Gulf Hotels Group B.S.C.

CHAIRMAN REPORT,
INDEPENDENT AUDITOR'S REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

مجموعة فنادق الخليج
GULF HOTELS GROUP

Chairman Report

On behalf of the Board of Directors, I have the pleasure of presenting the Financial Statements of the Gulf Hotels Group BSC, for the year ended 31st December 2024. I am pleased to announce that The Group has achieved an outstanding financial result for the year ended 31 December 2024, achieving net profit of BD 8.9 compared to BD 6.8 million last year, reflecting an increase of 31%.

The group's income increased by BD 4.157 million reflecting an 11% growth compared to last year. The increases are attributed to the increase of revenue across the group's business units in addition to the contribution of the full year revenue from Novotel Al Dana Resort which contributed additional BD 1.045 million in 2024 as compared to 7 months last year as it was acquired in June 2023.

The strong financial results for 2024 reflect our steadfast commitment to operational excellence, innovation, and sustainable growth across all business segments. The Group remains well-positioned to drive continued expansion, enhance its market share, and deliver sustained value to our shareholders.

Results

- Total income **BD 42,174,361**
- Net Profit **BD 8,856,516**

Proposed Appropriations

Considering the positive financial results achieved by the company, the Board of Directors are pleased to recommend for the approval of shareholders the following appropriations:

- Dividend of 25% (BD 5,649,872) equal to 25 fils per share.
- Board of Director's remuneration BD 218,000.

Future Prospects

As we look ahead to 2025 and beyond, our outlook remains positive. We will continue to seek expansion opportunities within the Kingdom of Bahrain and across the region. Saudi Arabia remains a particularly attractive market, where we see tremendous potential for growth. In Bahrain, we will broaden our hospitality offerings across hotels and restaurants while investing in property enhancements and undertaking extensive renovation projects to elevate the guest experience further. With a robust pipeline of opportunities, supported by solid balance sheet and strong cash flow capabilities, we are confident in our ability to drive sustainable growth and long-term value for our shareholders.

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Acknowledgments

On behalf of the shareholders and the Board of Directors of The Gulf Hotels Group BSC, I would like to express our sincere gratitude and appreciation to H.M. King Hamad Bin Isa Al Khalifa, HRH the Crown Prince and Prime Minister Salman Bin Hamad Al Khalifa, the Ministers, Undersecretaries, Directors, and Heads of Government Departments, for the immeasurable interest, guidance, and encouragement accorded to Gulf Hotels Group.

Equally, we are grateful to our clients, patrons, and most of all, to the people of Bahrain for your outstanding support, trust, and confidence as we look to sustain the highest level of hospitality service.

The success of the Company 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 acknowledging the untiring efforts of the Gulf Hotels Group teams. To our Group Chief Executive Officer, Ahmed Janahi, his management team and all of our employees, your commitment to service has been exemplary and you have our grateful thanks.

As we embark on the next chapter of our journey, we also pay tribute to the late Chairman, Mr. Farooq Almoayyad, whose visionary leadership and steadfast dedication laid the foundation for the Group's success. His contributions to the organization and the hospitality industry in Bahrain remain deeply ingrained in our values, guiding us toward an even brighter future.

As we move into 2025, we are confident in our ability to continue the momentum and deliver another year of growth and success.

Mr. Fawzi Kanoo
Chairman

Disclosure forms for the remuneration of members of the board of directors and the executive management in the report of the board of directors

First: Board of directors' remuneration details:

Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee	Salaries	Others*	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others**	Total			
First: Independent Directors:													
1-Mr. Mohammed Jassim Buzizi	20,000	9,600	-	18,000	47,600	-	-	-	-	-	-	47,600	-
2- Mr. Jassim Abdulal	20,000	8,400	-	-	28,400	-	-	-	-	-	-	28,400	-
3- Mr. Adel Maskati	20,000	7,600	-	-	27,600	-	-	-	-	-	-	27,600	-
4-Mr. Andrew Day***	20,000	7,600	-	-	27,600	-	-	-	2,194	2,194	-	29,794	-
Second: Non-Executive Directors:													
1-Mr. Farouk Yousuf Almoayyed	23,000	5,700	-	-	28,700	-	-	-	-	-	-	28,700	-
2-Mr. Fawzi Ahmed Kanoo	20,000	8,400	-	-	28,400	-	-	-	-	-	-	28,400	-
3-Mr. Khalid Mohammed Kanoo	5,000	1,500	-	-	6,500	-	-	-	-	-	-	6,500	-

4-Mr. Oliver Harnisch ***	5,000	2,700	-	-	7,700	-	-	-	874	874	-	8,574	-
5-Ms. Zain Hamad Alamer***	20,000	8,800	-	-	28,800	-	-	-	-	-	-	28,800	-
6- Mr. Hesham Khonji***	20,000	6,800	-	-	26,800	-	-	-	-	-	-	26,800	-
7-Ms. Hala Almoayyed	15,000	4,900	-	-	19,900	-	-	-	-	-	-	19,900	-
8-Mr. Fahad Kanoo	15,000	5,300	-	-	20,300	-	-	-	-	-	-	20,300	-
9-Mr. Nasser Aljalahma***	15,000	6,100	-	-	21,100	-	-	-	-	-	-	21,100	-
Third: Executive Directors:													
N/A													
Total	218,000	83,400	-	18,000	319,400	-	-	-	3,068	3,068	-	322,468	-

Note: All amounts are in Bahraini Dinars.

* It includes the benefits in kind – a certain amount – and the remuneration of technical, administrative and consulting services (if any).

** It includes the Board member's share of the profits - the shares granted (value is entered) (if any).

*** It will be paid to the parent company.

Second: Executive management remuneration details:

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2024	Aggregate Amount
Remunerations for top 6 executives, including CEO and Senior Financial Officer	441,301	27,791	-	469,092
Note: All amounts are in Bahraini Dinars.				

Building a better working world

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GULF HOTELS GROUP B.S.C.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Gulf Hotels Group B.S.C. ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 *Auditor's 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 judgement, were of most significance in audit of the consolidated financial statements for the year ended 31 December 2024. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GULF HOTELS GROUP B.S.C. (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (continued)

Key audit matters (continued)

Assessments for impairment of property and equipment
Refer to note 2 for impairment policy, note 3 for estimate and judgement and note 4 on discosure of property and equipment in the consolidated financial statements.

Key audit matter	***How our audit addressed the key audit matter***
At 31 December 2024, the Group held property and equipment of BD 73,728 thousand. Property and equipment was important to our audit due to the size of the carrying value of the property and equipment (65% of the total assets as at 31 December 2024) as well as the judgement involved in the assessment of the recoverability of its carrying value. The recoverability of the carrying value of the property and equipment is, in part, dependent on the Group's ability to generate sufficient future profits. This assessment requires management to make assumptions in the underlying cash flow forecasts in respect of factors such as occupancy rate, room rents and sales levels of food and beverages, inflation and overall market and economic conditions of the Hotels within the Group.	Our audit procedures in this area included, among others: - Review of the Group's impairment policy to ensure its adherence to IFRS Accounting Standards and acceptable accounting practices in hospitality industry; - Corroborating the key inputs used in the valuation with independently available information; - Evaluation of the appropriateness of the methodology used by the Group to assess impairment of property and equipment; - Ensuring consistent application of the impairment assessment methodology; - Evaluation of the independent external property valuer’s competence, experience, capabilities and objectivity; - Checking the mathematical accuracy of relevant financial and quantitative data used in the impairment model and agreeing the relevant data to the latest business plans, budgets and the current capacity of each hotel property.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
GULF HOTELS GROUP B.S.C. (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (continued)

Other information in the Group's 2024 annual report

Other information consists of the information included in the Group's 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information. Prior to the date of this auditors' report, we obtained the Report of the Board of Directors which form 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 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 when it becomes available 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 obtained prior to the date of the auditor's 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 Accounting Standards, 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.

Auditor's 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 auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GULF HOTELS GROUP B.S.C. (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GULF HOTELS GROUP B.S.C. (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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 of the current year and are therefore the key audit matters. We describe these matters in our auditor's 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 Legal and Regulatory Requirements

We report that:

a) As required by the Bahrain Commercial Companies Law,

   i) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;

   ii) the financial information contained in the Report of the Board of Directors is consistent with the consolidated financial statements; and

   ii) satisfactory explanations and information have been provided to us by management in response to all our requests.

b) we are not aware of any violations of the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or the terms of the Company's memorandum and articles of association during the year ended 31 December 2024 that might have had a material adverse effect on the business of the Group or on its consolidated financial position.

c) As required by Article 8 of section 2 of Chapter 1 of the Bahrain Corporate Governance Code, we report that the Company:

   i) has appointed a Corporate Governance Officer; and

   ii) has a board approved written guidance and procedures for corporate governance.

The Partner in charge of the audit resulting in this independent auditor's report is Nader Rahimi.

