to Gulf Hotels Group BSC. The same sentiments are also extended to our clients, patrons and most of all, the people of Bahrain. We thank you for your continued support, trust and confidence as we strive for progress.

The success of the Company in a very challenging year would not have been possible without the hard work and dedication of the Company's management and staff. The Board of Directors join me in extending our appreciation to the entire Gulf Hotels Group Management Team under the guidance of Garfield Jones, Chief Executive Officer. We also thank the management and all our divisions' staff who have worked tirelessly to produce the best possible results in challenging conditions. We are privileged to have such a committed and capable team and are confident that this team will continue to produce the best possible results in the future.

Farouk Yousuf Almoayyed
Chairman of the Board

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CR No. 6220

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
Gulf Hotels Group BSC
Manama, Kingdom of Bahrain

Report on the audit of the consolidated financial statements

Opinion
We have audited the accompanying consolidated financial statements of Gulf Hotels Group BSC (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of property and equipment
(refer to notes 3(q) and 4 in the consolidated financial statements)

Description	**How the matter was addressed in our audit**
We focused on this area because: ▪ of the significance of property and equipment (make up 71% of total assets by value); and ▪ assessment of indicators of impairment and estimation of recoverable amount by the Group involves significant judgement and estimation uncertainty.	Our audit procedures included: ▪ understanding the Group's process of identifying possible indicators of impairment of the property and equipment; ▪ evaluating the parameters used by the Group to identify indicators of impairment to ensure that these are reasonable; ▪ obtained the valuations performed by an external independent property valuer and involved our valuation specialists to assist us in performing the following procedures: ➢ assessing the appropriateness of the methodology used by the external valuer in compliance with the requirements of the relevant accounting standards; ➢ challenging the reasonableness of key assumptions and input used in estimating the recoverable amount of the property; ➢ agreeing the data used in the impairment assessment calculations to the underlying source documents. ▪ evaluating the adequacy of the Group's disclosures related to impairment of property and equipment in the consolidated financial statements by reference to the requirements of the relevant accounting standards.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS (continued)
Gulf Hotels Group BSC (continued)

Other information

The board of directors is responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the Chairman's report which forms part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the board of directors for the consolidated financial statements
The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.

- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

KPMG

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS (continued)
Gulf Hotels Group BSC (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31 December 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other regulatory requirements

1) As required by the Commercial Companies Law, we report that:
   a) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
   b) the financial information contained in the chairman's report is consistent with the consolidated financial statements;
   c) we are not aware of any violations during the year of the Commercial Companies Law or the terms of the Company's memorandum and articles of association that would have had a material adverse effect on the business of the Company or on its financial position; and
   d) satisfactory explanations and information have been provided to us by management in response to all our requests.
2) As required by the Ministry of Industry, Commerce and Tourism in their letter dated 30 January 2020 in respect of the requirements of Article 8 of Section 2 of Chapter 1 of the Corporate Governance Code, we report that the Company has:
   a) a corporate governance officer; and
   b) a Board approved written guidance and procedures for corporate governance.

The engagement partner on the audit resulting in this independent auditors' report is Jalil AlAali.

KPMG

KPMG Fakhro
Partner registration number 100
19 February 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2019 *Bahraini Dinars*

	Note	**31 December 2019**	31 December 2018
ASSETS			
Property and equipment	4	97,014,031	102,538,484
Investment properties	5	821,017	797,676
Equity accounted investees	6	9,350,303	9,563,532
Investment securities	7	13,366,358	13,870,550
Non-current assets		**120,551,709**	126,770,242
Inventories	8	3,146,191	3,439,004
Trade receivables	9	2,318,639	1,950,625
Other assets	10	3,579,605	2,884,172
Cash and bank balances	11	7,130,581	6,600,498
Current assets		**16,175,016**	14,874,299
Total assets		**136,726,725**	141,644,541
EQUITY			
Share capital	12	22,599,487	22,599,487
Share premium		17,514,442	17,514,442
Treasury shares	12	-	(33,248)
Other reserves	13	24,820,309	23,437,131
Retained earnings		50,044,780	50,166,694
Total equity		**114,979,018**	113,684,506
LIABILITIES			
Employees' end of service benefits	14	1,489,246	2,137,984
Non-current portion of bank loan	15	11,736,000	14,000,000
Non-current liabilities		**13,225,246**	16,137,984
Trade payables	16	2,316,428	2,063,973
Accrued expenses and other liabilities	17	5,382,033	5,758,078
Current portion of bank loan	15	824,000	4,000,000
Current liabilities		**8,522,461**	11,822,051
Total liabilities		**21,747,707**	27,960,035
TOTAL EQUITY AND LIABILITIES		**136,726,725**	141,644,541

The consolidated financial statements were approved by the board of directors on 19 February 2020 and signed on its behalf by:

Farooq Yousuf Almoayyed
Chairman

Fawzi Ahmed Kanoo
Vice Chairman

Garfield Jones
Chief Executive Officer

Charbel Sarkis
Chief Financial Officer

The accompanying notes 1 to 30 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2019 *Bahraini Dinars*

	Note	2019	2018
Revenue	18	38,569,810	35,111,278
Direct operating costs	19	(21,379,281)	(20,063,366)
Gross profit from hotel operations		**17,190,529**	15,047,912
Dividend income		787,374	835,664
Management fee and other income	20	1,288,465	3,422,953
Share of profit from associates	6	1,607,916	1,316,919
Interest income		83,950	355,726
Total investment and other income		**3,767,705**	5,931,262
Staff cost		3,343,607	3,153,045
Depreciation	4	7,597,267	5,690,528
Interest expense	15	895,839	419,837
Pre-operating project expenses	22	134,486	1,057,899
Impairment allowance on trade receivables	9	32,769	39,480
Impairment of property and equipment	4	-	1,058,519
Other operating expenses	21	3,004,136	2,638,351
Total expenses		**15,008,104**	14,057,659
Profit for the year		**5,950,130**	6,921,515
Basic and diluted earnings per share (fils)	12	**26**	31

Farooq Yousuf Almoayyed
Chairman

Fawzi Ahmed Kanoo
Vice Chairman

Garfield Jones
Chief Executive Officer

Charbel Sarkis
Chief Financial Officer

The accompanying notes 1 to 30 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019 *Bahraini Dinars*

	Note	2019	2018
Profit for the year		**5,950,130**	6,921,515
Other comprehensive income:			
Items that will not be classified to profit or loss:			
Equity securities at FVOCI – net change in fair value	7	2,041,314	472,998
Investment in associates – share in investment fair value reserve	6	78,855	37,081
Total other comprehensive income for the year		**2,120,169**	510,079
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,070,299**	7,431,594

The accompanying notes 1 to 30 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019 *Bahraini Dinars*

