

Bahrain Car Parks Company B.S.C.

Condensed interim financial information
for the quarter and six months period
ended 30 June 2021
(Unaudited)

Bahrain Car Parks Company B.S.C.
Condensed interim financial information for the quarter and six months period ended
30 June 2021
(Unaudited)

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Bahrain Car Parks Company B.S.C.
Administration and contact details as at 30 June 2021

Commercial registration number	11455 obtained on 31 October 1981	
Board of Directors	Amin Ahmed Salem Alarrayed Abdulla Ahmed Abdulla Abdulrahman Kamal Adnan Sayed Habib Maki Hashim Ali Eajaz Ahmed Mohammad Ghulam Murtaza Areej Abdulla Abdulghaffar Abdulla Bader Kassim Mohamed Buallay Fahad Abdulrahman Mohammed Abdulrahman AlSaad Mohamed Rasheed Mohamed Khamis AlMaraj Wael Ezzeldeen Mohamed Hassan Arafa Yaser Abduljalil Ali AlSharifi	- Chairman - Vice chairman
Executive Committee members	Abdulla Ahmed Abdulla Abdulrahman Kamal Bader Kassim Mohamed Buallay Mohamed Rasheed Mohamed Khamis AlMaraj Ali Eajaz Ahmed Mohammad Ghulam Murtaza	- Chairman
Audit Committee members	Yaser Abduljalil Ali AlSharifi Areej Abdulla Abdulghaffar Abdulla Adnan Sayed Habib Maki Hashim	- Chairman
NRCG Committee members	Amin Ahmed Salem Alarrayed Fahad Abdulrahman Mohammed Abdulrahman AlSaad Wael Ezzeldeen Mohamed Hassan Arafa	- Chairman
Chief Executive Officer	Tariq Ali Husain Aljowder	
Director of Finance	Hassan Ali AlShoala	
Registered office	Flat No. 209, Building No.128, Road No. 383, Block No. 316 2 nd Floor, Car Parks & Commercial Centre Government Avenue PO Box 5298 Manama Kingdom of Bahrain	
Bankers	Ahli United Bank National Bank of Bahrain Bank of Bahrain and Kuwait Al Salam Bank National Bank of Kuwait Ithmaar Bank	
External auditors	BDO 17 th Floor Diplomat Commercial Offices Tower PO Box 787 Manama Kingdom of Bahrain	
Internal auditors	Protiviti - Bahrain PO Box 10231 Manama Kingdom of Bahrain	
Share registrars	KFin Technologies (Bahrain) W.L.L. PO Box 514, Manama Kingdom of Bahrain Bahrain Clear B.S.C. (c) PO Box 3203, Manama Kingdom of Bahrain	

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Bahrain Car Parks Company B.S.C. ("the Company") as at 30 June 2021, the condensed interim statement of profit or loss, the condensed interim statement of other comprehensive income, the condensed interim statement of changes in shareholders' equity and the condensed interim statement of cash flows for the quarter and six months period then ended, and selected explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 - "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not present fairly, in all material respects, the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the quarter and six months period then ended in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*".



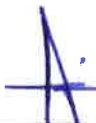
Manama, Kingdom of Bahrain
3 August 2021




Bahrain Car Parks Company B.S.C.
Condensed interim statement of financial position as at 30 June 2021
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>30 June 2021</u> (Unaudited)	<u>31 December 2020</u> (Audited)
ASSETS			
Non-current assets			
Intangible assets	5	16,400	18,898
Right-of-use assets	6	5,881,631	5,947,592
Property, plant and equipment	7	2,959,008	2,998,162
Financial assets at fair value through other comprehensive income	8	2,425,402	2,855,074
Investment properties	9	<u>470,044</u>	<u>470,044</u>
		<u>11,752,485</u>	<u>12,289,770</u>
Current assets			
Inventories		13,215	14,668
Short-term fixed deposits	10	5,577,929	3,214,885
Investments at amortised cost	11	380,871	380,871
Trade and other receivables	12	828,397	618,226
Cash and cash equivalent	13	<u>1,317,255</u>	<u>3,650,823</u>
		<u>8,117,667</u>	<u>7,879,473</u>
Total assets		<u>19,870,152</u>	<u>20,169,243</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	11,031,723	11,031,723
Treasury shares	14	(101,456)	(101,456)
Share premium		2,000,000	2,000,000
Statutory reserve		3,176,376	3,176,376
Charity reserve		22,400	12,400
Investment fair value reserve		(555,302)	(250,829)
Retained earnings		<u>3,746,446</u>	<u>3,783,259</u>
Total equity		<u>19,320,187</u>	<u>19,651,473</u>
Non-current liabilities			
Non-current portion of lease liabilities	15	147,795	153,122
Employees' terminal benefits		<u>19,231</u>	<u>33,559</u>
		<u>167,026</u>	<u>186,681</u>
Current liabilities			
Current portion of lease liabilities	15	655	655
Other payables	16	<u>382,284</u>	<u>330,434</u>
		<u>382,939</u>	<u>331,089</u>
Total liabilities		<u>549,965</u>	<u>517,770</u>
Total equity and liabilities		<u>19,870,152</u>	<u>20,169,243</u>