Ernst + Young

Partner's Registration No. 115
25 February 2025
Manama, Kingdom of Bahrain

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 BD	2023 BD
ASSETS			
Non-current assets			
Property and equipment	4	**73,728,435**	75,964,176
Investment properties	5	**576,609**	614,188
Investments in associates and a joint venture	6	**6,998,230**	7,264,849
Prepayments and other receivables	10	**636,021**	687,021
Investments	7	**10,329,955**	12,109,892
		92,269,250	96,640,126
Current assets			
Inventories	8	**3,516,702**	2,945,447
Trade receivables	9	**1,963,176**	1,540,469
Prepayments and other receivables	10	**1,765,437**	1,161,614
Cash, bank balances and bank deposits	11	**13,347,420**	8,538,847
		20,592,735	14,186,377
TOTAL ASSETS		**112,861,985**	110,826,503
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**22,599,487**	22,599,487
Share premium	13	**17,514,442**	17,514,442
Other reserves	14	**21,293,184**	23,348,716
Retained earnings		**44,125,286**	40,890,456
Total equity		**105,532,399**	104,353,101
Non-current liability			
Employees' end of service benefits	16	**955,522**	1,075,711
Current liabilities			
Trade payables	17	**1,926,746**	1,453,981
Accrued expenses and other liabilities	18	**4,447,318**	3,943,710
		6,374,064	5,397,691
Total liabilities		**7,329,586**	6,473,402
TOTAL EQUITY AND LIABILITIES		**112,861,985**	110,826,503

Fawzi Ahmad Ali Kanoo
Chairman

Mohamed Jasim Mohamed Buzizi
Director

Ahmed Janahi
Chief Executive Officer

Mohamed Al Gharbi
Chief Financial Officer

The attached notes 1 to 30 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	*2024* BD	*2023* BD
Revenue from contracts with customers	20	**36,727,416**	32,999,504
Share of results of associates and a joint venture	6	**1,724,701**	1,560,746
Dividend income		**767,185**	761,094
Interest income		**447,181**	379,583
Rental and other income	21	**2,507,878**	2,316,610
TOTAL INCOME		**42,174,361**	38,017,537
Staff costs	22	**10,278,149**	10,188,485
Food and beverages cost		**8,891,010**	8,027,589
Depreciation of property and equipment	4	**5,454,746**	5,212,803
Depreciation of investment properties	5	**60,694**	56,322
Utilities		**1,839,949**	1,699,371
Allowance for expected credit losses	9	**24,184**	123,975
Other operating expenses	23	**6,769,113**	5,923,406
TOTAL EXPENSES		**33,317,845**	31,231,951
PROFIT FOR THE YEAR		**8,856,516**	6,785,586
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	24	**39**	30
OTHER COMPREHENSIVE LOSS			
Items not to be reclassified to profit or loss in subsequent years:			
- Net changes in fair value of investments at fair value through other comprehensive loss	7	**(1,779,937)**	(653,020)
- Share of other comprehensive income of associates and a joint venture	6	**(91,320)**	129,041
		(1,871,257)	(523,979)
Item to be reclassified to profit or loss in subsequent years:			
- Foreign exchange differences on translation of foreign operation		**(156,089)**	138,615
Other comprehensive loss for the year		**(2,027,346)**	(385,364)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6,829,170**	6,400,222

Fawzi Ahmad Ali Kanoo
Chairman

Mohamed Jasim Mohamed Buzizi
Director

Ahmed Janahi
Chief Executive Officer

Mohamed Al Gharbi
Chief Financial Officer

The attached notes 1 to 30 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Notes	***2024*** ***BD***	*2023* *BD*
OPERATING ACTIVITIES			
Profit for the year		**8,856,516**	6,785,586
Adjustments to reconcile profit to net cash flows:			
Depreciation of property and equipment	4	**5,454,746**	5,212,803
Depreciation of investment properties	5	**60,694**	56,322
Share of results of associates and a joint venture	6	**(1,724,701)**	(1,560,746)
Dividend income		**(767,185)**	(761,094)
Interest income		**(447,181)**	(379,583)
Gain on sale of property and equipment	21	**(7,322)**	(4,532)
Provision (reversal of provision) for slow moving and obsolete inventories	8	**70,238**	(39,877)
Allowance for expected credit losses	9	**24,184**	123,975
Provision for employees' end of service benefits	16	**275,759**	311,128
Operating profit before working capital changes		**11,795,748**	9,743,982
Inventories		**(641,493)**	191,649
Trade receivables		**(446,891)**	69,480
Prepayments and other receivables		**(547,311)**	449,669
Trade payables		**472,765**	(1,699,157)
Accrued expenses and other liabilities		**785,535**	686,850
Cash generated from operations		**11,418,353**	9,442,473
Directors' remuneration paid		**(305,468)**	(324,342)
Employees' end of service benefits paid	16	**(372,407)**	(418,620)
Net cash flows from operating activities		**10,740,478**	8,699,511
INVESTING ACTIVITIES			
Additions to property and equipment	4	**(3,554,193)**	(2,572,521)
Addition to investment properties	5	**(23,115)**	(14,761)
Bank deposits	11	**(3,080,778)**	10,483,867
Proceeds from disposals of property and equipment		**342,510**	6,188
Acquisition of a business, net of cash acquired		**-**	(10,008,122)
Interest received		**441,669**	470,645
Dividends received from an associate	6	**1,900,000**	1,900,000
Dividends received		**767,185**	761,094
Net cash flows (used in) from investing activities		**(3,206,722)**	1,026,390
FINANCING ACTIVITY			
Dividends paid and cash used in financing activity		**(5,649,872)**	(6,262,947)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**1,883,884**	3,462,954
Net foreign exchange difference		**(156,089)**	138,615
Cash and cash equivalents at 1 January		**7,522,714**	3,921,145
Cash and cash equivalents at 31 December	11	**9,250,509**	7,522,714

Non-cash items:

Non-cash items excluded from the above consolidated statement of cash flows were, as follows:

(i) Interest receivable amounting to BD 111,506 (2023: BD 105,994) has been excluded from movement in prepayments and other receivables.

(ii) Dividend payable amounting to BD 70,257 (2023: BD 69,920) has been excluded from movement in accrued expenses and other liabilities.

The attached notes 1 to 30 form an integral part of these consolidated financial statements.

Gulf Hotels Group B.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

			Other reserves							
	Share capital BD	***Share premium BD***	***Statutory reserve BD***	***General reserve BD***	***Charity reserve BD***	***Foreign currency reserve BD***	***Fair Value reserve BD***	***Total Other reserves BD***	***Retained earnings BD***	***Total equity BD***
Balance at 1 January 2023	22,599,487	17,514,442	11,299,744	5,000,000	1,794,011	101,327	5,739,878	23,934,960	39,553,862	103,602,751
Profit for the year	-	-	-	-	-	-	-	-	6,785,586	6,785,586
Other comprehensive income (loss) for the year	-	-	-	-	-	138,615	(523,979)	(385,364)	-	(385,364)
Total comprehensive income (loss) for the year	-	-	-	-	-	138,615	(523,979)	(385,364)	6,785,586	6,400,222
Utilisation of donation reserve	-	-	-	-	(200,880)	-	-	(200,880)	200,880	-
Dividends (note 15)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
At 31 December 2023	22,599,487	17,514,442	11,299,744	5,000,000	1,593,131	239,942	5,215,899	23,348,716	40,890,456	104,353,101
Profit for the year	-	-	-	-	-	-	-	-	8,856,516	8,856,516
Other comprehensive loss for the year	-	-	-	-	-	(156,089)	(1,871,257)	(2,027,346)	-	(2,027,346)
Total comprehensive (loss) income for the year	-	-	-	-	-	(156,089)	(1,871,257)	(2,027,346)	8,856,516	6,829,170
Utilisation of donation reserve	-	-	-	-	(53,186)	-	-	(53,186)	53,186	-
Transfer to statutory reserve (note 14)	-	-	25,000	-	-	-	-	25,000	(25,000)	-
Dividends (note 15)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
At 31 December 2024	**22,599,487**	**17,514,442**	**11,324,744**	**5,000,000**	**1,539,945**	**83,853**	**3,344,642**	**21,293,184**	**44,125,286**	**105,532,399**

The retained earning include statutory reserve of BD 75,000 as at 31 December 2024 (2023: BD 50,000) relating to Bahrain Tourism Company - Crowne Plaza (Bahrain) W.L.L., Gulf Hotel Laundry Services W.L.L, and Novotel Bahrain Al Dana Resort W.L.L the wholly owned subsidiaries of the Group.

The attached notes 1 to 30 form an integral part of these consolidated financial statements.

1 CORPORATE INFORMATION AND ACTIVITIES

Gulf Hotels Group B.S.C. (the “Company") is a public joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under commercial registration (CR) number 950 and listed on Bahrain Bourse. The postal address of the Company’s registered Head Office is at Office 1001, Building 15, Road 3801, Block 338, Manama, Kingdom of Bahrain. The Company is engaged in the business providing hotel services, import and sale of beverages and investing activities.

This consolidated financial statements comprise the results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024.

The Group owns and operates the Gulf Hotel, Gulf Hotel Al Dana Resort and Crown plaza Hotels in the Kingdom of Bahrain and Gulf Court Hotel Business Bay in Dubai, United Arab Emirate. Additionally, the Group oversees the retail operations of Gulf Brand International in the Kingdom of Bahrain, GHG Colombo in Sri Lanka. Moreover, the Group manages multiple restaurants owned by GHG Hospitality W.L.L. The Group also provides management services to The Asdal Gulf-inn Seef, in the Kingdom of Bahrain.The Group is also a shareholder and operator of Bahrain Airport Hotel Company and Ocean Paradise Resort, Zanzibar, Republic of Tanzania.

The Group comprises the Company and the following subsidiaries, associates and a joint venture:

	Ownership interest				
Name	***31 December 2024***	*31 December 2023*	***Relationship***	***Country of incorporation***	***Principal activities***
Gulf Hotel Laundry Services W.L.L	**100%**	100%	Subsidiary	Kingdom of Bahrain	Provision of laundry services
Bahrain Tourism Company - Crowne Plaza (Bahrain) W.L.L.	**100%**	100%	Subsidiary	Kingdom of Bahrain	Owning and operating a hotel and investing activities
Novotel Bahrain Al Dana Resort W.L.L *(formally Gulf Hotel Al Dana Resort W.L.L.)*	**100%**	100%	Subsidiary	Kingdom of Bahrain	Hotel operations
GHG Hospitality W.L.L.*	**100%**	-	Subsidiary	Kingdom of Bahrain	Operating restaurants
Bahrain Family Leisure Company B.S.C.**	**28.06%**	28.06%	Associate	Kingdom of Bahrain	Operating restaurants, and provision of family entertainment.
African & Eastern (Bahrain) W.L.L.	**33.33%**	33.33%	Associate	Kingdom of Bahrain	Importing and selling alcohol beverage
Bahrain Airport Hotel Company W.L.L.***	**51%**	51%	Joint venture	Kingdom of Bahrain	Hotel operations
Gulf Court Hotel Business Bay L.L.C.	**100%**	100%	Subsidiary	United Arab Emirates	Hotel operations
GHG Investments L.L.C.	**100%**	100%	Subsidiary	United Arab Emirates	Investment and other activities
GH Gulf Investment Limited	**100%**	100%	Subsidiary	United Arab Emirates	Investment and other activities
GHG Colombo (Private) Limited	**100%**	100%	Subsidiary	Sri Lanka	Retail operations

1 CORPORATE INFORMATION AND ACTIVITIES (continued)

** During the year ended 31 December 2024, the Group incorporated GHG Hospitality W.L.L. on 29 August 2024, and holds 100% shareholding in the company.*

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

**** The investment is accounted for as a joint venture based on shareholders' agreement whereby both parties agreed to share decision making.*

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 25 February 2025.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation
The consolidated financial statements are prepared under the historical cost convention, except for investments at fair value through other comprehensive income that have been measured at fair value.

