BAHRAIN DUTY FREE SHOP COMPLEX BSC

FINANCIAL STATEMENTS

31 DECEMBER 2018

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

FINANCIAL STATEMENTS
for the year ended ended 31 December 2018

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BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

GENERAL INFORMATION

Bahrain Duty Free Shop Complex BSC, a joint stock company governed by the Bahrain Commercial Company Law 2001, was registered under commercial registration number 23509 on 15 July 1990.

SHARE CAPITAL

Authorised	: BD 14,227,194 (2017: BD 14,227,194) divided into 142,271,938 shares (2017: BD 142,271,938 shares) of 100 fils each
Issued and fully paid-up	BD 14,227,194 (2017: BD 14,227,194)
BOARD OF DIRECTORS	: Farouk Yousuf Almoayyed (Chairman) : Abdulla Buhindi (Managing Director) : Jalal Mohamed Jalal : Jassim Mohammed Al Shaikh : Shaikh Mohamed bin Ali bin Mohamed Al Khalifa : Jawad Al Hawaj : Nabeel Al Zain : Mohammed Al Khan : Ghassan Al Sabbagh : Jehad Amin : Abdulrahman Jamsheer
INVESTMENT COMMITTEE	: Farouk Yousuf Almoayyed : Abdulla Buhindi : Nabeel Al Zain : Jehad Amin
AUDIT COMMITTEE	: Jawad Al Hawaj : Mohammed Al Khan : Ghassan Al Sabbagh
NOMINATION & REMUNERATION COMMITTEE	: Farouk Yousuf Almoayyed : Abdulla Buhindi : Jalal Mohamed Jalal
MANAGING AGENT	: Aer Rianta International (Middle East) WLL

MANAGEMENT	: Bassam Alwardi	General Manager
	: Dominic Carroll	Head of Finance
	: Domnick O'Reilly	Head of Operations
	: Richard Wilkinson	Head of Purchasing

BOARD SECRETARY	: Sadeq Ismaeel
OFFICES	: Al Barsh'aa Bldg, Bldg No145, Road 2403, Muharraq 224 Telephone 17 723100, Fax 17 725511 : Bahrain International Airport, P.O. Box 1714 Telephone 17 321330, Fax 17 321910

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

GENERAL INFORMATION

AUDITORS	: KPMG Fakhro
BANKERS	: Ahli United Bank Bank of Bahrain and Kuwait National Bank of Bahrain Kuwait Finance House National Bank of Kuwait - Bahrain Al Salaam Bank Arab Bank
REGISTRARS	: Bahrain Clear
CUSTODIANS	: SICO P.O. Box 1331, Manama, Kingdom of Bahrain

CHAIRMAN'S REPORT

On behalf of the board of directors of Bahrain Duty Free, I am pleased to present the Company's annual report and financial statements for the year end December 31 2018. I am also pleased to report that Bahrain Duty Free achieved resilient financial results marked by yet another strong performance where our net income reached BD 7.5 million.

Financial Performance

Operating Results
For the full year 2018, the Company reported Gross Revenues of BD 36.4 million representing a growth of 13.8%. Gross Profits climbed to BD 17.8 million giving an increase of 15.0% compared to the previous year. Operating expenses totalled BD13.4 million and increased by 13.6% during the year and within this the main driver was Royalty expense of BD5.9 million which was up 20.5%. Operating profits in 2018 were BD 6.1 million, a growth of 13.1% year on year.

Investment Results
Income from all Investment related activities for the year was BD 1.4 million down by 19.4% compared to prior year. The decrease is attributable to a reduction in dividend income of BD 357k from our unquoted equity investments and also an impairment charge of BD 692k taken on our Investment Properties due to a decline in Property market values. These reductions were offset with increases in dividends from Equities of BD 321k, Property Rental income of BD124k and bank interest of BD66k. Our investment portfolio now totals BD 42.8 million compared to BD 37.5 million last year, a growth of 13.4% during the year. This growth coming mainly from new Investments BD2.5 million, Equity Securities purchases of BD 2.4 million and fair value positive adjustments less Property impairments of BD .4 million. The portfolio remains very strong and well balanced.

Total net profits of BD 7.5 million increased by 5.3% on prior year. Earnings per share is 53 fils compared with 50 fils for 2017. At December year end, total Assets were BD 59.1 million while our total shareholder's equity stood at BD 51.2 million an increase of 2.6% compared to prior year.

Operation Highlights

2018 was another strong year for the company in terms of performance levels, which was aided by strong passenger numbers throughout the year. A continued focus on enhancing the customer experience resulted in a growth being achieved in the key Passenger Average Spend Indicator. Sales were aided by the introduction of some new ranges of goods during the year; along with the continued development of our sales team.