These unaudited condensed interim financial information were approved, authorised for issue by the Board of Directors and signed on its behalf by:


Amin Ahmed Alarrayed
Chairman



Abdulla Ahmed Kamal
Vice-Chairman


Tariq Ali Aljowder
Chief Executive Officer

Bahrain Car Parks Company B.S.C.
Condensed interim statement of profit or loss for the quarter and six months period ended 30 June 2021
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Six months period ended 30 June 2021	Six months period ended 30 June 2020	Three months period ended 30 June 2021	Three months period ended 30 June 2020
Operating income	17	881,278	823,452	444,474	354,961
Net income from investments	18	157,688	224,627	60,861	122,132
Operating, general and administrative expenses	19	<u>(688,039)</u>	<u>(704,046)</u>	<u>(369,498)</u>	<u>(294,546)</u>
Operating profit		350,927	344,033	135,837	182,547
Other income		42,624	103,937	33,866	102,681
Directors' remuneration	20	<u>(25,272)</u>	<u>(25,272)</u>	-	-
Net profit for the period		<u>368,279</u>	<u>422,698</u>	<u>169,703</u>	<u>285,228</u>
Basic and diluted earnings per share	21	<u>3.37 fils</u>	<u>3.87 fils</u>	<u>1.55 fils</u>	<u>2.61 fils</u>

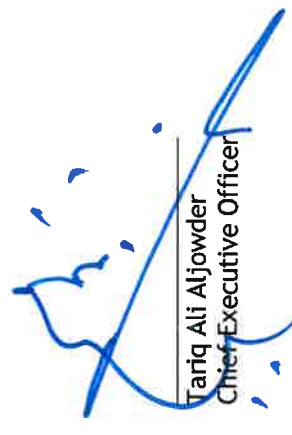
These unaudited condensed interim financial information were approved, authorised for issue by the Board of Directors and signed on its behalf by:



Amin Ahmed Alarrayed
 Chairman



Abdulla Ahmed Kamal
 Vice-Chairman



Tariq Ali Aljowder
 Chief Executive Officer

Bahrain Car Parks Company B.S.C.
Condensed interim statement of changes in shareholders' equity for the six months period ended 30 June 2021
(Unaudited)
(Expressed in Bahrain Dinars)

	Share capital	Treasury shares	Share premium	Statutory reserve	Charity reserve	Investment fair value reserve	Retained earnings	Total
At 31 December 2019 (Audited)	11,031,723	(101,456)	2,000,000	3,110,547	22,400	(256,380)	3,806,593	19,613,427
Total comprehensive income for the period	-	-	-	-	-	(128,893)	422,698	293,805
Dividends for 2019 (Note 22)	-	-	-	-	-	-	(546,513)	(546,513)
Charity reserve created during the period	-	-	-	-	10,000	-	(10,000)	-
Charity payments during the period	-	-	-	-	(20,000)	-	-	(20,000)
At 30 June 2020 (Unaudited)	11,031,723	(101,456)	2,000,000	3,110,547	12,400	(385,273)	3,672,778	19,340,719
At 31 December 2020 (Audited)	11,031,723	(101,456)	2,000,000	3,176,376	12,400	(250,829)	3,783,259	19,651,473
Total comprehensive income for the period	-	-	-	-	-	(153,052)	368,279	215,227
Transferred on disposal of financial assets at value through other comprehensive income	-	-	-	-	-	(151,421)	151,421	-
Dividends for 2020 (Note 22)	-	-	-	-	-	-	(546,513)	(546,513)
Charity reserve created during the period	-	-	-	-	10,000	-	(10,000)	-
At 30 June 2021 (Unaudited)	11,031,723	(101,456)	2,000,000	3,176,376	22,400	(555,302)	3,746,446	19,320,187