Statement of compliance
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as issued by the International Accounting Standards Board (IASB), and in conformity with the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse.

Functional and presentation currency
The consolidated financial statements have been presented in Bahraini Dinars (BD) which is the functional currency of the Company and the presentation currency of the Group.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee,

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

2 MATERIAL ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the shareholders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, cash flows and unrealised gains or losses relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group losses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

New and amended standards effective from 1 January 2024

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those used in the previous year, except for certain new and amended standards adopted by the Group as of 1 January 2024. The Group has not early adopted any new and amended standards that has been issued but is not yet effective.

- *Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback - The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. These amendments did not impact the Group's consolidated financial statements;*

- *Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - The amendments clarify: What is meant by a right to defer settlement; That a right to defer must exist at the end of the reporting period; That classification is unaffected by the likelihood that an entity will exercise its deferral right; and That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.*

  In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. These amendments did not impact the Group's consolidated financial statements; and

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. These amendments did not impact the Group's consolidated financial statements.*

The adoption of these new and amended standards did not have any effect on the Group's consolidated financial statements.

New and amended standards issued but not yet effective

Certain other new and amended standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. The Group is assessing the impact of these new and amended standards and intends to adopt, if applicable, at its effective date.

2 MATERIAL ACCOUNTING POLICIES (continued)

New and amended standards issued but not yet effective (continued)

- *Lack of exchangeability – Amendments to IAS 21 - In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the Group's consolidated financial statements;*

- *IFRS 18 Presentation and Disclosure in Financial Statements - In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.*

  It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

  In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

- *IFRS 19 Subsidiaries without Public Accountability: Disclosures - In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.*

  IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

  As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Management is currently assessing the impact of the above new and amended standards on the consolidated financial statements of the Group.

International tax reform - pillar two model rules - amendments to IAS 12

The OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules') apply to multinational enterprise (MNE) groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

2 MATERIAL ACCOUNTING POLICIES (continued)

International tax reform - pillar two model rules - amendments to IAS 12 (continued)
In line with the requirements of GloBE rules, the Kingdom of Bahrain has issued and enacted Decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities of the Group for fiscal years commencing on or after 1 January 2025.

As per the Group's preliminary assessment, it has concluded that it is not in scope for the Bahrain DMTT law or the GloBE rules as it does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

Accordingly, it does not expect to be subject to the Bahrain DMTT law and GloBE rules for the next fiscal year.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statement of financial position based on a current/non-current classification.

An asset is classified as current when it is:
- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:
- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2 MATERIAL ACCOUNTING POLICIES (continued)

Current versus non-current classification (continued)
All other liabilities are classified as non-current.

Fair value measurement
The Group measures financial instruments such as investment, at fair value at each reporting date.

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:

- in the principal market for the asset or liability, or
- 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:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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.

The Group’s management, with discussion with the Investment Committee, determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted investments.

External valuers are involved for valuation of significant assets, such as investment properties and investments, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided annually after discussion with the Group's Board of Directors. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

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 the fair value hierarchy as explained above.

2 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency transactions
The Group's consolidated financial statements are presented in Bahraini Dinars (BD) which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle to profit or loss the gain or loss that arises from using this method.

Transactions and balances
Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into BD at the rate of exchange prevailing at the reporting date and their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation for consolidation are recognised in consolidated statement of other comprehensive income. On disposal of a foreign operation, the component recognised in the consolidated statement of changes in equity relating to that particular foreign operation is recognised in consolidated statement of profit or loss.

Property and equipment
Recognition and measurement
Property and equipment is stated at cost, net of accumulated depreciation and impairment loss, if any. Such cost includes the cost of replacing a part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit or loss when incurred.

2 MATERIAL ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Capital work-in-progress

The capital work-in-progress is stated at cost less any identified impairment loss and comprises expenditure incurred on the acquisition and installation of property and equipment which is transferred to the appropriate category of asset and depreciated as and when assets are available for use.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. If subsequent expenditure is related to a previously capitalised project, it is depreciated over the remaining useful life.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, except for freehold land and capital work-in-progress, as follows:

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

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment 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 recognised in consolidated statement of profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate.

Investment properties

Investment properties are properties held to earn rentals or for capital appreciation or both and are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, 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. Depreciation on investment properties is calculated on a straight-line method over the estimated useful lives of 30 years.

Investment properties are derecognised either when they have been disposed off (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefits expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

2 MATERIAL ACCOUNTING POLICIES (continued)

Investment properties (continued)
Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Inventories
Inventories of food and beverages are stated at the lower of cost and net realisable value. Inventories of maintenance and general stores are stated at cost less provision for obsolescence. Costs are those expenses incurred in bringing inventories to their present location and condition and are determined on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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 to sell and its value in use and 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. 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 to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices or other available fair value indicators.

An assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset’s or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in consolidated statement of profit or loss.

2 MATERIAL ACCOUNTING POLICIES (continued)

Investment in associates and a joint venture
The Group holds an interest in a joint venture, Bahrain Airport Hotel Company W.L.L., and an interest in two associates, Bahrain Family Leisure Company B.S.C. and African and Eastern (Bahrain) W.L.L.

The financial statements of both associates and a joint venture are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associates or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of results of associates and a joint venture' in the consolidated statement of profit or loss.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associates and joint venture. Any change in other comprehensive income of the associates and joint venture is presented as part of the consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associates and joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates and joint venture are eliminated to the extent of the Group's interest in the associates and joint venture.

The aggregate of the Group's share of results of associates and joint venture is shown on the face of the consolidated statement of profit or loss and represents results after tax and non-controlling interests in the subsidiaries of the associates and joint venture.

The financial statements of the associates or joint venture are prepared for the same reporting period as the Group. Therefore, no adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates or joint venture are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of its investment in associate and its carrying value, then recognises the loss as 'Share of results of associates and a joint venture' in consolidated statement of profit or loss.

2 MATERIAL ACCOUNTING POLICIES (continued)

Investment in associates and a joint venture (continued)
Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

Financial instruments - recognition and measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient which are measured at the transaction price determined under contracts with customers (refer to accounting policy for revenue from contracts with customers), the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include investments, trade receivables and a portion of prepayments and other receivables, and cash, bank balances and bank deposits.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost;
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortised cost
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments - recognition and measurement (continued)
Financial assets (continued)

Financial assets at amortised cost (continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, a portion of prepayments and other receivables, and cash, bank balances and bank deposits.

Financial assets designated at fair value through other comprehensive income (FVOCI).

Equity instruments

The Group elected (on an instrument-by-instrument basis) to designate its investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held-for-trading.

A financial asset is held-for-trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Group has designated most of its investments in equity instruments at FVOCI on initial application of IFRS 9, as the Board of Directors believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the consolidated statement of other comprehensive income.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in the consolidated statement of other comprehensive income and accumulated in investment revaluation reserve. The cumulative gain or loss cannot be reclassified to the consolidated statement of profit or loss on disposal of the investments.

Dividends are recognised as dividend income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either;
  (a) the Group has transferred substantially all the risks and rewards of the asset, or
  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments - recognition and measurement (continued)
Financial assets (continued)
Derecognition of financial assets (continued)
When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables which is the only significant financial asset exposed to credit risk, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for any relevant forward-looking factors.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities mainly include trade payables and a portion of accrued expenses and other liabilities.

2 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments - recognition and measurement (continued)
Financial liabilities (continued)
Subsequent measurement
All financial liabilities of the Group are subsequently measured at amortized cost. Such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as interest expense in the consolidated statement of profit or loss.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in consolidated statement of profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and bank deposits with maturities of three months or less, excluding deposits pledged against short term borrowings as they are considered an integral part of the Group’s cash management.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employees’ end of service benefits
The Group makes contributions to relevant Government schemes for its employees in each jurisdiction, calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

The Group also provides for end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employee's final salary and length of service. The expected costs of these benefits are accrued over the period of employment.

2 MATERIAL ACCOUNTING POLICIES (continued)

Cash dividend to shareholders of the Group

The Company recognises a liability to make cash distributions to shareholders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. Under Bahrain Commercial Companies Law, a distribution is authorised when it is approved by the shareholders in their General Meeting. A corresponding amount is recognised directly in equity.

Value added tax (VAT)

Revenue, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on purchase of assets or services is not recoverable from the Government, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of value added tax receivable from, or payable to, the Government is included as part of other receivables or other payables in the consolidated statement of financial position.

Revenue recognition

Revenue from contracts with customers

The Group is in the business of providing hotel services and import and sale of beverages. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding discounts and amounts collected on behalf of third parties such as tourism levy, VAT etc. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The following specific recognition criteria must also be met before revenue is recognised:

Room revenue

Room revenue is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. Room revenue is recognised based on an output method, over the length of guests stay at the Hotel.

The Group's contracts with its customers generally contains only one performance obligation. In some cases, the Group's contracts for stay at the Hotel are bundled together with the sale of food, beverages and other services. The Group considers room revenue, sale of food and beverages and other services of being distinct and allocates the transaction price to room revenue, sale of food and beverages and other services based on the stand-alone selling prices of rooms, food and beverages and other services.