2019	Share capital	Share premium	Treasury shares	Other reserves: Statutory reserve	Other reserves: General reserve	Other reserves: Charity Reserve	Other reserves: Fair value reserve	Retained earnings	Total equity
As at 1 January 2019	22,599,487	17,514,442	(33,248)	11,299,744	5,000,000	2,238,098	4,899,289	50,166,694	113,684,506
Comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	5,950,130	5,950,130
Other comprehensive income for the year	-	-	-	-	-	-	2,120,169	-	2,120,169
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,120,169**	**5,950,130**	**8,070,299**
Transfer on sale of investment securities at OCI	-	-	-	-	-	-	(702,406)	702,406	-
Sale of treasury shares	-	-	33,248	-	-	-	(3,708)	3,708	33,248
Donations paid	-	-	-	-	-	(30,877)	-	-	(30,877)
Dividends declared for 2018	-	-	-	-	-	-	-	(6,778,158)	(6,778,158)
At 31 December 2019	**22,599,487**	**17,514,442**	**-**	**11,299,744**	**5,000,000**	**2,207,221**	**6,313,344**	**50,044,780**	**114,979,018**

The accompanying notes 1 to 30 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019 *(continued)* *Bahraini Dinars*

2018	Share capital	Share Premium	Treasury shares	Other reserves: Statutory reserve	Other reserves: General reserve	Other reserves: Charity Reserve	Other reserves: Fair value reserve	Proposed dividend	Retained earnings	Total equity
As at 31 December 2017	22,599,487	17,514,442	(33,248)	11,299,744	5,000,000	2,238,098	3,127,358	6,776,623	43,246,229	111,768,733
Impact of adopting IFRS 9	-	-	-	-	-	-	1,260,802	-	-	1,260,802
Impact of adopting IFRS 9 by associated companies	-	-	-	-	-	-	42,843	-	(42,843)	-
Restated balances as at 1 January 2018	22,599,487	17,514,442	(33,248)	11,299,744	5,000,000	2,238,098	4,431,003	6,776,623	43,203,386	113,029,535
Comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	-	-	6,921,515	6,921,515
Other comprehensive income for the year	-	-	-	-	-	-	510,079	-	-	510,079
Total comprehensive income for the year	-	-	-	-	-	-	510,079	-	6,921,515	7,431,594
Realised profit on sale of investments	-	-	-	-	-	-	(41,793)	-	41,793	-
Dividends declared for 2017	-	-	-	-	-	-	-	(6,776,623)	-	(6,776,623)
At 31 December 2018	22,599,487	17,514,442	(33,248)	11,299,744	5,000,000	2,238,098	4,899,289	-	50,166,694	113,684,506

The accompanying notes 1 to 30 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2019 *Bahraini Dinars*

	Note	**2019**	2018
Cash flow from operating activities			
Profit for the year		**5,950,130**	6,921,515
Adjustments for:			
Depreciation		7,597,267	5,690,528
Share of profit of associates	6	(1,607,916)	(1,316,919)
Dividend income		(787,374)	(835,664)
Interest income		(83,950)	(355,726)
Interest expense		895,839	419,837
Provision for allowance for doubtful debts		32,769	(134,624)
Provision for allowance for slow moving inventories		(6,309)	(21,645)
Provision for employees' end of service benefits		312,826	288,731
Profit for the year after adjustments		**12,303,282**	10,656,033
Change in operating assets and liabilities:			
Inventories		299,121	114,314
Trade and other receivables		(1,105,684)	(1,563,100)
Trade and other liabilities		150,964	1,770,776
Directors' remuneration paid		(277,000)	(314,750)
Employees' end of service benefits paid		(961,564)	(214,902)
Net cash from operating activities		**10,409,119**	10,448,371
Cash flow from investing activities			
Purchase of property and equipment		(2,152,644)	(52,376,891)
Disposal of investment securities		2,537,581	356,732
Interest received		83,950	355,726
Dividend received from an associate	6	1,900,000	1,701,000
Other dividends received		863,529	835,663
Maturity of deposits over 90 days		575,949	14,643,455
Net cash from/(used in) investing activities		**3,808,365**	(34,484,315)
Cash flow from financing activities			
Dividends paid		(6,734,687)	(6,654,906)
Sale of treasury shares		23,055	-
Donations paid		(54,361)	-
Interest paid		(905,459)	(251,067)
Repayment of bank loan		(5,440,000)	-
Loan availed	15	-	18,000,000
Net cash (used in)/ from financing activities		**(13,111,452)**	11,094,027
Net increase/(decrease) in cash and cash equivalents		**1,106,032**	(12,941,917)
Cash and cash equivalents at 1 January		6,024,549	18,966,466
Cash and cash equivalents as at 31 December	11	**7,130,581**	6,024,549

The accompanying notes 1 to 30 are an integral part of these consolidated financial statements.

1 Reporting entity

Gulf Hotels Group B.S.C. ("the Company") is a publicly listed company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry, Commerce and Tourism under commercial registration (CR) number 950. The postal address of the Company's registered head office is P.O Box 580, Manama, Kingdom of Bahrain.

These consolidated financial statements as at and for the year ended 31 December 2019 comprise the results of the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in providing hospitality services.

The Group owns and operates the Gulf Hotel, Gulf Executive Residence Adliya and Juffair, Gulf Court Hotel Business Bay in Dubai, GHG Colombo (retail) in Sri Lanka, Bahrain Tourism Company – Crowne Plaza Bahrain S.P.C. ("BTC"), Gulf Hotels Laundry Services, Gulf Hotels Management Company, Hospitality Resources and Gulf Brands International in the Kingdom of Bahrain and provides other catering facilities. It also provides management services to The K Hotel and Asdal Gulf-inn Seef, Kingdom of Bahrain, and is a shareholder and operator of Ocean Paradise Resort, Zanzibar, Republic of Tanzania. The Groups significant subsidiaries and associates are as follows:

Subsidiary	**Ownership interest**	**Date of incorporation**	**Activities**
Gulf Hotels Management Company S.P.C.	100%	4 December 2002	Managing hotels and restaurants and providing catering services for aircraft, ships, government organizations and companies.
Gulf Hotel Laundry Services S.P.C.	100%	1 February 2014	Provision of laundry services.
Bahrain Tourism Company – Crowne Plaza S.P.C	100%	31 May 2016	Hotel operations
Gulf Court Hotel Business Bay LLC	100%	07-Mar-2018	Hotel operations and catering services

Associate	**Ownership interest**	**Date of incorporation**	**Activities**
Bahrain Family Leisure Company B.S.C. (BFLC)	28.06%	13 July 1994	Primarily involved in operating restaurants, providing services related to family entertainment and supply of amusement related equipment.
African and Eastern (Bahrain) W.L.L. (A&E)	33.33%	15 March 1978	Importing and selling consumer products.

2 Basis of Preparation

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in conformity with the Commercial Companies Law.

b) Basis of measurement

The consolidated financial statements are prepared under the historical cost basis, except for investment securities which are stated at fair value.

c) Functional and presentation currency

These consolidated financial statements are presented in Bahrain Dinar, which is also the Group's functional currency. Unless otherwise stated, all financial information presented has been rounded off to the nearest Dinar.

d) Use of significant judgments and estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. The estimates and underlying assumptions are reviewed on an ongoing basis based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period or in the period of the revision and any future period, if the revision affects both current and future periods.

Judgments
In the process of applying the Group's accounting policies management has made certain estimates and judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements. Actual results may differ from these estimates.