Bahrain Car Parks Company B.S.C.
Condensed interim statement of cash flows for the six months period ended 30 June 2021
(Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Six months period ended 30 June 2021	Six months period ended 30 June 2020
Operating activities			
Net profit for the period		368,279	422,698
Adjustments for:			
Amortisation of intangible assets	5	2,498	2,498
Amortisation of right-of-use assets	6	65,961	65,961
Depreciation of property, plant and equipment	7	47,566	37,193
Provision for impaired rents receivables from tenants		-	14,007
Reversal of excess provision for impaired rent receivables from tenants		(25,293)	-
Interest expense on lease liabilities	15	4,673	4,693
Interest income	18	(111,180)	(129,972)
Dividend income	18	(46,508)	(94,655)
Changes in operating assets and liabilities:			
Inventories		1,453	(1,207)
Trade and other receivables		(184,878)	(120,582)
Other payables		51,850	112,383
Employees' terminal benefits, net		(14,328)	5,553
Net cash provided by operating activities		<u>160,093</u>	<u>318,570</u>
Investing activities			
Purchase of property, plant and equipment	7	(8,412)	(70,966)
Proceeds from disposal of financial assets at fair value through other comprehensive income			
other comprehensive income	8	276,620	142,699
Interest income received	18	111,180	129,972
Dividend income received	18	46,508	94,655
Net movement in short-term fixed deposits		<u>(2,363,044)</u>	<u>245,069</u>
Net cash (used in)/provided by investing activities		<u>(1,937,148)</u>	<u>541,429</u>
Financing activities			
Principal paid on lease liabilities		(5,327)	(5,307)
Interest paid on lease liabilities	15	(4,673)	(4,693)
Charity payments		-	(20,000)
Dividend paid	22	<u>(546,513)</u>	<u>(546,513)</u>
Net cash used in financing activities		<u>(556,513)</u>	<u>(576,513)</u>
Net (decrease)/increase in cash and cash equivalents		(2,333,568)	283,486
Cash and cash equivalents, beginning of the period		<u>3,650,823</u>	<u>938,436</u>
Cash and cash equivalents, end of the period		<u>1,317,255</u>	<u>1,221,922</u>

1 Organisation and activities

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

The principal activities of the Company include operating of car parks, real estate activities with own or leased property and other marketing/promotional activities.

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

These unaudited condensed interim financial information, set out on pages 4 to 23, were approved, authorised for issue and signed by the Board of Directors on 3 August 2021.

2 Basis of preparation

Basis of presentation

The condensed interim financial information has been prepared in accordance with International Accounting Standard 34 - “*Interim Financial Reporting*”. The condensed interim financial information should therefore be read in conjunction with the annual audited financial statements prepared as at, and for the year ended, 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards.

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

The condensed interim financial information have been prepared using the going concern assumption and under the historical cost convention as modified by the fair valuation of investment properties and financial assets through other comprehensive income (OCI). The financial information have been presented in Bahrain Dinar which is the functional currency of the Company.

Improvements/amendments to IFRS/IAS

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. ‘*Improvements to IFRS*’ comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company’s future accounting period with earlier adoption.

Bahrain Car Parks Company B.S.C.

Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2021

(Unaudited)

(Expressed in Bahrain Dinars)

2 Basis of preparation (continued)

Standards, amendments and interpretations issued and effective in 2021 but not relevant

The following new amendments to existing standards and interpretations to published standards are mandatory for the accounting period beginning on or after 1 January 2021 or subsequent periods, but are not relevant to the Company's operations:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 39	Financial instruments: recognition and measurements	1 January 2021
IFRS 4	Insurance Contracts	1 January 2021
IFRS 7	Financial instruments: Disclosures	1 January 2021
IAS 39, IFRS 4,7,9 and 16	Interest Rate Benchmark Reform - IBOR 'phase 2'	1 January 2021
IFRS 9	Financial instruments	1 January 2021
IFRS 16	Leases	1 January 2021

Standards, interpretations and amendments issued but not yet effective in 2021

The following new accounting standards, interpretations and amendments have been issued, but are not mandatory and hence, have not been early adopted by the Company in preparing the condensed interim financial information for the period ended 30 June 2021. The Company intends to apply these standards from application date as indicated in the table below:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 3	Reference to the Conceptual Framework	1 January 2022
IAS 16	Property, Plant and Equipment - Proceeds before intended use	1 January 2022
IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
IAS 1	Disclosure of Accounting Policies	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2023
IAS 8	Definition of Accounting Estimates	1 January 2023
IAS 12	Deferred Tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

Early adoption of amendments or standards in 2021

The Company did not early-adopt any new or amended standards in 2021. There would have been no change in the financial position and operational results of the Company for the six months period ended 30 June 2021 had the Company early adopted any of the above standards.