Sale of food and beverages

The Group's contracts with customers for the sale of food and beverages generally include one performance obligation. The Group has concluded that revenue from sale of food and beverages should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the food and beverages.

Revenue from rendering of services

Revenue from rendering of services is recognised over time based on an output method. The contract contains only one performance obligation and the transaction price is allocated to the performance obligation.

Revenue from rental income

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

2 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

Revenue from management fee

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.

Costs to obtain a contract

The Group pays sales commission to its travel agents for each contract that they obtain for guest bookings. The Group applies the optional practical expedient to immediately recognise the commission paid if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense in the consolidated statement of profit or loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods and services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to the accounting policy on "Financial assets".

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other income recognition

Interest income

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

Dividend income

Revenue is recognised when the Group’s right to receive the payment is established, which is generally when shareholders of the investee approve the dividend.

Other income

Other income is recognised on an accrual basis when income is earned.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires the Board of Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements

In the process of applying the Group's accounting policies, the Board of Directors has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Going concern

The Group's Board of Directors has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue the business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast a significant doubt about the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Classification of investments

The Group's management determines the classification of investments on initial recognition as "financial asset at fair value through profit or loss" or "financial asset at fair value through other comprehensive income". The investments are classified as "financial asset at fair value through profit or loss" if they are acquired for the purpose of selling in the near term. All other investments are classified as "financial asset at fair value through other comprehensive income".

Classification of properties

Properties which are purchased with the intention to earn rental income or capital appreciation or both are classified as investment properties. All other properties are classified as property and equipment.

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of revenue from room services

The Group concluded that revenue from room services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group which demonstrates that the Group's performance obligations are complete as and when customer simultaneously receives and consumes the benefits.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Useful lives of property and equipment and investment properties

The Group's management determines the estimated useful lives of its property and equipment and investment properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual values and useful lives annually and future depreciation charges would be adjusted where management believes the useful lives differ from previous estimates.

Impairment of property and equipment and investment properties

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the assets.

The Board of Directors do not believe that there is any impairment of property and equipment and investment properties as at 31 December 2024 and 31 December 2023.

Key assumptions used in value in use calculations

The calculation of value in use is most sensitive to the following assumptions:

- Estimated room rents in futures;
- Estimated occupancy rates for upcoming years;
- Inflation rate used to extrapolate cash flows;
- Capital expenditure;
- Discount rate;
- Growth rate; and
- Terminal value of property and equipment and investment properties.

Sensitivity to changes in assumptions

With regard to the assessment of value in use, management believes that reasonably possible changes in the weighted average cost of capital would cause a material change to the recoverable amount. An increase in weighted average cost of capital by 13% (1300 basis point) (2023: 18% (1800 basis point)) (with all other variables remain unchanged) throughout the forecast period could result in the recoverable amount of the CGU to be lower than its carrying value.

Similarly, an decrease in occupancy rate by 50% (2023: 50%) (with all other variables remain unchanged) throughout the forecast period or a reduction in room rental by BD 57% (2023: BD 57%) (with all other variables remain unchanged) throughout the forecast period could result in the recoverable amount of the CGU to be lower than its carrying value.

The sensitivity to changes in assumptions will not impact the net carrying value of CGU for the year ended 31 December 2024.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Allowance for expected credit losses

The determination of 'allowance of expected credit losses' as discussed in note 2 involves estimates and assumptions.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with the forward-looking information. For instance, if forecast economic conditions (i.e. inflation rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the consumer sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

At the reporting date, gross trade receivables (includes amount due from related parties) were BD 2,843,367 (2023: BD 2,396,476), with an allowance for expected credit loss of BD 880,191 (2023: BD 856,007). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in consolidated statement of profit or loss.

Valuation of unquoted investments at fair value through other comprehensive income

Management uses its best judgement in determining fair values of the unquoted private equity investments by reference to using fair value provided by the investment managers or other appropriate valuation techniques including fair values determined based on unobservable inputs using a market multiples or other appropriate valuation methodologies. Management uses its best judgement, however, the actual amount realised in a future transaction may differ from the current estimate of fair value given the inherent uncertainty surrounding the valuation of unquoted equity investments.

Provision for slow moving and obsolete inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated realisable value.

At the reporting date, gross inventories amounted to BD 3,738,098 (2023: BD 3,096,605), with a provision for slow moving and obsolete inventories of BD 221,396 (2023: BD 151,158). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in profit or loss.

4 PROPERTY AND EQUIPMENT

	Freehold land BD	*Buildings on freehold land BD*	*Furniture, fixtures and office equipment BD*	*Equipment and motor vehicles BD*	*Capital work-in-progress BD*	*Total BD*
At 1 January 2024	20,765,965	102,676,939	23,659,829	20,670,866	940,006	168,713,605
Additions	-	45,390	1,113,726	881,565	1,513,512	3,554,193
Reclassification	-	3,745,934	(3,675,164)	(70,770)	-	-
Disposals	-	(308,739)	(16,867)	(1,711,604)	-	(2,037,210)
Write offs	-	(1,123,484)	(3,090,615)	(1,847,801)	-	(6,061,900)
At 31 December 2024	20,765,965	105,036,040	17,990,909	17,922,256	2,453,518	164,168,688
Accumulated depreciation and impairment:						
At 1 January 2024	-	51,684,999	23,510,802	17,553,628	-	92,749,429
Depreciation charge for the year	-	2,619,117	725,343	2,110,286	-	5,454,746
Reclassification	-	3,745,614	(3,854,965)	109,351	-	-
Relating to disposals	-	(23,507)	(16,329)	(1,662,186)	-	(1,702,022)
Relating to write offs	-	(1,123,484)	(3,090,615)	(1,847,801)	-	(6,061,900)
At 31 December 2024	-	56,902,739	17,274,236	16,263,278	-	90,440,253
Net book values:						
At 31 December 2024	**20,765,965**	**48,133,301**	**716,673**	**1,658,978**	**2,453,518**	**73,728,435**

4 PROPERTY AND EQUIPMENT (continued)

	Freehold land BD	*Buildings on freehold land BD*	*Furniture, fixtures and office equipment BD*	*Equipment and motor vehicles BD*	*Capital work-in-progress BD*	*Total BD*
Cost:						
At 1 January 2023	12,295,965	100,286,394	23,157,569	20,382,839	255,281	156,378,048
Additions	470,000	620,545	565,862	231,389	684,725	2,572,521
Acquisition of a business	8,000,000	1,770,000	27,354	128,073	-	9,925,427
Disposals	-	-	(90,956)	(71,435)	-	(162,391)
At 31 December 2023	20,765,965	102,676,939	23,659,829	20,670,866	940,006	168,713,605
Accumulated depreciation and impairment:						
At 1 January 2023	-	49,557,744	22,158,349	15,981,268	-	87,697,361
Depreciation charge for the year	-	2,127,255	1,441,753	1,643,795	-	5,212,803
Relating to disposals	-	-	(89,300)	(71,435)	-	(160,735)
At 31 December 2023	-	51,684,999	23,510,802	17,553,628	-	92,749,429
Net book value:						
At 31 December 2023	20,765,965	50,991,940	149,027	3,117,238	940,006	75,964,176

Capital work-in-progress mainly represents building, furniture, fixtures and office equipment undergoing installation as part of the Group's renovation and refurbishment projects.

5 INVESTMENT PROPERTIES

	Land BD	***Buildings BD***	***Total BD***
Cost:			
At 1 January 2024	494,515	1,913,501	2,408,016
Additions	-	23,115	23,115
At 31 December 2024	494,515	1,936,616	2,431,131
Accumulated depreciation:			
At 1 January 2024	-	1,793,828	1,793,828
Depreciation charge for the year	-	60,694	60,694
At 31 December 2024	-	1,854,522	1,854,522
Net book value at 31 December 2024	**494,515**	**82,094**	**576,609**

	Land BD	*Buildings BD*	*Total BD*
Cost:			
At 1 January 2023	494,515	1,898,740	2,393,255
Additions	-	14,761	14,761
At 31 December 2023	494,515	1,913,501	2,408,016
Accumulated depreciation:			
At 1 January 2023	-	1,737,506	1,737,506
Depreciation charge for the year	-	56,322	56,322
At 31 December 2023	-	1,793,828	1,793,828
Net book value at 31 December 2023	494,515	119,673	614,188

The fair value of investment property as at 31 December 2024 was BD 1,854,000 (2023: BD 2,284,000) based on a valuation performed by an independent external property valuers, having appropriate recognsied qualification and experience in the location and category of the property being valued. The fair value measurement was based on Discounted Cash Flow (DCF) method and accordingly has been categorised as level 3 in the fair value hierarchy.