In 2018 we spoke to over 15,000 customers in order to fully understand the brands they wished to see included in our portfolio and their feedback has been invaluable in developing the range of products that will form part of our offering at the New Passenger Terminal in 2019. Our customers continue to react positively to our retail product and service offerings and the customer satisfaction rating achieved in 2018 was in excess of 91% for the year.

Our free Shop & Collect service for our customers continues to capture their imagination and grew substantially in 2018 and continues to grow in terms of customers availing of this service.

Proposed Appropriations
Based on the financial results, the Board of Directors has recommended for the approval of Shareholders at the upcoming Annual General Meeting, a full year cash dividend of 50 fils per share of which 20 fils per share was paid during the year. The Board has also recommended Charity Contribution of 2% of net profit.

On behalf of my colleagues on the Board, may I extend my sincere gratitude and appreciation to His Majesty King Hamad bin Isa Al Khalifa, His Royal Highness Prince Khalifa bin Salman Al Khalifa the Prime Minister, His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince & Deputy Supreme Commander for their continuing support.

The Board also extends it appreciation and gratitude for the continuing support of His Highness Shaikh Ali bin Khalifa Al Khalifa, Deputy Prime Minister and His Excellency Kamal bin Ahmed Mohammed Minister of Transportation and Telecommunications.

Thank you to our Shareholders, Stakeholders, Teams and Customers
To our shareholders' I thank you for the continued confidence placed in the Board. I also extend my gratitude to the staff and management of Bahrain Duty Free for their loyalty and support. My sincere thanks also to Bahrain Airport Company and Civil Aviation Authority for their guidance, support and assistance at the airport. I thank also the other concerned bodies whose objectives are to promote and market Bahrain International Airport. A final thank you to all our customers for their continued patronage and for choosing to shop at Bahrain Duty Free.

Bahrain International Airport New Terminal
Last year was a busy year and in January 2018 the Company signed a Shareholders agreement with our new partner Gulf Air Group Holdings to operate the duty free concession in the new Airport terminal which is scheduled to open in Q4 2019. Planning has already started for the new shops and the project team is in place. 2019 will be an extremely busy and challenging year as we work towards the opening date. The new terminal, is one of the largest individual projects undertaken within the Kingdom of Bahrain and we are delighted to be a part of it. We are also committed to continue to seek out other opportunities that are in line with our vision to enable us to pursue our growth and success in the years to come.

Farouk Yousuf Almoayyed
Chairman

12 February 2019

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Bahrain Duty Free Shop Complex BSC
Manama, Kingdom of Bahrain

Report on the audit of the financial statements

Opinion
We have audited the accompanying financial statements of Bahrain Duty Free Shop Complex BSC (the "Company") which comprise the statement of financial position as at 31 December 2018, the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of unquoted equity investments – BD 7,271 thousands (note 7)

Description	***How the matter was addressed in our audit***
We focused on this area because: ▪ The Company's portfolio of unquoted equity securities make up 12 % of the Company's total assets (by value); and ▪ The valuation of these investments involve the use of valuation techniques. The application of valuation techniques often involve the exercise of judgment by the Company and the use of assumptions and estimates.	With the assistance of our valuation specialists, we: ▪ evaluated the appropriateness of the valuation techniques used by the independent external valuer appointed by the Company; ▪ challenged key inputs and assumptions used in the valuations, such as earnings multiples, discount factors by using our knowledge of the industries in which the investees operate and industry norms; ▪ compared the key underlying financial data inputs to external sources, investee company financial and management information as applicable; and ▪ assessed the adequacy of the Company's disclosures in relation to valuation of equity securities by reference to the requirements of the relevant accounting standards.

Impairment of investment property – BD 10,808 thousand (note 5)

Description	***How the matter was addressed in our audit***
We focused on this area due to the uncertainty prevalent in the property market and the subjective nature of property impairment assessment.	With the assistance of our valuation specialists, we: ▪ evaluated the appropriateness of the valuation methodologies used by the independent property valuer appointed by the Company by comparing with observed industry practice; ▪ assessed consistency of valuation methodology and key inputs and assumptions used with prior year; ▪ compared the value of each property to the valuation report; and ▪ assessed the qualification and experience of the independent property valuer.

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

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

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

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

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

In preparing the financial statements, the board of directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatement of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements for the year ended 31 December 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other regulatory requirements

As required by the Commercial Companies Law, we report that:

a) the Company has maintained proper accounting records and the financial statements are in agreement therewith;
b) the financial information contained in the chairman's report is consistent with the financial statements;
c) we are not aware of any violations during the year of the Commercial Companies Law or the terms of the Company's memorandum and articles of association that would have had a material adverse effect on the business of the Company or on its financial position; and
d) satisfactory explanations and information have been provided to us by management in response to all our requests.