Useful lives of property and equipment
The Group determines the estimated useful lives of the Group's property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence. The management reviews the useful lives of property and equipment at each reporting date to determine whether any adjustment to the useful lives is required.

Impairment of property and equipment
The carrying amount of the Group's property and equipment is reviewed at every reporting date to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment loss is recognised whenever the carrying value of the asset exceeds its estimated recoverable amount.

2 Basis of preparation (continued)

e) New standards, amendments and interpretations effective from 1 January 2019

The following standards, amendments and interpretations, which became effective as of 1 January 2019, are relevant to the Group:

i. IFRS 16 Leases

IFRS 16 introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard- i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1 January 2019.

The adoption of this standard had no significant impact on the consolidated financial statements.

ii. Other standards

The following amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

- Long term interests in associates and joint venture (Amendments to IAS 28)
- Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards

f) New standards, amendments and interpretations issued by not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however; the Group has not early applied the following new or amended standards in preparing these consolidated financial statements.

The following standards are not expected to have a material impact on the Group's consolidated financial statements in the period of initial application.

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of Material – Amendments to IAS 1 and IAS 8
- Definition of a Business – Amendments to IFRS 3
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

3 Significant accounting policies

The significant accounting polices applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been consistently applied by the Group and are consistent with those used in the previous year except for changes arising from adoption of IFRS 16.

3 Significant accounting policies (continued)

a) Adoption of IFRS 16

The Group applied IFRS 16 with a date of initial application of 1 January 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – ie. It is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

Changes in accounting policies
At the inception of the contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for the period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset, this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The new definition of a lease under IFRS 16 has been applied for contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and to account for the lease and non-lease components as a single lease component.

Measurement

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payment made at or before the commencement date, less any lease incentives received;
- any initial direct cost incurred by the lessee; and
- estimated cost to dismantle and to remove the underlying asset, or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined based on the lease term.

Lease liability is measured as the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted based on the Group's incremental borrowing rate. Lease liability comprises the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and for leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impact of adopting IFRS 16

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 to contracts that were previously identified as leases. The impact from the adoption of IFRS 16 as at 1 January 2019 has resulted in an increase in property and equipment by BD 140,398 and an increase in accrued expense and other liabilities by BD 140,398.

b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the statement of profit or loss. Any interest retained in the former subsidiary is measured at measured at fair value when control is lost.

3 Significant accounting policies (continued)

(iii) Non-controlling interests (NCI)
Non-controlling interests represents their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as an equity transaction.

(iv) Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

(v) Equity accounted investees
Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and Other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate. Dividend received from associates is recognised as a reduction in the carrying amount of the investment.

(vi) Business combination
The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

c) Foreign currency

Foreign currency transactions
Foreign currency transactions are translated into the functional currency of the Group using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

3 Significant accounting policies (continued)

d) Revenue

The Group generates revenue primarily on letting hotel rooms and sale of food and beverages. The Group recognises revenue when it transfers control over a food or a service to a customer.

i) Letting hotel rooms
Revenue from letting hotel rooms is recognised over the period of the stay of the customer

ii) Sale of food and beverages
Revenue from sale of food and beverages is recognised when the food and beverage is delivered and have been accepted by the customer. Invoices are generated at that point in time.

Revenue is recognised net of indirect taxes, returns and discounts.

iii) Management fees
Management fees are recognised when the services are rendered as determined by the management agreement. The variable consideration related to the fees is estimated as per the agreement and constrained until it is highly probable that there is no significant uncertainty regarding the amount of consideration.

iv) Rental income
Revenue from property leased out under an operating lease are recognised on a straight line basis over the term of the lease.

v) Interest income
Interest income is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset or liability.

vi) Dividend income
Dividend is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

e) Employee Benefits

Bahraini employees
Pensions and other social benefits for Bahraini employees are covered by the Social Insurance Organisation, which is a “defined contribution scheme” in nature under IAS 19 ‘Employee Benefits’, and to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis.

Expatriate employees
Expatriate employees on fixed contracts are entitled to leaving indemnities payable under the Bahraini Labour Law for the Private Sector of 2012, based on length of service and final remuneration. Provision for this unfunded commitment, , which is a “defined benefit scheme” in nature under IAS 19, has been made by calculating the notional liability had all employees left at the reporting date.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost includes expenditure incurred on acquiring the inventories and bringing them in their existing location and condition.

3 Significant accounting policies (continued)

g) Property and equipment

i. Recognition and measurement
Items of property and equipment held for use in the provision of service or for administrative purposes on a continuing basis and not intended for sale in the ordinary course of business are carried at cost less accumulated depreciation and impairment losses, if any.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as a separate items (major components) of property and equipment.

ii. Subsequent measurement
Subsequent costs are included in the assets carrying amount or are recognized as a separate asset as appropriate only when it is probable that future economic benefits associated with the component will flow to the Company and the cost of the component can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

iii. Depreciation
Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings on freehold land • original structure • subsequent improvements	 40 years Over the remaining life of the buildings they relate to, or earlier, as appropriate
Furniture, fittings and office equipment	2 to 7 years
Plant, equipment and motor vehicles	2 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date.

h) Investment properties
Investment properties, are properties held to earn rentals or for capital appreciation or both, are measured at cost, including transaction costs, less accumulated depreciation and accumulated impairment, if any. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property.

The depreciation charge on investment properties is calculated on a straight line method over the estimated useful lives.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of comprehensive income in the period of derecognition.

i) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt security; FVOCI – equity security; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity security that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an security-by-security basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 Significant accounting policies (continued)

Financial assets – Business model assessment:
The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within hat business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses arising from changes in fair value including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt securities at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity securities at FVOCI	These assets are subsequently measured at fair value. Gains and losses are recognised in OCI and are never reclassified to profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Cash and cash equivalents
Cash and cash equivalents comprise of cash, bank balances, and bank deposits with original maturity of three months or less when acquired.

Financial liabilities – Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition
Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3 Significant accounting policies (continued)

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Impairment

Financial instruments

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost; and
- debt securities measured at FVOCI.

The Group measures loss allowances for trade and other receivables based on simplified approach i.e. an amount equal to lifetime ECLs, however for cash and bank balances, measurement of loss allowances is based on 12 month ECL

When determining whether the credit risk of a financial asset has increased significantly since initial recognition when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

Trade and other receivables - (Simplified approach)

The Group uses an allowance matrix to measure the ECLs of trade and other receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate (Net-flow)' method based on the probability of a receivable progressing through successive stages of delinquency to the loss bucket. Recovery from the loss bucket is also considered for computing the historical loss rates. Loss rates are based on actual credit loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and group view of economic conditions over the expected lives of the receivables. The forward looking adjustment of the loss rates is based on a qualitative score card which factors the management's view on the future economic and business conditions

Cash and Bank balances – (General approach)

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

3 Significant accounting policies (continued)

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

j) Share Capital
Equity shares are classified as equity. Incremental costs directly attributable to the issue of the ordinary shares and share options are recognized as a deduction from equity.

k) Treasury shares
When shares recognized as equity are repurchased, the amount of the consideration paid, including any attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

l) Dividends
Dividends and other proposed appropriations are recognised as a liability in the period in which they are approved by the shareholders.