3 Significant accounting policies

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the annual audited financial statements of the Company prepared as at, and for the year ended 31 December 2020, as described in those annual audited financial statements.

4 Significant events and transactions

In accordance with the Central Bank of Bahrain circular dated 14 July 2020, having reference number OG/259/2020, which aims to maintain transparency amidst the current implication of Coronavirus (COVID19), the Company discloses herewith additional financial information pertaining to the financial impact of COVID19 on the condensed interim financial information as follows:

The World Health Organisation declared Coronavirus (COVID19) a global health emergency on 30 January 2020. Subsequently, the WHO classified COVID19 outbreak a global pandemic based on the rapid increase in exposure and infections across the world. The pandemic necessitated restrictions and closures that affected our operations and tenants. The Company has experienced significant disruption to its operations in the following respects:

- Decreased demand for certain services as a consequence of travel restrictions and social distancing requirements and recommendations; and
- Significant uncertainty concerning when government closures will be lifted, social distancing requirements will be eased and the long-term effects of the pandemic on the demand for Company's primary services.

Based on the nature of operations and the industry in which it operates, the Company's management assessed the significant impact of COVID19 in the below areas:

- Decrease in operating income;
- Government grants;
- Valuation and income from financial assets; and
- Commitments and contingent liabilities.

(a) Decrease in operating income

Company has experienced a reduction in its operating income amounting to BD199,043 for the six months period ended 30 June 2021 as compared to the estimates. The Company is engaged in operating car parks, real estate activities with own or leased property and other marketing/promotional activities, as follows:

- The Company's daily car parks business showed 45% decrease in value;
- The Company's monthly car parks business showed 8% decrease in value;
- Tenants were affected by the pandemic and the Company has voluntarily provided rent concessions, waivers and deferrals to tenants during the period, which resulted in a decrease in operating income by BD21,098; and
- Some tenants terminated their leases during the pandemic leading to loss of income by BD25,615.

(b) Government grants

The Company has applied for government support programs introduced in response to the global pandemic. The Company has received a government grant of BD31,349 relating to support towards the payroll of the Company's Bahraini employees. The Company has elected to present this government grant under other income. The Company committed to spending the assistance on payroll expenses.

Bahrain Car Parks Company B.S.C.

Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2021

(Unaudited)

(Expressed in Bahrain Dinars)

4 Significant events and transactions (continued)

(c) Valuation and income from financial assets

The Company has investments, which are classified as financial assets at fair value through other comprehensive income and form a significant balance in the condensed interim financial information. The fair value changes due to the impact of COVID19, are as follows:

- The Company's valuation of financial assets at fair value through other comprehensive income has resulted in unrealised fair value losses of BD153,052; and
- The Company's estimates of dividend receivables relating to its financial assets showed 44% decrease in value.

(d) Commitments and contingent liabilities

The Company has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Company, customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no issues were noted.

The below table summarises the impact of COVID-19 on the condensed interim financial information for the six months period ended 30 June 2021:

<u>Financial statement area</u>	<u>Nature of impact</u>	<u>Amount in BD</u>
Operating income	Decrease	199,043
Valuation and income from financial assets	Decrease	153,052
Government grants	Increase	31,349

Bahrain Car Parks Company B.S.C.

Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2021

(Unaudited)

(Expressed in Bahrain Dinars)

5 Intangible assets

	30 June 2021 <u>(Unaudited)</u>	31 December 2020 <u>(Audited)</u>
Opening balance	18,898	23,895
Amortisation charge for the period/year	<u>(2,498)</u>	<u>(4,997)</u>
Closing balance	<u>16,400</u>	<u>18,898</u>

Intangible assets consist of software and are amortised over its estimated useful life, which is considered to be five years from the date of acquisition. The carrying value of the intangible asset is reviewed annually and adjusted for impairment if considered necessary. In the opinion of the Company's management, the carrying value of the intangible assets is not impaired.