	2024 BD	*2023 BD*
Rental income derived from investment properties	**102,178**	101,574
Direct operating expenses generating rental income (included in other operating expense)	**(27,871)**	(22,745)
Depreciation of investment properties	**(60,694)**	(56,322)
Profit arising from investment properties carried at cost	**13,613**	22,507

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

6 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

Summarised financial information of the associates and joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

At 31 December 2024

	African & Eastern (Bahrain) W.L.L.	***Bahrain Family Leisure Company B.S.C.***	***Bahrain Airport Hotel Company W.L.L.***	***Total***
	BD	***BD***	***BD***	***BD***
Balance at 1 January 2024	6,647,011	385,346	232,492	7,264,849
Share of profit / (loss) for the year	1,816,800	(75,931)	(16,168)	1,724,701
Share of other comprehensive loss for the year	(63,939)		-	(63,939)
Other equity movement	-	-	(27,381)	(27,381)
Dividends received	(1,900,000)	-	-	(1,900,000)
Balance at 31 December 2024	**6,499,872**	**309,415**	**188,943**	**6,998,230**

At 31 December 2023

	African & Eastern (Bahrain) W.L.L.	*Bahrain Family Leisure Company B.S.C.*	*Bahrain Airport Hotel Company W.L.L.*	*Total*
	BD	*BD*	*BD*	*BD*
Balance at 1 January 2023	6,807,504	491,383	176,175	7,475,062
Share of profit / (loss) for the year	1,796,776	(106,037)	(129,993)	1,560,746
Share of other comprehensive loss for the year	(50,620)	-	-	(50,620)
Other equity movement	(6,649)	-	186,310	179,661
Dividends received	(1,900,000)	-	-	(1,900,000)
Balance at 31 December 2023	6,647,011	385,346	232,492	7,264,849

The following table illustrates the summarised financial information of the Group's investment in the associates and a joint venture:

	2024	*2023*
African & Eastern (Bahrain) W.L.L.	***BD***	*BD*
Associate's summarised statement of financial position:		
Current assets, including cash and cash equivalents BD 863,721 (2023: BD 1,429,858)	**7,583,011**	8,388,092
Non-current assets	**13,198,322**	12,780,204
Current liabilities	**(1,772,571)**	(1,702,636)
Non-current liabilities	**(628,301)**	(643,736)
Equity	**18,380,461**	18,821,924

6 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)

	2024 BD	2023 BD
African & Eastern (Bahrain) W.L.L. (continued)		
Associate's summarised statement of financial position (continued):		
Proportion of the Group's ownership	**33.33%**	33.33%
Group’s share in equity	**6,126,208**	6,273,347
Goodwill	**373,664**	373,664
Group’s carrying amount of the investment in an associate as of 31 December	**6,499,872**	6,647,011
Associate's summarised statement of comprehensive income:		
Revenue from contracts with customers	**17,297,153**	17,392,629
Cost of sales	**(9,152,938)**	(9,405,592)
Administrative expenses, including depreciation	**(3,192,497)**	(3,112,321)
Other income	**499,228**	516,150
Profit for the year	**5,450,946**	5,390,866
Other comprehensive loss	**(191,837)**	(151,874)
Other equity movement	**-**	(19,950)
Total comprehensive income for the year	**5,259,109**	5,219,042
Group’s share of profit for the year 33.33% (2023: 33.33%)	**1,752,861**	1,739,507

	2024 BD	2023 BD
Bahrain Family Leisure Company B.S.C. (BFLC)		
Associate's summarised statement of financial position:		
Current assets, including cash and cash equivalents BD 189,820 (2023: BD 173,471)	**616,384**	643,632
Non-current assets	**1,315,033**	1,427,117
Current liabilities	**(421,494)**	(361,700)
Non-current liabilities	**(407,232)**	(335,756)
Equity	**1,102,691**	1,373,293
Proportion of the Group's ownership	**28.06%**	28.06%
Group’s share in equity and Group’s carrying amount of the investment in an associate as of 31 December	**309,415**	385,346
Associate's summarised statement of comprehensive income:		
Revenue from contracts with customers	**1,357,980**	1,182,716
Cost of sales	**(1,267,227)**	(1,074,642)
Other operating expense	**(177,394)**	(172,064)
Loss on investments	**(186,304)**	(328,823)
Other income	**37,792**	30,849
Finance costs, including interest expense	**(35,449)**	(15,929)
Loss for the year and total comprehensive loss for the year	**(270,602)**	(377,893)
Group’s share of loss for the year 28.06% (2023: 28.06%)	**(75,931)**	(106,037)

6 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)

Bahrain Family Leisure Company B.S.C. (BFLC) (continued)

As at 31 December 2024, BFLC is remined listed on the Bahrain Bourse and have the market price of BD 0.090 per share (2023: BD 0.065). The Group holds 10,100,000 share (2023: 10,100,000 shares) having the total value of BD 909,000 (2023: BD 656,500).

Bahrain Airport Hotel Company W.L.L.	***2024 BD***	*2023 BD*
Joint venture's summarised statement of financial position:		
Current assets, including cash and cash equivalents of BD 232,147 (2023: BD 174,830)	**343,896**	271,179
Non-current assets	**1,845,475**	2,087,060
Current liabilities	**(1,425,721)**	(1,478,843)
Non-current liabilities	**(393,174)**	(423,529)
Equity	**370,476**	455,867
Proportion of the Group's ownership	**51%**	51%
Group’s share in equity	**188,943**	232,492
Group’s carrying amount of the investment in an associate as of 31 December	**188,943**	232,492

Bahrain Airport Hotel Company W.L.L.	***2024 BD***	*2023 BD*
Joint venture's summarised statement of comprehensive income:		
Revenue from contracts with customers	**594,656**	415,607
Cost of sales	**(338,545)**	(270,695)
Administrative expenses, including depreciation	**(289,825)**	(402,962)
Other income	**2,012**	3,162
Loss for the year	**(31,702)**	(254,888)
Other equity movement	**(53,689)**	365,314
Total comprehensive (loss) income for the year	**(85,391)**	110,426
Group’s share of loss for the year 51% (2023: 51%)	**(43,549)**	56,317

The Group's share in associates' and the joint venture's commitments for capital expenditure was BD 85,389 as of 31 December 2024 (2023: BD 265,165) arising from the construction of mega retail store in Mina Salman, Kingdom of Bahrain, which is expected to be completed by the end of financial year 2025.

The Group's share in the associates' and joint venture's contingent liabilities as of 31 December 2024, arising in the ordinary course of business which includes an outstanding letter of guarantee and tender cheques amounting to BD 1,250 (2023: BD 1,250).

The share of results of the associate is recognised based on the approved management accounts for the years ended 31 December 2024 and 31 December 2023.

7 INVESTMENTS

	2024	*2023*
	BD	*BD*
At fair value through other comprehensive income:		
Quoted equity investments at FVOCI	**8,151,612**	9,761,493
Unquoted equity investments at FVOCI	**2,178,343**	2,348,399
	10,329,955	12,109,892

Quoted equity investments

The quoted equity investments include investments in listed equity shares. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature. Fair values of these equity shares are determined by reference to published price quotations in an active market.

Unquoted equity investments

Unquoted equity investments include investments in equity shares of non-listed companies designated at fair value through OCI. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

The fair values of unquoted investments have been estimated using indicative bids provided by the fund administrators, market multiples, adjusted net assets value or other appropriate valuation techniques.

The fair value measurement reconciliation for unquoted investments using Level 3 of fair value measurement, along with the disclosure of significant unobservable inputs employed for valuation, is disclosed in note 28.

8 INVENTORIES

	2024	*2023*
	BD	*BD*
Food and beverages	**3,428,009**	2,844,647
General stores	**161,649**	103,700
Maintenance stores	**148,440**	148,258
	3,738,098	3,096,605
Less: Provision for slow moving and obsolete inventories	**(221,396)**	(151,158)
Total inventories at lower of cost or net realizable value	**3,516,702**	2,945,447

Movements in the provision for slow moving and obsolete inventories during the year were as follows:

	2024	*2023*
	BD	*BD*
At 1 January	**151,158**	191,035
Charge (reversal) for the year, net	**70,238**	(39,877)
At 31 December	**221,396**	151,158

9 TRADE RECEIVABLES

	2024	*2023*
	BD	*BD*
Trade receivables from third parties	**2,733,898**	2,165,223
Less: Allowance for expected credit losses	**(880,191)**	(856,007)
	1,853,707	1,309,216
Trade receivables from related parties (note 26)	**109,469**	231,253
	1,963,176	1,540,469

Terms and conditions of the above financial assets are as follows:

- Trade receivables are non-interest bearing and are normally settled on 30 to 60 day terms.
- For terms and conditions of trade receivables from related parties, refer to note 26.
- The Group does not obtain collateral over trade receivables.

The movements in the allowance for expected credit losses of trade receivables during the year were as follows:

	2024	*2023*
	BD	*BD*
At 1 January	**856,007**	764,303
Change for the year	**24,184**	123,975
Written off during the year	**-**	(32,271)
At 31 December	**880,191**	856,007

The ageing analysis of trade receivables and allowance for expected credit losses as at 31 December, are as follows:

			Past due		
	Total	***Current***	***Less than 90 days***	***90 to 180 days***	***More than 180 days***
2024					
Expected credit loss rate (%)	**32.2%**	**3.7%**	**21.2%**	**56.6%**	**100.0%**
Gross trade receivables (BD)	**2,733,898**	**1,106,269**	**886,209**	**206,375**	**535,045**
Allowance for expected credit losses (BD)	**(880,191)**	**(40,608)**	**(187,811)**	**(116,727)**	**(535,045)**
Net trade receivables (BD)	**1,853,707**	**1,065,661**	**698,398**	**89,648**	**-**

			Past due		
	Total	*Current*	*Less than 90 days*	*90 to 180 days*	*More than 180 days*
2023					
Expected credit loss rate (%)	39.5%	4.2%	16.7%	73.3%	100.0%
Gross trade receivables (BD)	2,165,223	879,028	488,536	224,947	572,712
Allowance for expected credit losses (BD)	(856,007)	(37,040)	(81,368)	(164,887)	(572,712)
Net trade receivables (BD)	1,309,216	841,988	407,168	60,060	-

10 PREPAYMENTS AND OTHER RECEIVABLES

	2024	*2023*
	BD	*BD*
Other receivables from related parties (note 26)	**707,771**	751,123
Other receivables from third parties	**34,213**	82,452
Prepayments	**449,135**	417,410
Advances	**682,098**	155,166
Deposits	**387,981**	315,152
Interest accrued	**111,506**	105,994
Others	**28,754**	21,338
	2,401,458	1,848,635
Non current portion	**(636,021)**	(687,021)
	1,765,437	1,161,614

Terms and conditions of the above financial assets are as follows:

- Other receivables are non-interest-bearing and have terms ranging between one and three months.
- For terms and conditions of other receivables from related parties, refer to note 26.
- Deposits are non-interest-bearing and have terms ranging between one and three months.