m) Directors' remunerations
Directors' remunerations are charged to the statement of profit or loss in the year in which they are incurred.

n) Segment reporting
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 from those of other business segments.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors and Group's Investment and Executive Committee to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors and Executive Committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

o) Provisions
A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

p) Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability; or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Fair value hierarchy:
- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. ask prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes instruments where the valuation technique includes inputs not based on market observable data.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

q) Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3 Significant accounting policies (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset is capitalised. Other borrowing cost is recognised in the profit or loss in the year in which it arises.

s) Interest expense

Interest expense pertains to borrowings from bank and is recognized using effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of financial asset or liability and of allocating interest income or expense over the expected life of the asset or the liability. The application of interest rate method has effect of recognizing the interest expense evenly in proportion to the amount outstanding over the period to maturity or repayment.

t) Governmental levy

The Group pays a Government levy calculated at a fixed percent of the Hotels' total revenue (net of foreign exchange gains) and is payable quarterly in arrears to the Government.

u) Charity reserve

Based on the recommendations of the Board of Directors, an amount is transferred from the profit for the year to this reserve. The reserve represents the uncommitted amount of the donations and charities approved by the Shareholders.

v) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

w) Trade payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost.

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4. Property and equipment

	Freehold land	Buildings on freehold land	Furniture, fittings and office equipment	Plant, equipment and motor vehicles	Capital work-in-progress	Total
Cost:						
At 1 January 2019	19,781,362	89,484,238	23,220,808	20,506,374	11,626,012	164,618,794
Additions	-	424,670	214,673	245,712	1,187,759	2,072,814
Transfers	1,353,346	10,036,530	64,041	950	(11,454,867)	-
Disposals and write offs	-	(179)	(388,031)	(95,141)	-	(483,351)
At 31 December 2019	21,134,708	99,945,259	23,111,491	20,657,895	1,358,904	166,208,257
Depreciation:						
At 1 January 2019	-	37,093,246	14,748,857	10,238,207	-	62,080,310
Charge for the year	-	4,155,226	2,232,618	1,209,423	-	7,597,267
Relating to disposals and write offs	-	(179)	(388,031)	(95,141)	-	(483,351)
At 31 December 2019	-	41,248,293	16,593,444	11,352,489	-	69,194,226
Net carrying amount:						
At 31 December 2019	**21,134,708**	**58,696,966**	**6,518,047**	**9,305,406**	**1,358,904**	**97,014,031**

Gulf hotel and Crown Plaza hotel buildings (freehold) is situated at Adliya and Diplomatic area respectively and are used for hotel operations. The buildings are between 40-50 and 43 years old respectively. The conference centre buildings (freehold) are used to host corporate seminars and conferences, the building is 24 years old. The Group has a hotel in Dubai which is 2 years old, and also a new residential building situated in Juffair area which is one year old.

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4 Property and equipment (continued)

	Freehold land	Buildings on freehold land	Furniture, fittings and office equipment	Plant, equipment and motor vehicles	Capital work-in-progress	Total
Cost:						
At 1 January 2018	13,643,881	66,168,696	16,395,544	9,385,342	9,707,089	115,300,552
Additions	7,196,000	20,128,088	7,453,551	10,875,411	6,772,447	52,425,497
Transfers	-	3,467,607	862,379	523,538	(4,853,524)	-
Impairment*	(1,058,519)	-	-	-	-	(1,058,519)
Disposals and write offs	-	(280,153)	(1,490,666)	(277,917)	-	(2,048,736)
At 31 December 2018	19,781,362	89,484,238	23,220,808	20,506,374	11,626,012	164,618,794
Depreciation:						
At 1 January 2018	-	35,226,048	14,480,504	8,731,965	-	58,438,517
Charge for the year	-	2,147,351	1,759,019	1,784,158	-	5,690,528
Relating to disposals and write offs	-	(280,153)	(1,490,666)	(277,916)	-	(2,048,735)
At 31 December 2018	-	37,093,246	14,748,857	10,238,207	-	62,080,310
Net carrying amount:						
At 31 December 2018	19,781,362	52,390,992	8,471,951	10,268,167	11,626,012	102,538,484

*During 2018 impairment of BD 1,058,519 was recognized related to additional development costs of land in Dubai.

5. Investment properties

2019	**Land**	**Buildings**	**Total**
Cost			
At 1 January 2019	494,515	1,818,110	2,312,625
Additions	-	79,830	79,830
At 31 December 2019	**494,515**	**1,897,940**	**2,392,455**
Accumulated depreciation			
At 1 January 2019	-	1,514,949	1,514,949
Charge for the year	-	56,489	56,489
At 31 December 2019	**-**	**1,571,438**	**1,571,438**
Net book value at 31 December 2019	**494,515**	**326,502**	**821,017**

2018	Land	Buildings	Total
Cost			
At 1 January 2018	494,515	1,818,110	2,312,625
At 31 December 2018	494,515	1,818,110	2,312,625
Accumulated depreciation			
At 1 January 2018	-	1,466,343	1,466,343
Charge for the year	-	48,606	48,606
At 31 December 2018	-	1,514,949	1,514,949
Net book value at 31 December 2018	494,515	303,161	797,676

The fair value of the investment property as at 31 December 2019 was BD 2,104,403 (2018: BD 2,387,633) based on the valuation performed by an independent external property valuer (refer to note 27).

6. Equity accounted investees

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of the entity	Place of business / country	Percentage of ownership interest		Nature of relationship	Principal activities
		2019	2018		
Bahrain Family Leisure Company B.S.C. (BFLC)	Kingdom of Bahrain	**28.06%***	28.06%	Associate	Primarily involved in operating restaurants, providing services related to family entertainment, supply of amusement related equipment and investing in businesses with similar objectives to those of BFLC.
African and Eastern (Bahrain) W.L.L. (A&E)	Kingdom of Bahrain	**33.33%**	33.33%	Associate	Investment in bonds and shares as well as importing and selling consumer products.

*% of ownership interest is calculated based on the investee's share capital net of treasury shares

a) The movements on the investment in associates are as follows:

2019	**BFLC**	**A&E**	**Total**
Balance at 1 January	1,683,113	7,880,419	9,563,532
Share of (loss)/profit for the year	(450,255)	2,058,171	1,607,916
Dividends received	-	(1,900,000)	(1,900,000)
Share in investment fair value movement	-	78,855	78,855
Balance at 31 December	**1,232,858**	**8,117,445**	**9,350,303**

2018	BFLC	A&E	Total
Balance at 1 January	2,074,900	7,835,632	9,910,532
Share of (loss)/profit for the year	(290,787)	1,607,706	1,316,919
Dividends received	(101,000)	(1,600,000)	(1,701,000)
Share in investment fair value movement	-	37,081	37,081
Balance at 31 December	1,683,113	7,880,419	9,563,532

BFLC is listed on the Bahrain Bourse. The market value based on quoted prices at 31 December 2019 was BD 818,100 (2018: BD 818,100).