6 Right-of-use assets

	<u>Leasehold land and buildings</u>
Cost	
At 31 December 2020 and 30 June 2021	<u>6,154,968</u>
Accumulated amortisation	
At 31 December 2019	75,455
Amortisation charge for the year	<u>131,921</u>
At 31 December 2020	207,376
Amortisation charge for the period	<u>65,961</u>
At 30 June 2021	<u>273,337</u>
Carrying value	
At 30 June 2021 (Unaudited)	<u>5,881,631</u>
At 31 December 2020 (Audited)	<u>5,947,592</u>

During the year 2019, the Company has issued additional shares of 40,000,000 ordinary shares at a value of 150 fils per share for a total value of BD6,000,000 in favour of Bahrain Real Estate Investment (Edamah) B.S.C. (c) in consideration for the usufruct right in the "Terminal Building" in Adliya for a period of 99 years with an automatic renewal for a further similar period after the completion of initial period.

As at 30 June 2021, the Company has lease contracts on land and buildings, where the lease payments are solely fixed payments without any link to variable elements such as inflation and market rentals.

Bahrain Car Parks Company B.S.C.
Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2021
(Unaudited)
(Expressed in Bahrain Dinars)

7 Property, plant and equipment

	Freehold land	Building on leasehold land	Car parks and other equipment	Office furniture and equipment	Total
Cost					
At 31 December 2019	2,454,530	8,138,413	206,613	122,086	10,921,642
Additions	<u>-</u>	<u>-</u>	<u>212,918</u>	<u>3,125</u>	<u>216,043</u>
At 31 December 2020	2,454,530	8,138,413	419,531	125,211	11,137,685
Additions during the period	<u>-</u>	<u>-</u>	<u>1,466</u>	<u>6,946</u>	<u>8,412</u>
At 30 June 2021	<u>2,454,530</u>	<u>8,138,413</u>	<u>420,997</u>	<u>132,157</u>	<u>11,146,097</u>
Accumulated depreciation					
At 31 December 2019	-	7,899,807	73,656	87,686	8,061,149
Charge for the year	<u>-</u>	<u>18,354</u>	<u>43,526</u>	<u>16,494</u>	<u>78,374</u>
At 31 December 2020	-	7,918,161	117,182	104,180	8,139,523
Charge for the period (Note 19)	<u>-</u>	<u>9,177</u>	<u>30,669</u>	<u>7,720</u>	<u>47,566</u>
At 30 June 2021	<u>-</u>	<u>7,927,338</u>	<u>147,851</u>	<u>111,900</u>	<u>8,187,089</u>
Net book amount					
At 30 June 2021 (Unaudited)	<u>2,454,530</u>	<u>211,075</u>	<u>273,146</u>	<u>20,257</u>	<u>2,959,008</u>
At 31 December 2020 (Audited)	<u>2,454,530</u>	<u>220,252</u>	<u>302,349</u>	<u>21,031</u>	<u>2,998,162</u>

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

8 Financial assets at fair value through other comprehensive income

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Opening balance	2,855,074	3,088,598
Disposals during the period/year	(276,620)	(179,791)
Valuation losses recognised in other comprehensive income	<u>(153,052)</u>	<u>(53,733)</u>
Closing balance	<u>2,425,402</u>	<u>2,855,074</u>

Bahrain Car Parks Company B.S.C.

Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2021

(Unaudited)

(Expressed in Bahrain Dinars)

8 Financial assets at fair value through other comprehensive income (continued)

The above investments are further classified as follows:

	<u>30 June</u> <u>2021</u> (Unaudited)	<u>31 December</u> <u>2020</u> (Audited)
Shares listed on the Bahrain Bourse	1,619,293	2,046,658
Unquoted equity shares	<u>806,109</u>	<u>808,416</u>
	<u>2,425,402</u>	<u>2,855,074</u>

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

Currency	<u>30 June</u> <u>2021</u> (Unaudited)	<u>31 December</u> <u>2020</u> (Audited)
United States Dollar	71,649	664,301
Bahrain Dinar	<u>2,353,753</u>	<u>2,190,773</u>
	<u>2,425,402</u>	<u>2,855,074</u>