11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows consist of the following

	2024	*2023*
	BD	*BD*
Bank balances	**3,274,173**	2,696,833
Bank deposits	**10,004,637**	5,775,055
Cash in hand	**68,610**	66,959
Cash, bank balances and bank deposits	**13,347,420**	8,538,847
Less: Bank deposits with maturity exceeding three months	**(4,096,911)**	(1,016,133)
Cash and cash equivalents	**9,250,509**	7,522,714

Bank balance are held with financial institutions in the Kingdom of Bahrain, United Arab Emirates and Democratic Socialist Republic of Sri Lanka. These balances are denominated in Bahraini Dinars, United Arab Emirates Dirham, Euro, United states Dollar and Sri Lankan Rupee.

Bank deposits are placed with commercial banks in the Kingdom of Bahrain. These deposits have varying original maturity ranging from three to six months and will mature till June 2025 (2023: April 2024). The deposits are denominated in Bahraini Dinars and earns interest ranges from 5.25% to 5.60% per annum (2023: ranges from 4.75% to 6.25% for per annum).

At 31 December 2024, the Group has available BD 600,000 (2023: BD 600,000) of undrawn committed borrowing facilities.

12 SHARE CAPITAL

a) Share capital

	2024	*2023*
	BD	*BD*
Authorised:		
300,000,000 (2023: 300,000,000) shares of 100 fils each	**30,000,000**	30,000,000
Issued, subscribed and fully paid-up:		
225,994,863 (2023: 225,994,863) shares of 100 fils each	**22,599,487**	22,599,487

b) 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:

		Number of shares At 31 December		***Shareholding At 31 December***	
	Nationality	***2024***	*2023*	***2024***	*2023*
Bahrain Mumtalakat Holding Co. B.S.C.(c)	Bahraini	**57,558,331**	57,558,331	**25.47%**	25.47%
Social Insurance Organization	Bahraini	**28,382,960**	28,382,960	**12.56%**	12.56%
Family Investment Company	Bahraini	**24,428,215**	24,428,215	**10.81%**	10.81%
Y.K.Almoayyed & Sons B.S.C (c)	Bahraini	**14,309,817**	14,309,817	**6.33%**	6.33%

c) Additional information on shareholding pattern

i. The Group 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 for the year ended 31 December:

	2024		
Categories:	***Number of shareholders***	***Number of shares***	***% of total outstanding shares***
Less than 1 %	3,644	70,326,546	31.12%
1 % up to less than 5 %	7	30,988,994	13.71%
5 % up to less than 10 %	1	14,309,817	6.33%
10% up to less than 20%	2	52,811,175	23.37%
20% up to less than 50%	1	57,558,331	25.47%
Total	**3,655**	**225,994,863**	**100%**

	2023		
Categories:	*Number of shareholders*	*Number of shares*	*% of total outstanding*
Less than 1 %	3,666	53,438,614	23.65%
1 % up to less than 5 %	18	47,876,926	21.18%
5 % up to less than 10 %	1	14,309,817	6.33%
10% up to less than 20%	2	52,811,175	23.37%
20% up to less than 50%	1	57,558,331	25.47%
Total	3,688	225,994,863	100%

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

12 SHARE CAPITAL (continued)

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

	Number of shares At 31 December		***% of total outstanding At 31 December***	
	2024	*2023*	***2024***	*2023*
Director				
Farooq Yusuf Khalil Almoayyed *	**4,275,633**	4,234,297	**1.89%**	1.87%
Fawzi Ahmed Ali Kanoo	**198,900**	198,900	**0.09%**	0.09%
Mohamed Jasim Mohamed Buzizi	**448,706**	448,119	**0.20%**	0.20%
Adel Hussain Mahdi Almasqati	**56,508**	56,508	**0.03%**	0.03%
Fahad Fawzi Ahmed Ali Kanoo	**22,249**	2,249	**0.01%**	0.00%
Husain Abdulhameed Husain Alshehab	**1**	-	**0.00%**	0.00%

* Mr. Farouk Almoayyed served as Chairman of the Board of Directors until December 9, 2024.

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:

	2024	*2023*
Number of shares	**136,092,341**	148,531,351
Percentage of holdings	**60.22%**	65.72%

13 SHARE PREMIUM

The share premium arose on the issuance of new shares and this can only be utilised as stipulated in the Bahrain Commercial Companies Law.

14 OTHER RESERVES

a) Statutory reserve

As required by the Bahrain Commercial Companies Law and the Company’s articles of association, 10% of the profit for the year is to be transferred to statutory reserve every year. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued and paid-up share capital. The Company discontinued further transfer of profit to statutory reserve as the reserve equalled 50% of the paid-up capital of the Group. However, a subsidiary, Novotel Bahrain Al Dana W.L.L., transferred BD 25,000 to its statutory reserve in compliance with these requirements. This transfer has been incorporated into the consolidated financial statements of the Group.

a) Statutory reserve

The reserve cannot be utilised for the purpose of distribution except in such circumstances as stipulated in the Bahrain Commercial Companies Law.

b) General reserves

The general reserve has been made in accordance with the articles of association of the Group. The Group may resolve to discontinue such annual transfers, when deemed appropriate. There are no restrictions on the distribution of this reserve.

c) Charity reserves

The charity reserve has been made in accordance with the articles of association of the Company to support the Group's charitable mission. The Group may resolve to discontinue such annual transfers, when deemed appropriate. There are no restrictions on the distribution of this reserve.

14 OTHER RESERVES (continued)

d) Foreign currency reserve

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations.

e) Fair value reserve

This reserve relates to fair value changes of investments carried at fair value through other comprehensive income.

15 DIVIDENDS PAID AND PROPOSED

At the annual general meeting of the shareholders held on 25 March 2024, a final cash dividend of 25 fils per share, totalling BD 5,649,872 for the year ended 31 December 2023 was declared and paid. (2023: At the annual general meeting of the shareholders held on 27 March 2023, a final cash dividend of 25 fils per share, totalling BD 5,649,872 for the year ended 31 December 2022 was declared and paid).

A cash dividend of 25 fils per share totalling BD 5,649,872 (2023: a cash dividend of 25 fils per share totalling BD 5,649,872) has been proposed by Board of Directors and will be submitted for formal approval of shareholders at the Annual General Meeting.

16 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision of employees' end of service benefits recognised in the consolidated statement of financial position during the year, are as follows:

	2024	*2023*
	BD	*BD*
At 1 January	**1,075,711**	1,183,203
Charge for the year	**275,759**	311,128
Paid during the year to employees	**(233,291)**	(418,620)
Paid during the year to Social Insurance Organization	**(139,116)**	-
Transfer made during the year (note 26)	**(23,541)**	-
At 31 December	**955,522**	1,075,711

Effective 1 March 2024, pursuant to an Edict number 109 of 2023 issued by His Royal Highness the Prime Minister of the Kingdom of Bahrain, certain portion of the end of service benefits' liability has been transferred to the Social Insurance Organization (SIO), representing the amounts paid by the Company to the SIO on a monthly basis starting March 2024. Such portion of liability would be settled directly by the SIO when the relevant employees leave the Group.

The Group's contributions in respect of Bahraini employees for the year was BD 279,229 (2023: BD 206,484). The Group has a workforce of 1,171 employees at 31 December 2024 (2023: 1,163 employees).

17 TRADE PAYABLES

	2024	*2023*
	BD	*BD*
Trade payables to third parties	**1,748,636**	1,389,261
Trade payables to related parties (note 26)	**178,110**	64,720
	1,926,746	1,453,981

Terms and conditions of the above financial liabilities are as follows:

- Trade payables are non-interest bearing and are normally settled on 15 to 45 days terms.
- For terms and conditions relating to amounts due to related parties, refer to note 26.

18 ACCRUED EXPENSES AND OTHER LIABILITIES

	2024	*2023*
	BD	*BD*
Accrued expenses	**1,274,663**	1,251,263
Contract liabilites (note 20)	**495,663**	455,946
Retention payables to contractors	**203,838**	31,713
Accrued staff benefits	**1,338,376**	988,709
Government levy and accommodation fees	**296,642**	203,026
Unclaimed dividend	**70,257**	69,921
Value added tax payable - net	**359,624**	317,191
Other payables	**408,255**	625,941
	4,447,318	3,943,710

Terms and conditions of the above financial liabilities are as follows:

- Retention payables to contractors are non-interest bearing and are normally settled on 360 days terms.
- Accrued staff benefits include accruals for wages and salaries, bonus, sick leave, annual leave, medical and other benefits.
- Other payables are non-interest bearing and have terms ranging between one to three months.
- Government levy and and accommodation fees are payable within 30 day from the end of each quarter.
- Unclaimed dividends are payable on demand.
- Value added tax payable is adjustable against input value added tax and is payable to / receivable from the Government with in 30 days from the end of each month.

19 LEASES

Group as a lessor
The Group has entered into operating leases on its investment property portfolio consisting of certain office and residential buildings (note 5). These leases have terms of between one and fifteen years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Rental income recognised by the Group during the year is BD 102,178 (2023: BD 101,574).