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6 Equity accounted investees (continued)

b) The following table summarizes the financial position of the associates as included in its own financial statements for the Company's share:

African & Eastern (Bahrain) WLL	**2019**	2018
Total current assets	9,486,084	6,400,868
Total non-current assets	16,059,737	17,772,066
Total current liabilities	(1,915,153)	(1,384,164)
Total non-current liabilities	(399,090)	(268,280)
Net Assets (100%)	**23,231,578**	22,520,490
	33%	33%
Company's share of net assets	7,743,781	7,506,755
Goodwill	373,664	373,664
Carrying amount of interest in associate	**8,117,445**	7,880,419

	2019	2018
Revenue	17,903,786	16,444,785
Profit for the year	6,174,570	4,823,164
Other comprehensive income	237,042	110,696
Total comprehensive income	**6,411,612**	4,933,860
Company's share of total comprehensive income (33.33%)	2,137,026	1,644,787
Dividend received by the Company	1,900,000	1,600,000

BFLC	**2019**	2018
Total current assets	509,714	357,012
Total non-current assets	5,238,970	6,266,699
Total current liabilities	(465,597)	(540,640)
Total non-current liabilities	(886,160)	(85,869)
Net Assets (100%)	**4,396,927**	5,997,202
	28%	28%
Company's share of net assets	1,232,858	1,683,113
Carrying amount of interest in associate	**1,232,858**	1,683,113

6 Equity accounted investees (continued)

	2019	2018
Revenue	1,469,659	1,438,214
Loss for the year	(1,600,274)	(1,038,481)
Total comprehensive income	(1,600,274)	(1,038,481)
Company's share of total comprehensive income (28.06%)	(450,255)	(290,787)
Dividend received by the Company	-	101,000

The results for BFLC used for equity accounting are based on reviewed accounts for 9 months ended 30 September 2019 and management accounts for the 3 months ended 31 December 2019. The results for A&E used for equity accounting was based on audited accounts for the year ended 31 December 2019.

7. Investment securities

	2019	2018
Quoted equity securities at FVOCI	10,841,028	11,711,979
Unquoted equity securities at FVOCI	2,525,330	1,970,874
Debt securities at FVOCI	-	187,697
	13,366,358	13,870,550

The movement on investment securities for the year is as follows:

	2019	2018
Balance at 1 January	13,870,550	12,493,482
Impact of adoption of IFRS 9 on 1st January 2018	**-**	*1,260,802*
Disposals during the year	(2,545,506)	(356,732)
Fair value movement - net	2,041,314	472,998
Balance at 31 December	**13,366,358**	13,870,550

8. Inventories

	2019	2018
Food and beverages	3,105,442	3,505,101
General stores	111,927	142,668
Maintenance stores	200,960	69,682
	3,418,329	3,717,451
Allowance for slow moving and obsolete inventories	(272,138)	(278,447)
	3,146,191	3,439,004

8. Inventories (continued)

The movement on the provision for slow moving inventories is as follows:

	2019	2018
1 January	278,447	300,092
Charge for the year	9,726	4,262
Write-off during the year	(16,035)	(25,907)
At 31 December	**272,138**	278,447

9. Trade receivables

	2019	2018
Trade receivables	2,253,193	2,225,141
Related parties receivable (note 25)	364,150	103,260
	2,617,343	2,328,401
Impairment allowance on trade receivables	(298,704)	(377,776)
	2,318,639	1,950,625

Movement on impairment allowance during the year is as follow:

	2019	2018
Balance at 1 January	377,776	338,296
Charge for the year - net	32,769	39,480
Write-off during the year	(111,841)	-
Balance at 31 December	**298,704**	377,776

10. Other assets

	2019	2018
Other receivables – related parties (note 25)	143,409	179,486
Advances and prepayments	475,755	471,239
Security deposits	322,734	211,621
Others*	2,637,707	2,021,826
	3,579,605	2,884,172

*Others include a BD 1,795,500 (31 December 2018: BD 1,795,500) related to VAT paid on the purchase of the Dubai hotel, which has been recognised as input VAT receivable.

11. Cash and bank balances

	2019	2018
Cash and bank balances	7,130,581	6,024,549
Cash and cash equivalents	**7,130,581**	6,024,549
Deposits with banks with maturities of more than three months	**-**	575,949
	7,130,581	6,600,498

Information about the Group's exposure to interest rate and credit risks are included in note 26.

12. Share capital

	Number 2019	**Amount 2019**	Number 2018	Amount 2018
a) Authorised shares 100 fils each	**300,000,000**	**30,000,000**	300,000,000	30,000,000
b) Issued and fully paid	**225,994,863**	**22,599,487**	225,994,863	22,599,487

c) Treasury shares:

The Company's Articles of Association permit the Company to hold up to 10 % (or such other limit as may be prescribed under law) of its own issued shares as treasury shares.

	Number 2019	**Amount 2019**	Number 2018	Amount 2018
Balance at the beginning of the year	56,266	33,248	56,266	33,248
Sale of treasury shares	(56,266)	(33,248)	-	-
Balance at 31 December	**-**	**-**	56,266	33,248

d) Performance per 100 fils share (excluding treasury shares)

	2019	2018
Basic and diluted earnings per share – fils	26	31
Proposed cash dividend per share – fils	25	25

e) Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased by the Company and held as treasury shares, as follows:

	2019	2018
Profit for the year	5,950,130	6,921,515
Weighted average number of equity shares	225,967,503	225,938,597
Basic earnings per share in fils	**26**	31

Diluted earnings per share is same as basic earnings per share as the Group does not have any potential dilutive instruments in issue.

12 Share capital (continued)

f) Major shareholders

Names and nationalities of the major shareholders and the number of shares held in which they have an interest of 5% or more outstanding shares:

	31 December 2019			31 December 2018	
	Nationality	**No. of shares**	**Shareholding (%)**	No. of shares	Shareholding (%)
Bahrain Mumtalakat Holding Co. B.S.C. (c)	Bahraini	57,558,331	25.47%	57,558,331	25.47%
Social Insurance Organization	Bahraini	28,382,960	12.56%	28,382,960	12.56%
Family Investment Company Ltd.	Bahraini	24,428,215	10.81%	24,428,215	10.81%
Y.K.Almoayyed & Sons B.S.C (c)	Bahraini	14,309,817	6.3%	14,309,817	6.3%

The Group has only one class of shares and the holders of these shares have equal voting rights.

g) Additional information on shareholding pattern

i. The Company has only one class of equity shares and the holders of the shares have equal voting rights.

ii. Distribution schedule of equity shares, setting out the number of holders and percentage in the following categories:

Categories*	**Number of shareholders**	**Number of shares**	**% of total outstanding shares**
Less than 1 %	3,808	69,808,990	30.90
1 % up to less than 5 %	8	31,506,550	13.94
5 % up to less than 10 %	1	14,309,817	6.33
10% up to less than 20%	2	52,811,175	23.36
20% up to less than 50%	1	57,558,331	25.47
TOTAL	**3,820**	**225,994,863**	**100.00**
Treasury shares	**-**	**-**	**-**

* Expressed as % of total issued and fully paid shares of the Company.