9 Investment properties

	<u>30 June</u> <u>2021</u> (Unaudited)	<u>31 December</u> <u>2020</u> (Audited)
Opening balance	470,044	492,044
Unrealised fair value loss for the period/year	<u>-</u>	<u>(22,000)</u>
Closing balance	<u>470,044</u>	<u>470,044</u>

10 Short-term fixed deposits

	<u>30 June</u> <u>2021</u> (Unaudited)	<u>31 December</u> <u>2020</u> (Audited)
Term deposits with banks maturing after 3 months but within 1 year	<u>5,577,929</u>	<u>3,214,885</u>

Short-term fixed deposits held with the Company's bankers earn interest at rates ranging between 2.10% and 3.60% per annum (2020: between 3.85% and 4.75% per annum) and are denominated in Bahrain Dinars.

Bahrain Car Parks Company B.S.C.
 Selected explanatory notes to the condensed interim financial information for the quarter and six months period ended 30 June 2021
 (Unaudited)
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11 Investments at amortised cost

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Opening and closing balance	<u>380,871</u>	<u>380,871</u>

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

12 Trade and other receivables

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Rent receivables from tenants	378,037	300,538
Amounts due from a related party (Note 23)	<u>44,615</u>	<u>10,563</u>
	422,652	311,101
Less: provision for impaired rent receivables from tenants	<u>(53,672)</u>	<u>(78,965)</u>
	368,980	232,136
Accrued revenue	276,509	199,519
Accrued interest	92,107	149,982
Advances paid to creditors	61,859	25,599
Prepayments and other receivables	<u>28,942</u>	<u>10,990</u>
	<u>828,397</u>	<u>618,226</u>

Amounts due from a related party are unsecured, bear no interest and repayable on demand.

13 Cash and cash equivalents

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Cash on hand	1,780	1,388
Short-term deposit maturing within three months	361,000	2,571,225
Current account balances with banks	<u>954,475</u>	<u>1,078,210</u>
	<u>1,317,255</u>	<u>3,650,823</u>

Short-term deposit with a bank bears an interest rate at 3.5% per annum.

The current account balances with banks bear interest rates ranging from 0% to 1.5% per annum (2020: 0% to 2.5% per annum).

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14 Share capital

	30 June 2021 <u>(Unaudited)</u>	31 December 2020 <u>(Audited)</u>
Authorised:		
125,000,000 ordinary shares of 100 fils each (2020: 125,000,000 ordinary shares of 100 fils each)	<u>12,500,000</u>	<u>12,500,000</u>
Issued and fully paid-up:		
110,317,230 ordinary shares of 100 fils each (2020: 110,317,230 ordinary shares of 100 fils each)	11,031,723	11,031,723
Less: 1,014,560 treasury shares of 100 fils each (2020: 1,014,560 treasury shares of 100 fils each)	<u>(101,456)</u>	<u>(101,456)</u>
	<u>10,930,267</u>	<u>10,930,267</u>

15 Lease liabilities

	30 June 2021 <u>(Unaudited)</u>	31 December 2020 <u>(Audited)</u>
At 1 January	153,777	154,392
Lease payments	(10,000)	(10,000)
Interest expenses	<u>4,673</u>	<u>9,385</u>
At 31 December	148,450	153,777
Less: current portion of lease liabilities	<u>(655)</u>	<u>(655)</u>
Non-current portion of lease liabilities	<u>147,795</u>	<u>153,122</u>
Maturity analysis - contractual undiscounted cash flows:		
	30 June 2021 <u>(Unaudited)</u>	31 December 2020 <u>(Audited)</u>
Less than one year	20,000	10,000
More than one year and less than five years	80,000	80,000
More than five years	<u>100,000</u>	<u>120,000</u>
Total undiscounted leases	<u>200,000</u>	<u>210,000</u>

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16 Other payables

	30 June 2021 <u>(Unaudited)</u>	31 December 2020 <u>(Audited)</u>
Amounts due to a related party (Note 23)	153,901	131,274
Unclaimed dividends	9,167	15,309
Other payables	88,857	145,251
Advances received from tenants	89,735	5,575
Provision for leave salary and air passage	<u>40,624</u>	<u>33,025</u>
	<u>382,284</u>	<u>330,434</u>

Amount due to a related party are unsecured, bear no interest and are repayable on demand.