19 LEASES (continued)

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

	2024	*2023*
	BD	*BD*
Within one year	**1,202,355**	1,156,292
Between 1 and 2 years	**992,558**	1,036,536
Between 2 and 3 years	**814,724**	905,808
Between 3 and 4 years	**747,878**	834,602
Between 4 and 5 years	**731,658**	696,516
More than 5 years	**600,276**	1,946,000
	5,089,449	6,575,754

20 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2024	*2023*
	BD	*BD*
Food and beverages	**23,429,193**	21,438,665
Hotel rooms	**12,009,351**	10,617,963
Others*	**1,288,872**	942,876
	36,727,416	32,999,504
Geographical markets		
Kingdom of Bahrain	**33,231,795**	29,524,184
United Arab Emirates	**3,304,739**	3,250,644
Sri Lanka	**190,882**	224,676
	36,727,416	32,999,504
Timing of revenue recognition		
Goods and services transferred at a point in time	**24,718,065**	22,381,541
Goods and services transferred over time	**12,009,351**	10,617,963
	36,727,416	32,999,504

** Includes revenue from ancillary services of hotel operations such as spa and wellness facilities, laundry and dry cleaning and parking services etc.*

	2024	*2023*
Contract balances	***BD***	*BD*
Trade receivables (note 9)	**1,963,176**	1,540,469
Contract liabilities (note 18)	**(495,663)**	(455,946)
	1,467,513	1,084,523

20 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Set out below is the amount of revenue recognised from:

	2024	*2023*
	BD	*BD*
Amounts included in contract liabilities at the beginning of the year	**455,946**	12,800

21 RENTAL AND OTHER INCOME

	2024	*2023*
	BD	*BD*
Rental income	**1,551,308**	1,356,025
Management fee	**384,131**	360,509
Net foreign exchange	**141,119**	137,423
Gain on sale of property and equipment	**7,322**	4,532
Other income	**423,998**	458,121
	2,507,878	2,316,610

22 STAFF COSTS

	2024	*2023*
	BD	*BD*
Staff costs		
Salaries and allowances	**6,653,016**	6,346,477
Other staff benefits	**3,070,145**	3,324,396
Long term staff benefits	**554,988**	517,612
	10,278,149	10,188,485

23 OTHER OPERATING EXPENSES

	2024	*2023*
	BD	*BD*
Commission	**1,668,737**	1,597,460
Guest supplies	**538,002**	456,921
Maintenance	**645,901**	408,593
Legal, license and professional fee	**358,014**	355,471
Entertainment	**407,290**	375,001
Directors' sitting fee and remuneration	**348,241**	318,633
Marketing	**288,873**	277,721
Information technology	**286,386**	241,299
Municipality and taxes	**50,419**	51,919
Foreign exchange loss	**58,077**	5,893
Donation	**53,186**	200,880
Other expenses	**2,065,987**	1,633,615
	6,769,113	5,923,406

24 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year and is as follows:

	2024	*2023*
Profit for the year – BD	**8,856,516**	6,785,586
Weighted average number of shares	**225,994,863**	225,994,863
Basic and diluted earnings per share (fils)	**39**	30

Basic and diluted earnings per share are the same as the Company has not issued any instruments that would have a dilutive effect.

There have been no other transactions involving ordinary or potential ordinary shares between the reporting date and the date of issue of these consolidated financial statements, that would have a dilutive effect.

25 COMMITMENTS AND CONTINGENCIES

a) Commitments

Capital expenditure

As at 31 December 2024, the Group has capital commitments amounted to BD 3,144,822 (2023: BD 1,475,022) arising from multiple contracts. The commitments are expected to be settled within 1 to 2 years from the reporting date.

b) Contingencies

At 31 December 2024, the Group had contingent liabilities in respect of the bank guarantees amounting to BD 190,264 (2023: BD 2,000) from which it is anticipated that no material liabilities will arise.

As of 31 December 2024 and as of 31 December 2023, the Group was a party to a small number of legal cases and claims filed against the Group. The Board of Directors are confident that no material liabilities will arise from these cases/claims.

26 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors, key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management and Board of Directors.

Transactions with related parties included in the consolidated statement of profit or loss and comprehensive income are as follows:

	2024	*2023*
	BD	*BD*
Major shareholders and their affiliates		
Revenue and other income		
Revenue	**281,638**	310,560
Management fee income	**237,373**	299,845
	519,011	610,405
Expenses		
Purchases	**1,277,714**	708,319

26 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	2024	*2023*
	BD	*BD*
Associates and a joint venture		
Revenue and other income		
Revenue	**171,186**	98,000
Management fee income	**29,933**	19,242
Share of results of associates and a joint venture	**1,724,701**	1,560,746
Share of other comprehensive loss from associates	**(63,939)**	(50,620)
Other equity movement	**(27,381)**	179,661
Dividends received	**1,900,000**	1,900,000
Expenses		
Purchases	**608,048**	401,061
Employees' end of service benefits		
Transfer made during the year	**(23,541)**	-
Directors and related affiliates		
Revenue and other income		
Revenue	**35,939**	48,376

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

As at 31 December 2024	***Trade receivables BD***	***Other receivables BD***	***Trade payables BD***
Major shareholders and their affiliates	**40,598**	**-**	**95,613**
Associates and joint venture	**63,034**	**707,771**	**82,497**
Directors and related affiliates	**5,837**	**-**	**-**
	109,469	**707,771**	**178,110**

As at 31 December 2023	*Trade receivables BD*	*Other receivables BD*	*Trade payables BD*
Major shareholders and their affiliates	207,870	-	61,958
Associates and joint venture	17,017	751,123	2,762
Directors and related affiliates	6,366	-	-
	231,253	751,123	64,720

Terms and conditions

Transactions with related parties during the year were held in ordinary course of business. Balances with related parties are unsecured, interest free, settlement normally occurs in cash and are generally receivable/ payable on demand.

The Group has not recognized any expected credit losses on amounts receivable from related parties, as management of the Group has assessed the risk of default on these balances to be low.

26 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Compensation of key management personnel
The remuneration of directors and other members of key management during the year ended was as follows:

	2024	*2023*
	BD	*BD*
Salaries and short-term employee benefits	**469,092**	743,739
Post employment benefits	**15,311**	37,935
Directors sitting fees	**305,468**	318,633
	789,871	1,100,307

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise of trade payables and a portion of accrued and other liabilities. The main purpose of these financial liabilities is to finance the Group's day-to-day operations and capital expenditure. The Group has a trade receivables, portion of prepayment and other receivables, and cash and bank balances and bank deposit that arise directly from its operations. The Group also holds investments. The Group is exposed to market, credit, liquidity and operational risks.

The Group’s Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Group’s executive management oversees the management of these risks. The Group’s executive management is advises on financial risks and the appropriate financial risk governance framework for the Group. The Group’s executive management also provides assurance to the Group’s Board of Directors that the Group’s financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite.

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

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, equity price risk and foreign currency risk.

The following assumptions have been made in calculating the sensitivity analysis:

(a) The consolidated statement of financial position sensitivity relates to investments, cash and bank balances and bank deposits, trade receivables, a portion of prepayments and other receivables, trade payables and a portion of accrued expenses and other liabilities.

(b) The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in market risk. This is based on the financial assets and financial liabilities held at 31 December 2024 and at 31 December 2023.

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to interest rate risk as there are no variable interest-bearing assets or liabilities within Group's portfolio.

Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management and Investment Committee on a regular basis. The Group's Investment Committee reviews and approves all equity investment decisions.

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

		Effect on other comprehensive income for the year ended 31 December	
Investments at FVOCI	***Change in equity's fair value***	***2024 BD***	*2023 BD*
- Quoted investments	**+10%**	**815,161**	976,149
	-10%	**(815,161)**	(976,149)
- Unquoted investments	**+10%**	**217,834**	234,840
	-10%	**(217,834)**	(234,840)

Concentration of investment portfolio

Concentration of investment portfolio arises 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 as of 31 December, is as follows:

	2024 BD	*2023 BD*
Quoted equities	**8,151,612**	9,761,493
Unquoted equities	**2,178,343**	2,348,399
	10,329,955	12,109,892

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's presentational currency) and the Group's net investments in foreign subsidiaries.

As the Bahraini Dinar and United Arab Emirates Dirham is pegged to the US Dollar, balances in the US Dollars and currencies pegged with the US Dollar are not considered to represent a significant foreign currency risk.

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Foreign currency risk (continued)

The Group's exposure to foreign currency financial assets and liabilities, is as follows:

The table following indicates the Group’s sensitivity to foreign currency exposure at 31 December, as a result of its monetary assets and liabilities. The analysis calculates the effect of a 5% upward movement of the Bahraini Dinar currency rate against the Euro, the Pound Sterling (GBP) and other currencies, with all other variables held constant, on the consolidated statement of profit or loss (due to the fair value of currency sensitive monetary assets and liabilities) and the Group's consolidated statement of other comprehensive income due to changes in the net investment in foreign subsidiaries.

	Change in exchange rates	*Effect on profit*		*Effect on other comprehensive income*	
		2024 BD	*2023 BD*	***2024 BD***	*2023 BD*
Euro	+ 5%	**(637)**	(82)	**-**	-
Pound Sterling (GBP)	+ 5%	**(357)**	(4,422)	**-**	-
Other currencies	+ 5%	**(186)**	55	**41,187**	(14,636)

A similar decrease in foreign exchange rates would have an equal and opposite impact on profit, other comprehensive income and equity as disclosed above.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its investing activities, including bank balances and investments in financial instruments.

The maximum credit risk exposure at 31 December 2024 and 31 December 2023 is equal to the carrying value of the financial assets shown in the consolidated statement of financial position, which are net of allowance for expected credit losses and write-offs.

Bank balances and investments in financial instruments

With respect to credit risk from the financial assets of the Group, which comprise bank balances and investments in financial instruments, the Group’s exposure to credit risk arises from default of the counterparty. The Group limits credit risk by dealing only with reputable banks.

Trade receivables and amounts due from related parties

The Group trades only with recognised, creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group’s exposure to expected credit losses is not significant. The management believes that credit risk associated with the amounts due from related parties is assessed to be low.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Credit risk concentrations

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.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group sells its products and provides its services to a large number of individuals, companies and government agencies. Its five largest customers account for 33.41% of outstanding trade receivables at 31 December 2024 (31 December 2023: 67.34%).

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position headings without taking account of any collateral and other credit enhancements.

	2024	*2023*
	BD	*BD*
Trade receivables (note 9)	**1,963,176**	1,540,469
Other receivables from related parties (note 10)	**707,771**	751,123
Other receivables from third parties (note 10)	**34,213**	82,452
Deposits (note 10)	**387,981**	315,152
Interest accrued (note 10)	**111,506**	105,994
Bank balances (note 11)	**3,274,173**	2,696,833
Bank deposits (note 11)	**10,004,637**	5,775,055
	16,483,457	11,267,078

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group limits its liquidity risk by ensuring adequate bank facilities are available at all times. The Group's terms of sales require amounts to be paid in advance for retail customer and for corporate customer within 30-60 days of the date of sale. Trade payables are non-interest bearing and are normally settled within 15 to 45 days terms.

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December, based on contractual undiscounted payment and current market interest rates.