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12 Share capital (continued)

The details of the nationality of the shareholders and the percentage holding of the total outstanding share capital is as follows:

	31 December 2019			31 December 2018		
Category	*No. of shares*	*No. of shareholders*	*% of total outstanding share capital*	*No. of shares*	*No. of shareholders*	*% of total outstanding share capital*
Bahraini	215,531,116	1,072	95.370%	214,530,490	1,041	94.927%
Egyptian	14,419	1	0.006%	14,419	1	0.006%
UAE	1,019,835	8	0.451%	1,019,589	7	0.451%
Indian	198,126	4	0.088%	165,657	3	0.073%
Jordanian	4,703	1	0.002%	4,703	1	0.002%
Kuwaiti	2,879,433	5	1.274%	2,872,128	4	1.271%
Omani	3,821	1	0.002%	3,821	1	0.002%
Qatari	119,310	5	0.053%	119,214	4	0.053%
Saudi	2,798,337	9	1.238%	2,788,337	9	1.234%
Others	3,425,763	2,714	1.516%	4,476,505	2,788	1.981%
	225,994,863	**3,820**	**100.00%**	225,994,863	3,859	100.00%

The details of the total ownership interest held by the directors are as follows:

	31 December 2019		31 December 2018	
Director	**No. of shares**	**% of total outstanding share capital**	No. of shares	% of total outstanding share capital
Farouk Yousuf Almoayyed	4,234,297	1.874%	4,234,297	1.874%
Fawzi Ahmed Ali Kanoo	193,975	0.085%	139,755	0.062%
Khalid Mohamed Kanoo	141,436	0.063%	141,436	0.063%
Mohamed Husain Yateem	1,782,343	0.789%	1,732,343	0.767%
Mohamed Jassim Buzizi	448,119	0.198%	448,119	0.198%
Adel Hussain Mahdi Almasqati	56,508	0.025%	56,508	0.025%

The details of the total ownership interest held by the directors along with the entities controlled, jointly controlled or significantly influenced by them are as follows:

	2019	2018
Number of shares	143,024,881	142,488,632
Percentage of holdings	63.29%	63.05%

13. Other reserves

a) Statutory reserve
The Commercial Companies Law, requires appropriation of 10% of the net profit each year, until the reserve equals 50% of the paid-up capital. These limits are applied separately to each company within the Group.

b) General reserves
General reserves are appropriated from profits for the year at the discretion of the board of directors.

c) Investment fair value reserve
Gains or losses arising on re-measurement of investment securities are recognised in the investment fair value reserve.

14. Employees' end of Service Benefits

The Group's contributions in respect of Bahraini employees for the year amounted to BD 297,182 (2018: BD 266,518). The Group employed 935 staff at 31 December 2019 (2018: 896).

Movement in provision of end of service benefits during the year is as follows:

	2019	2018
Opening balance	2,137,984	2,064,155
Charge during the year	312,826	288,731
Paid during the year	(961,564)	(214,902)
	1,489,246	2,137,984

15. Bank loans

	2019	2018
Current	824,000	4,000,000
Non-current	11,736,000	14,000,000
	12,560,000	18,000,000

The Group had obtained a bank loan in 2018 at an interest rate of BIBOR + 2.1% to purchase a 4 star hotel property in Dubai, UAE. Certain properties with a book value of BD 10,846,855 of the Group are mortgaged to the bank as collateral for the loan.

16. Trade payables

	2019	2018
Trade payables	2,251,237	1,999,342
Related parties payable (note 25)	65,191	64,631
	2,316,428	2,063,973

17. Accrued expenses and other liabilities

	2019	2018
Accrued expenses	1,115,912	1,341,229
Payables to contractors	1,059,534	1,845,579
Accrued staff benefits	798,289	406,443
Government levy payable	324,584	573,902
Other payables	2,083,714	1,590,925
	5,382,033	5,758,078

18. Revenue

	2019	2018
Food and beverages	25,898,760	25,284,578
Rooms	10,648,465	8,109,628
Other operating revenue	2,022,585	1,717,072
	38,569,810	35,111,278

19. Direct operating costs

	2019	2018
Food and beverages	11,352,765	9,077,860
Payroll and related costs	6,642,071	6,824,087
Rooms	1,361,516	1,941,912
Other operating departments	301,324	389,535
Other overhead costs	1,721,605	1,829,972
	21,379,281	20,063,366

20. Management fee and other income

	2019	2018
Management fee	403,555	368,437
Property income – net	350,726	401,471
Rental income	236,865	19,391
Reversal of provision*	45,809	2,434,686
Other income	251,510	198,968
	1,288,465	3,422,953

***** Reversal of provisions in 2018 of BD 2,434,686 created in previous years for possible liabilities relating to Crown Plaza Hotel and BTC at the time of the acquisition. However based on developments during 2018 and a reassessment by management, these provision are no longer required.

21. Other operating expenses

	2019	2018
Utilities	899,216	557,571
Marketing	303,129	206,295
Maintenance	350,117	243,145
Professional fees	41,016	51,067
Directors' fee	298,200	295,354
Registration fee	28,204	30,744
Insurance expense	76,731	72,820
Municipal taxes	44,160	18,000
Printing and stationary	37,295	15,379
Other expenses	926,068	1,147,976
	3,004,136	2,638,351

22. Pre-operating project expenses

Pre-operating project expenses comprise of general and administration expenses of BD 134,486 related to the Juffair building in 2019 and BD 1,057,899 incurred in 2018 on the Dubai 4 star hotel prior to commencement of operations.

23. Capital expenditure commitments

Capital expenditure contracted for at the reporting date but not provided for, relating to the Group, amounted to BD 2,420,000 (2018: BD 1,844,025). This is mainly for the construction development of Gulf Residence Juffair.

24. Proposed appropriations

	2019	2018
Profit as per consolidated statement of profit or loss	5,950,130	6,921,515
Proposed appropriations:		
Cash dividend	5,649,872	5,648,465

Proposed appropriation of the 2019 profit is subject to approval by shareholders at the Annual General Meeting. During the annual general meeting held on 12 March 2019 the shareholders approved a dividend of BD 6,778,158 for the year 2018.

25 Related Party Transactions

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 entities over which the Company exercises significant influence, major shareholders, directors and key management personnel of the Company. Transactions between related parties are on terms agreed between the parties.

Transactions with related parties during the period are as follows:

	31 December 2019					31 December 2018				
	Purchases	**Sales**	**Management fee income**	**Interest Expense**	**Share of profit from associates**	Purchases	Sales	Management fee income	Interest Expense	Share of profit from associates
Major shareholders and their affiliates	622,477	566,380	403,556	895,839	-	416,195	178,152	368,437	419,837	-
Associates (note 6)	14,035	74,723	-	-	1,607,916	52,243	-	-	-	1,316,919
Directors and related affiliates	-	68,025	-	-	-	806,843	157,971	-	-	-
	636,512	**709,128**	**403,556**	**895,839**	**1,607,916**	1,275,281	336,123	368,437	419,837	1,316,919

25 Related Party Transactions (continued)

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

	31 December 2019					31 December 2018				
	Trade receivables	**Other receivables**	**Trade payables**	**Bank loan**	**Other payables**	Trade receivables	Other receivables	Trade payables	Bank loan	Other payables
Major shareholders and their affiliates	319,886	143,409	64,908	12,560,000	-	84,538	179,486	64,631	18,000,000	-
Associates	27,043	-	283	-	-	-	-	-	-	-
Directors and related affiliates	17,221	-	-	-	-	18,722	-	-	-	-
	364,150	**143,409**	**65,191**	**12,560,000**	**-**	103,260	179,486	64,631	18,000,000	-

Compensation of key management personnel
Key management personnel are those persons having responsibility for planning, directing and controlling the activities of the Group. The remuneration of directors and members of key management during the period were as follows:

	2019	2018
Salaries and short-term employee benefits	382,288	440,190
Post-employment benefits	18,283	18,926
Directors attendance fees and remuneration	298,200	295,354
	698,771	754,470

Certain transactions were approved by the Board of Directors under Article 189(b) of the Commercial Companies Law in the financial year ended 31 December 2019 where the chairman, directors or managers had a direct or indirect interest in the contracts or transactions which have been approved by the board.