17 Operating income

	Six months period ended 30 June 2021 <u>(Unaudited)</u>	Six months period ended 30 June 2020 <u>(Unaudited)</u>	Three months period ended 30 June 2021 <u>(Unaudited)</u>	Three months period ended 30 June 2020 <u>(Unaudited)</u>
Car parks income (Note 23)	386,866	379,789	177,938	159,641
Rental income	415,270	379,228	226,859	175,933
Service charges income	<u>79,142</u>	<u>64,435</u>	<u>39,677</u>	<u>19,387</u>
	<u>881,278</u>	<u>823,452</u>	<u>444,474</u>	<u>354,961</u>

18 Net income from investments

	Six months period ended 30 June 2021 <u>(Unaudited)</u>	Six months period ended 30 June 2020 <u>(Unaudited)</u>	Three months period ended 30 June 2021 <u>(Unaudited)</u>	Three months period ended 30 June 2020 <u>(Unaudited)</u>
Dividend income	46,508	94,655	-	65,180
Interest income	<u>111,180</u>	<u>129,972</u>	<u>60,861</u>	<u>56,952</u>
	<u>157,688</u>	<u>224,627</u>	<u>60,861</u>	<u>122,132</u>

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19 Operating, general and administrative expenses

	Six months period ended <u>30 June 2021</u> (Unaudited)	Six months period ended <u>30 June 2020</u> (Unaudited)	Three months period ended <u>30 June 2021</u> (Unaudited)	Three months period ended <u>30 June 2020</u> (Unaudited)
Staff costs	290,207	290,787	159,603	98,646
Other operating, general and administrative expenses	252,382	231,797	134,642	111,986
Lease rent expenses (Note 23)	40,773	87,233	22,942	44,404
Maintenance costs	54,328	43,029	25,890	20,403
Depreciation (Note 7)	47,566	37,193	23,638	19,107
Provision for impaired rents receivable from tenants	<u>2,783</u>	<u>14,007</u>	<u>2,783</u>	<u>-</u>
	<u>688,039</u>	<u>704,046</u>	<u>369,498</u>	<u>294,546</u>

20 Directors' remuneration

Accrued and expensed

An amount of BD25,272 has been accrued and expensed as Directors' remuneration in 2021 (Note 23), relating to the year ended 31 December 2020 (2020: BD25,272 for the year ended 31 December 2019). The payment was approved by the shareholders in the Annual General Meeting held on 24 March 2021 (2019: 25 March 2020). Directors' remuneration is only expensed in the statement of profit or loss in the year in which it is approved by the shareholder.

21 Earnings per share

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

	Six months period ended <u>30 June 2021</u> (Unaudited)	Six months period ended <u>30 June 2020</u> (Unaudited)	Three months period ended <u>30 June 2021</u> (Unaudited)	Three months period ended <u>30 June 2020</u> (Unaudited)
Net profit attributable to the shareholders	<u>368,279</u>	<u>422,698</u>	<u>169,703</u>	<u>285,228</u>
Weighted average number of ordinary shares	<u>109,302,670</u>	<u>109,302,670</u>	<u>109,302,670</u>	<u>109,302,670</u>
Basic and diluted earnings per share	<u>3.37 fils</u>	<u>3.87 fils</u>	<u>1.55 fils</u>	<u>2.61 fils</u>

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

22 Dividends

Declared and paid

A dividend of BD546,513 representing 5% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2020 (at 5 fils per share) (2020: BD546,513 for the year ended 31 December 2019 at 5 fils per share), was approved by the shareholders in the Annual General Meeting of the shareholders held on 24 March 2021 (2020: 25 March 2020).

23 Transactions and balances with related parties

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

The following is a summary of the significant transactions entered into with the related parties are as follows:

<u>Transaction</u>	<u>Nature of relationship</u>	<u>Name of the related party</u>	<u>Six months period ended 30 June 2021 (Unaudited)</u>	<u>Six months period ended 30 June 2020 (Unaudited)</u>
Car parks income (Note 17)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	49,880	22,718
Lease rent expenses (Note 19)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	40,773	87,233
Directors' remuneration (Note 20)	Key management personnel *	Key management personnel *	25,272	25,272
Directors' sitting fees	Key management personnel *	Key management personnel *	22,500	20,500

(*) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company.