31 December 2024	***On demand BD***	***Up to 3 months BD***	***3 to 12 months BD***	***Total BD***
Trade payables	**-**	**1,926,746**	**-**	**1,926,746**
Retention payables to contractors	**-**	**-**	**203,838**	**203,838**
Unclaimed Dividend	**70,257**	**-**	**-**	**70,257**
Government levy and accommodation fees	**-**	**296,642**	**-**	**296,642**
Value added tax payable - net	**-**	**359,624**	**-**	**359,624**
Other payables	**-**	**408,255**	**-**	**408,255**
	70,257	**2,991,267**	**203,838**	**3,265,362**

31 December 2023	*On demand BD*	*up to 3 months BD*	*3 to 12 months BD*	*Total BD*
Trade payables	-	1,453,981	-	1,453,981
Retention payables to contractors	-	-	31,713	31,713
Unclaimed Dividend	69,921	-	-	69,921
Government levy and accommodation fees	-	203,026	-	203,026
Value added tax payable - net	-	317,191	-	317,191
Other payables	-	625,941	-	625,941
	69,921	2,600,139	31,713	2,701,773

Changes in liabilities arising from financing activities

	As at 1 January 2024 BD	***Cash flows***		***Others BD***	***As at 31 December 2024 BD***
		Receipts BD	***Payments BD***		
Unclaimed dividends	**69,921**	**-**	**(5,649,872)**	**5,650,208**	**70,257**

	As at 1 January 2023 BD	*Cash flows*		*Others BD*	*As at 31 December 2023 BD*
		Receipts BD	*Payments BD*		
Unclaimed dividends	682,996	-	(6,262,947)	5,649,872	69,921

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023, respectively. Equity comprises of share capital, share premium, other reserves and retained earnings attributable to the shareholders of Gulf Hotels Group B.S.C. and is measured at BD 105,532,399 as at 31 December 2024 (2023: BD 104,353,101).

28 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.

Fair value of financial instruments
Financial instruments of the Group comprise of financial assets and financial liabilities.

Financial assets consist of investments (other than investment in associates and a joint venture), trade receivables, a portion of prepayments and other receivables and cash and bank balances. Financial liabilities consist of trade payables and a portion of accrued expenses and other liabilities.

The fair values of the Group's financial instruments are not materially different from their carrying values at the date of the consolidated statement of financial position.

Fair value of financial instruments is estimated based on the following methods and assumptions:

a) Cash and bank balances, trade receivables, a portion of prepayments and other receivables, trade payables and portion of accrued expenses and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;

b) The fair values of the quoted investments are determined by reference to published price quotations in an active market and the fair values of unquoted investments have been estimated using indicative bids provided by the fund administrators, using of recent arm's length market transactions, current fair value of another similar instrument or other appropriate valuation techniques.

Fair value of non-financial instruments
The Group does not measured its non-financial instruments at fair value. However, the Group disclouse the fair value of its investment properties at reporting date and disclosures relating to the fair value have been disclosed in note 5.

28 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities measured at fair value:

31 December 2024	***Date of valuation***	***Fair value measurement using*** ***Quoted prices in active markets Level 1***	***Significant observable inputs Level 2***	***Significant unobservable inputs Level 3***	***Total***
		BD	***BD***	***BD***	***BD***
Assets measured at fair value					
Investments at fair value through other comprehensive income (note 7):					
- quoted investments	31 Dec 2024	**8,151,612**	**-**	**-**	**8,151,612**
- unquoted investments	31 Dec 2024	**-**	**-**	**2,178,343**	**2,178,343**
		8,151,612	**-**	**2,178,343**	**10,329,955**

31 December 2023	*Date of valuation*	*Fair value measurement using* *Quoted prices in active markets Level 1*	*Significant observable inputs Level 2*	*Significant unobservable inputs Level 3*	*Total*
		BD	*BD*	*BD*	*BD*
Assets measured at fair value					
Investments at fair value through other comprehensive income (note 7):					
- quoted investments	31 Dec 2023	9,761,493	-	-	9,761,493
- unquoted investments	31 Dec 2023	-	-	2,348,399	2,348,399
		9,761,493	-	2,348,399	12,109,892

Liabilities measured at fair value:

There were no liabilities measured at fair value as of 31 December 2024 and 31 December 2023.

During the years ended 31 December 2024 and 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Level 3 equity securities have been estimated using fair value provided by the investment managers or other appropriate valuation techniques including fair values determined based on unobservable inputs using market multiples or other appropriate valuation methodologies.

Reconciliation of fair value measurements of level 3 financial instruments

Reconciliation of fair value measurement of unquoted investments classified as equity instruments designated at fair value through OCI (Level 3):

	2024	*2023*
	BD	*BD*
Balance at 1 January	**2,348,399**	2,348,399
Net changes in fair values	**(170,056)**	-
At 31 December	**2,178,343**	2,348,399

29 SEGMENT REPORTING

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments, as follows:

Hotel room operations	Hotel room and rental and management of executive apartments and offices and provisioning of automatic laundry services.
Food and beverages	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 Group and the convention operations of the Gulf Convention Centre have been aggregated for segmental reporting in food and beverage.

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 later in a table, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are set in a manner similar to transactions with third parties.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

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

Inter-segment revenues, transactions, assets and liabilities are eliminated upon consolidation and reflected in the adjustment and eliminations column.

Revenue for the year ended 31 December 2024 in the United Arab Emirates and Sri Lanka amounted to BD 3,495,621 (2023: BD 3,475,320) and loss for the 31 December 2024 amounted to BD 1,090,434 (2023: loss of BD 821,932). The remaining revenue and profit for the twelve-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

At 31 December 2024, total assets in the United Arab Emirates and Sri Lanka amounted to BD 25,556,314 (2023: BD 27,661,881) and total liabilities amounted to BD 846,436 (2023: BD 1,437,343). All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

29 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the year ended 31 December 2024 and 31 December 2023:

	Hotel room operations		***Food and beverages***		***Investment and other activities***		***Adjustments and eliminations***		***Consolidated***	
	2024	*2023*	***2024***	*2023*	***2024***	*2023*	***2024***	*2023*	***2024***	*2023*
	BD	*BD*	***BD***	*BD*	***BD***	*BD*	***BD***	*BD*	***BD***	*BD*
Revenue	**12,122,761**	10,850,246	**23,821,817**	21,926,502	**1,538,860**	985,337	**(756,022)**	(762,581)	**36,727,416**	32,999,504
Share of results of associates and a joint venture	**-**	-	**-**	-	**1,724,701**	1,560,746	**-**	-	**1,724,701**	1,560,746
Dividend income	**-**	-	**-**	-	**767,185**	761,094	**-**		**767,185**	761,094
Interest income	**-**	-	**-**	-	**447,181**	379,583	**-**	-	**447,181**	379,583
Rental and other income	**-**	-	**125,956**	234,301	**2,381,922**	2,082,309	**-**	-	**2,507,878**	2,316,610
Total revenue	**12,122,761**	10,850,246	**23,947,773**	22,160,803	**6,859,849**	5,769,069	**(756,022)**	(762,581)	**42,174,361**	38,017,537
Staff costs	**2,447,394**	2,284,481	**6,094,716**	6,009,622	**1,736,039**	1,894,382	**-**	-	**10,278,149**	10,188,485
Food and beverages cost	**-**	-	**9,283,632**	8,367,162	**-**	-	**(392,622)**	(339,573)	**8,891,010**	8,027,589
Depreciation of property and equipment	**3,439,036**	3,513,632	**1,386,104**	1,365,186	**629,606**	333,985	**-**	-	**5,454,746**	5,212,803
Depreciation of investment properties	**-**	-	**-**	-	**60,694**	56,322	**-**	-	**60,694**	56,322
Utilities	**1,150,735**	1,117,009	**494,852**	444,936	**194,362**	137,426	**-**	-	**1,839,949**	1,699,371
Allowance for expected credit losses	**3,230**	62,383	**(31,910)**	64,200	**52,864**	(2,608)	**-**	-	**24,184**	123,975
Other operating expenses	**3,246,865**	2,946,304	**2,455,361**	2,144,034	**1,430,287**	1,256,076	**(363,400)**	(423,008)	**6,769,113**	5,923,406
Total expenses	**10,287,260**	9,923,809	**19,682,755**	18,395,140	**4,103,852**	3,675,583	**(756,022)**	(762,581)	**33,317,845**	31,231,951
Segment profit for the year	**1,835,501**	926,437	**4,265,018**	3,765,663	**2,755,997**	2,093,486	**-**	-	**8,856,516**	6,785,586

29 SEGMENTS REPORTING (continued)

The following table presents the details of segmental assets and liabilities as at 31 December 2024 and as at 31 December 2023:

	Hotel room operations		***Food and beverages***		***Investment and other activities***		***Adjustments and eliminations***		***Consolidated***	
	31 December 2024 BD	*31 December 2023 BD*	***31 December 2024 BD***	*31 December 2023 BD*	***31 December 2024 BD***	*31 December 2023 BD*	***31 December 2024 BD***	*31 December 2023 BD*	***31 December 2024 BD***	*31 December 2023 BD*
Total assets	**48,094,019**	49,057,435	**29,806,316**	29,704,967	**34,961,650**	32,064,101	**-**	-	**112,861,985**	110,826,503
Total liabilities	**3,652,275**	3,269,008	**2,860,005**	2,314,079	**817,306**	890,315	**-**	-	**7,329,586**	6,473,402
Capital expenditure	**3,191,818**	1,444,777	**251,219**	14,615	**111,156**	11,038,556	**-**	-	**3,554,193**	12,497,948

** During the year, management has reassessed its measurement basis for allocating expenses across segments and reclassify the revenue, expenses, and assets and liabilities. Such reclassification does not impact the previously reported Group profit and equity for the year ended December 31, 2023.*

30 COMPARATIVES

Certain comparative amounts in these consolidated financial statements have been reclassified to conform with the current year presentation. Such reclassifications had no impact on previously reported profit or equity.