25 Related Party Transactions (continued)

Outstanding balances at the period end arise in the normal course of business and are interest free and unsecured. The Group only creates an impairment provision for related party balances where it is virtually certain the debt will not be recovered. No impairment losses have been recorded against balances outstanding during the period with related parties, and no specific allowance has been made for impairment losses on balances with related parties at the year end.

26 Risk Management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. The note also presents certain quantitative disclosures in addition to the disclosures throughout the financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established an executive management committee, which assist the Board of Directors in effectively discharging their responsibilities for developing and monitoring the Group's risk management policies.

The Group's Audit Committee oversees how management monitors compliance with the Company's risk management procedures and reviews the adequacy of the risk management practices in relation to the risks faced by the Company. The Group's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit risk
Credit risk is the risk that a customer or a counter party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group is exposed to credit risk primarily on its cash and bank balances, receivables and investment in debt securities.

The Group's credit risk on cash and bank balances is limited as these are placed with banks in Bahrain having investment grade credit ratings.

With regard to trade receivables, the Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables on an on-going basis.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

26 Risk Management (continued)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2019	2018
Trade receivables	2,318,639	1,950,625
Other assets	3,103,850	2,412,933
Investment debt securities	-	187,697
Bank balances	7,079,529	6,556,048
	12,502,018	11,107,303

The maximum exposure to credit risk at the reporting date based on geographical concentration was:

	2019	2018
Bahrain	9,963,619	8,737,864
Middle East	2,445,245	2,088,283
Others	93,154	281,156
	12,502,018	11,107,303

The ageing of receivables at the reporting date was:

	2019		2018	
	Gross	**Impairment**	Gross	Impairment
Neither past due nor impaired	673,870	-	815,208	-
Past due 0-90 days	1,195,438	-	991,937	(14,648)
Past due 91-180 days	187,467	-	101,402	(29,080)
More than 180 days	560,568	(298,704)	419,854	(334,048)
	2,617,343	(298,704)	2,328,401	(377,776)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The Group incurs financial liabilities in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. A 1% increase / decrease in interest rates will have an impact of BD 94,323 (2018: BD 73,265) loss and BD 199,354 (2018: BD 76,160) gain on the profit and equity of the Group.

26 Risk Management (continued)

(ii) Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has exposure to currency risk on its purchases invoiced in foreign currency, on credit card sales in foreign currency and on certain investment in foreign currency. Predominantly, the purchase of products is from local suppliers. Investments in foreign currency are mainly in Saudi Riyals or UAE Dirhams, which are effectively pegged against the US dollar. The majority of the foreign currency purchases are in US dollars. The US dollar is pegged against the Bahraini dinar and therefore the Company is not exposed to any significant currency risk.

(iii) Equity price risk
The Group's quoted equity investments are listed on Bahrain Stock Exchange ("BSE"), Kuwait Stock Exchange ("KSE"), Kingdom of Saudi Stock exchange ("Tadawul") and Qatar Stock exchange (QE).

The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant.

	2019			2018		
	Change in equity price	**Effect on equity**	**Effect on profit**	Change in equity price	Effect on equity	Effect on profit
Available-for-sale investments (quoted)	+10%	1,084,103	-	+10%	1,162,085	-
	-10%	1,084,103	-	-10%	(1,178,124)	-

All of the Group's quoted investments are listed in the Kingdom of Bahrain and other GCC stock markets.

Concentration of investment portfolio
Concentration of investment portfolio arise when a number of investments are made in entities engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would be affected by changes in economic, political or other conditions. The Group manages this risk through diversification of investments in terms of investment concentration. The concentration of the Group's investment portfolio is as follows:

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26 Risk Management (continued)

	2019	2018
Geographic region		
Kingdom of Bahrain	13,366,358	11,413,351
Kingdom of Saudi Arabia	-	1,045,218
United Arab Emirates	-	548,689
State of Qatar	-	446,510
Others	-	416,782
	13,366,358	13,870,550

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management ensures that funds are available at all times to meet the funding requirements of the Group.

Management of liquidity risk
The Group's approach to managing liquidity risk is to ensure that the Group secures funding significantly larger than present and future requirements. The Group continuously monitors the extent to which contractual receipts exceed contractual payments and the levels of new advances are correlated to the levels of liquidity.

The residual future contractual maturity of financial assets and liabilities are summarised in the table below. The future contractual undiscounted cash flows of financial assets and financial liabilities have been disclosed at the carrying value and prevailing interest rates at the reporting date until their final maturities.

2019	**Carrying amount**	**Gross contractual cash flows**	**Within 1 Year**	**1 year to 5 years**	**Over 5 years**
Assets					
Cash and balances with banks	7,130,581	7,130,581	7,130,581	-	-
Trade receivables	2,318,639	2,318,639	2,318,639	-	-
Other assets	3,103,850	3,103,850	3,103,850	-	-
	12,553,070	**12,553,070**	**12,553,070**	**-**	**-**
Liabilities					
Trade and other payables	7,698,461	7,698,461	7,698,461	-	-
Bank term loans	12,560,000	14,137,787	1,531,264	12,606,523	-
	20,258,461	**21,836,248**	**9,229,725**	**12,606,523**	**-**

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For the year ended 31 December 2019 *Bahraini Dinars*
26 Risk Management (continued)

2018	Carrying amount	Gross contractual cash flows	Within 1 Year	1 year to 5 years	Over 5 years
Assets					
Cash and balances with banks	6,600,498	6,600,498	6,600,498	-	-
Investment securities (Debt)	187,697	193,563	193,563	-	
Trade receivables	1,950,625	1,950,625	1,950,625	-	-
Other assets	2,412,933	2,412,933	2,412,933	-	-
	11,151,753	11,157,619	11,157,619		
Liabilities					
Trade and other payables	7,822,051	7,822,051	7,822,051	-	-
Bank term loans	18,000,000	19,971,231	4,765,800	15,205,431	-
	25,822,051	27,793,282	12,587,851	15,205,431	-

Reputational risk
The Group manages reputational risk through regular monitoring of operations, ensuring that customers' feedback on the product and services offered is regularly received and acted upon, mystery guest processes and other forms of customer satisfaction surveys.