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23 Transactions and balances with related parties (continued)

A summary of the related party balances is as follows:

<u>Name of the related party</u>	<u>Nature of relationship</u>	<u>Amounts due from a related party (Note 12)</u>	
		<u>30 June 2021</u>	<u>31 December 2020</u>
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	<u>44,615</u>	<u>10,563</u>

<u>Name of the related party</u>	<u>Nature of relationship</u>	<u>Amounts due to a related party (Note 16)</u>	
		<u>30 June 2021</u>	<u>31 December 2020</u>
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	<u>153,901</u>	<u>131,274</u>

24 Segmental information

Business segments - primary reporting segment

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

- Car parks services - This segment is involved in providing car parks for the public in return for parking charges.
- Property rental income - This segment is involved in the management, maintenance and renting of properties.
- Investment and related services - This segment is involved in trading in financial assets and investing excess funds in the primary and secondary market.

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24 Segmental information (continued)

As at, and for the six months period ended 30 June 2021

	Car parks services	Property rental services	Investment services	Unallocated	Total
Operating income	415,270	466,008	-	-	881,278
Net income from investments	-	-	157,688	-	157,688
Other income	<u>18,739</u>	<u>23,885</u>	-	-	<u>42,624</u>
Total revenue	<u>434,009</u>	<u>489,893</u>	<u>157,688</u>	-	<u>1,081,590</u>
Operating and general expenses	(202,985)	(407,899)	(29,589)	-	(640,473)
Depreciation	(19,843)	(27,723)	-	-	(47,566)
Unallocated expenses	-	-	-	(25,272)	(25,272)
Total expenses	<u>(222,828)</u>	<u>(435,622)</u>	<u>(29,589)</u>	<u>(25,272)</u>	<u>(713,311)</u>
Segment profit/(loss)	<u>211,181</u>	<u>54,271</u>	<u>128,099</u>	<u>(25,272)</u>	<u>368,279</u>
Reportable segment assets	<u>3,998,759</u>	<u>5,603,653</u>	<u>10,267,740</u>	-	<u>19,870,152</u>
Reportable segment liabilities	<u>255,243</u>	<u>261,921</u>	<u>32,801</u>	-	<u>549,965</u>

As at 31 December 2020, and for the six months period ended 30 June 2020

	Car parks Services	Property rental services	Investment services	Unallocated	Total
Operating income	396,128	427,324	-	-	823,452
Net income from investments	-	-	224,627	-	224,627
Other income	<u>38,343</u>	<u>65,594</u>	-	-	<u>103,937</u>
Total revenue	<u>434,471</u>	<u>492,918</u>	<u>224,627</u>	-	<u>1,152,016</u>
Operating and general expenses	(291,355)	(365,455)	(10,043)	-	(666,853)
Depreciation	(28,511)	(8,682)	-	-	(37,193)
Unallocated expenses	-	-	-	(25,272)	(25,272)
Total expenses	<u>(319,866)</u>	<u>(374,137)</u>	<u>(10,043)</u>	<u>(25,272)</u>	<u>(729,318)</u>
Segment profit/(loss)	<u>114,605</u>	<u>118,781</u>	<u>214,584</u>	<u>(25,272)</u>	<u>422,698</u>
Reportable segment assets as at 31 December 2020	<u>3,725,885</u>	<u>5,721,768</u>	<u>10,721,590</u>	-	<u>20,169,243</u>
Reportable segment liabilities as at 31 December 2020	<u>201,137</u>	<u>305,957</u>	<u>10,676</u>	-	<u>517,770</u>

24 Segmental information (continued)

Geographical segments - secondary reporting segment

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

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

25 Interim results

The interim net profit for the six months period ended 30 June 2021 may not represent a proportionate share of the annual net profit or loss due to the variability in timing of the receipt of dividends and investments income.

26 Events after the reporting date

The World Health Organisation (WHO) had declared the outbreak of a novel coronavirus - Covid19 as a pandemic during the previous year and as of date, the virus continues to spread globally. This outbreak has made many countries to take several restrictive measures such as limiting travelling, limiting operational hours and implementing lockdowns to control the spread. This has caused disruption across several commercial activities, impacted several industries and investments in the bonds and equities.

Even subsequent to the period end till this point in time, the COVID19 related restrictions continue to have impact in the geographical location in which the Company operates. The extent of the disruption on the Company's operation is uncertain and is difficult to estimate. Management is actively assessing the situation and will take necessary mitigating action to minimise the impact on Company's operation, financial position and liquidity in the fiscal year 2021.

Other than the above, there were no significant events subsequent to 30 June 2021 and occurring before the date of the report that are expected to have a significant impact on these condensed interim financial information.