Capital management
The Board’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Group. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders’ equity and the level of dividends to shareholders. The Board seeks to maintain a balance between the higher returns and growth that might be possible by a sound capital position. There were no significant changes in the Group’s approach to capital management during the year.

27 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Financial assets and liabilities measured at fair value

The following table sets out the fair values of financial instruments measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December.

2019	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Equity securities at FVOCI	10,841,028	-	2,525,330	13,366,358
	10,841,028	**-**	**2,525,330**	**13,366,358**

2018	Level 1	Level 2	Level 3	Total fair value
Debt securities at FVOCI	187,697	-	-	187,697
Equity securities at FVOCI	11,711,979	-	1,970,874	13,682,853
	11,899,676	-	1,970,874	13,870,550

There were no transfers between Level 1 and Level 3 of the fair value hierarchy during the year ended 31 December 2019. The table below shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	2019	2018
Balance at 1 January	1,970,874	-
Impact of adopting IFRS 9	-	835,071
Total gains or losses:		
- in other comprehensive income	554,456	1,135,803
Balance at 31 December	**2,525,330**	1,970,874

Investments at fair value through comprehensive include investments in unquoted equity securities. The fair value has been determined using the market multiples valuation technique or using net asset values of the investee companies.

Financial assets and liabilities not measured at fair value

The fair value of other financial assets not measured at fair value include cash and bank balances, trade receivables and other assets approximated their respective book values due to their short-term nature.

The fair value of bank term loans approximate carrying value since they are at floating interest rates. All other financial liabilities, including trade and other payables are measured at amortised cost which is not materially different from to its carrying amount.

27 Fair value measurement (continued)

Non-financial assets not measured at fair value but where the fair value is disclosed

The fair value of the Group's investment properties as at 31 December 2019 have been arrived at on the basis of a valuation carried out on the respective dates. The fair value was determined by an independent property valuer who has qualifications and experience in valuing similar properties based on market comparable approach that reflects recent transaction prices for similar properties. There has been no change to the valuation technique during the year.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December are as follows:

2019	**Level 1**	**Level 2**	**Level 3**	**Total net book value**	**Total fair value**
Investment properties	-	821,017	-	821,017	2,104,403

2018	Level 1	Level 2	Level 3	Total net book value	Total fair value
Investment properties	-	797,676	-	797,676	2,387,633

28 Comparatives

The comparative figures have been regrouped, where necessary, in order to conform to the current year's presentation. Such regrouping did not affect the previously reported profit and total comprehensive income for the year or total equity.

29 Segmental Information

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

Hotel operations - Hotel room and rental and management of executive apartments and offices and provision of automatic laundry services

Food and beverage - Retail sale of food and beverages and convention operations

Investments and other activities - Investment activities of the Group

The operations of Gulf Brands International and the retail sales of food and beverages of the Gulf Hotel and the convention operations of the Gulf Convention Center have been aggregated for segmental reporting.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, inventories and accounts receivable. Whilst the majority of the assets can be directly attributed to individual business segments, the carrying amounts of certain assets used jointly by two or more segments are allocated to the segments on a reasonable basis.

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

The Group operates substantially in the Kingdom of Bahrain.

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For the year ended 31 December 2019 Bahraini Dinars

29 Segmental Information (continued)

	Hotel room operations		*Food and beverage*		*Investment and other activities*		*Consolidated*	
Year ended 31 December	***2019***	*2018*	***2019***	*2018*	***2019***	*2018*	***2019***	*2018*
Gross operating revenue	**12,671,050**	9,826,700	**25,898,760**	25,284,578	**-**	-	**38,569,810**	35,111,278
Gross operating costs	**(5,937,634)**	(4,053,692)	**(15,441,647)**	(16,009,674)	**-**	-	**(21,379,281)**	(20,063,366)
Gross operating profit	**6,733,416**	5,773,008	**10,457,113**	9,274,904	**-**	-	**17,190,529**	15,047,912
Investment income	**-**	-	**-**	-	**2,395,290**	2,152,583	**2,395,290**	2,152,583
Interest income	**-**	-	**-**	-	**83,950**	355,726	**83,950**	355,726
Management fee and other income	**404,905**	163,273	**14,359**	32,103	**869,201**	3,227,577	**1,288,465**	3,422,953
Depreciation	**(4,829,666)**	(3,606,684)	**(2,749,678)**	(2,066,964)	**(17,923)**	(16,880)	**(7,597,267)**	(5,690,528)
Interest expense	**-**	-	**-**	-	**(895,839)**	(419,837)	**(895,839)**	(419,837)
Pre-operating project expenses	**(134,486)**	(1,057,899)	**-**	-	**-**	-	**(134,486)**	(1,057,899)
Impairment allowance on trade receivables	**(32,769)**	(39,480)	**-**	-	**-**	-	**(32,769)**	(39,480)
Impairment of property and equipment	**-**	-	**-**	-	**-**	(1,058,519)	**-**	(1,058,519)
Other operating expenses	**(4,477,203)**	(3,111,568)	**(274,205)**	(283,016)	**(1,596,335)**	(2,396,812)	**(6,347,743)**	(5,791,396)
Segment profit (loss) for the year	**(2,335,803)**	(1,879,350)	**7,447,589**	6,957,027	**838,344**	1,843,838	**5,950,130**	6,921,515
Total Assets	**69,638,005**	73,538,170	**39,404,171**	42,039,292	**27,684,549**	26,067,079	**136,726,725**	141,644,541
Total Liabilities	**6,470,301**	6,399,498	**1,849,212**	1,736,371	**13,428,194**	19,824,166	**21,747,707**	27,960,035
Capital Expenditures	**1,986,643**	51,427,931	**79,425**	997,566	**6,746**	-	**2,072,814**	52,425,497

30 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		Equity			
	Trade and other payables	**Bank Term loans**	**Share capital**	**Reserves**	**Retained earnings**	**Total**
Balance at 1 January 2019	**7,822,052**	**18,000,000**	**40,080,681**	**23,437,131**	**50,166,694**	**139,506,558**
Repayment of loans and borrowings	-	(5,440,000)	-	-	-	(5,440,000)
Sale of treasury shares	-	-	23,055	-	-	23,055
Dividend paid	(6,734,687)	-	-	-	-	(6,734,687)
Donations paid	-	-	-	(54,361)	-	(54,361)
Interest paid	(905,459)	-	-	-	-	(905,459)
Total changes from financing cash flows	**(7,640,146)**	**(5,440,000)**	**23,055**	**(54,361)**	**-**	**(13,111,452)**
Changes in fair value	-	-	-	2,120,169	-	2,120,169
Other changes	-	-	10,193	(682,630)	6,656,244	5,983,807
Liability-related	(157,443)	-	-	-	-	(157,443)
Dividends declared	6,778,159	-	-	-	(6,778,159)	-
Interest expense	895,839	-	-	-	-	895,839
Total liability-related other changes	**7,516,555**	**-**	**-**	**-**	**-**	**7,516,555**
Total equity-related other changes	**-**	**-**	**10,193**	**1,437,539**	**(121,915)**	**1,325,817**
Balance at 31 December 2019	**7,698,461**	**12,560,000**	**40,113,929**	**24,820,309**	**50,044,779**	**135,237,478**