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

KPMG Fakhro
Partner registration number 100
12 February 2019

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

(Bahraini dinars '000s)

	note	2018	2017
ASSETS			
Property and equipment	4	1,003	1,714
Investment properties	5	10,808	11,703
Equity-accounted investees	6	2,483	162
Investment securities	7	29,436	25,803
Other assets	8	1,893	439
Total non-current assets		**45,623**	39,821
Inventories	9	4,090	3,798
Trade and other receivables	10	1,813	1,936
Cash and bank balances	11	7,603	11,192
Total current assets		**13,506**	16,926
Total assets		**59,129**	56,747
EQUITY AND LIABILITIES			
Equity			
Share capital	12	14,227	14,227
Share premium		1,953	1,953
Statutory reserve		7,114	7,114
Charity reserve		738	739
Fair value reserve		6,936	6,173
Retained earnings		20,280	19,745
Total equity		**51,248**	49,951
Liabilities			
Employees' benefits	13	472	424
Trade and other payables	14	4,187	3,855
Royalty payable	15	3,222	2,517
Total current liabilities		**7,881**	6,796
Total equity and liabilities		**59,129**	56,747

The financial statements were approved by the Board of Directors on 12 February 2019 and signed on its behalf by:

Farouk Yousuf Almoayyed
Chairman

Abdulla Buhindi
Board member & Managing Director

The accompanying notes 1 to 26 are an intergral part of these financial statements

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

STATEMENT OF PROFIT OR LOSS
for year ended 31 December 2018 (Bahraini dinars '000s)

	note	**2018**	2017
Revenue	16	36,402	31,975
Cost of sales		(18,649)	(16,541)
Gross profit		**17,753**	15,434
Other income, net	17	1,808	1,803
Administrative expenses	18	(12,805)	(11,282)
Selling expenses		(656)	(563)
Operating profit		**6,100**	5,392
Interest income		237	154
Income from investment securities	19	1,644	1,659
Income from investment properties, net		200	76
Impairment loss on available-for-sale investments		-	(46)
Impairment loss on financial assets		(13)	-
Impairment on investment property	5	(692)	(165)
Share of (loss) /profit of equity-accounted investees	6	(6)	21
Profit for the year		**7,470**	7,091
Basic and diluted earnings per share (in fils)	22	**53**	50

Farouk Yousuf Almoayyed
Chairman

Abdulla Buhindi
Board member & Managing Director

The accompanying notes 1 to 26 are an intergral part of these financial statements

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

STATEMENT OF COMPREHENSIVE INCOME
for year ended 31 December 2018 (Bahraini dinars '000s)

	2018	2017
Profit for the year	**7,470**	7,091
Other comprehensive income		
Items that are or may be reclassififed subsequently to profit or loss		
Net fair value changes on available-for-sale securities	-	(1,137)
Transferred to profit or loss on impairment of available-for-sale equity securities	-	46
Transferred to profit or loss on maturirty of available-for-sale debt securities	-	(7)
Items that will not be reclassified to profit or loss:		
Equity investments at FVOCI - net change in fair value	399	-
Total other comprehensive income	**399**	(1,098)
Total comprehensive income for the year	**7,869**	5,993

The accompanying notes 1 to 26 are an intergral part of these financial statements

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

STATEMENT OF CHANGES IN EQUITY
for year ended 31 December 2018

(Bahraini dinars '000s)

2018	Share capital	Share Premium	Statutory reserve	Charity reserve	Fair value reserve	Retained earnings	Total equity
At 1 January 2018 (as previously reported)	14,227	1,953	7,114	739	6,173	19,745	49,951
Impact on adoption of IFRS 9 as at 1 January 2018 (note 3a)	-	-	-	-	420	263	683
Restated balances as at 1 January 2018	14,227	1,953	7,114	739	6,593	20,008	50,634
Comprehensive income for the year:							
Profit for the year	-	-	-	-	-	7,470	7,470
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Equity investments at FVOCI - net change in fair value	-	-	-	-	399	-	399
Transferred to reatined earnings on sale of equity investments	-	-	-	-	(56)	56	-
Total other comprehensive income	-	-	-	-	**343**	**56**	**399**
Total comprehensive income for the year	-	-	-	-	**343**	**7,526**	**7,869**
Final dividend declared for 2017	-	-	-	-	-	(4,267)	(4,267)
Interim dividend paid for 2018	-	-	-	-	-	(2,845)	(2,845)
Charity utilised during 2018	-	-	-	(143)	-	-	(143)
Charity contributions approved for 2017	-	-	-	142	-	(142)	-
At 31 December 2018	**14,227**	**1,953**	**7,114**	**738**	**6,936**	**20,280**	**51,248**

The accompanying notes 1 to 26 are an intergral part of these financial statements

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2018 *(continued)*

(Bahraini dinars '000s)

2017	Share capital	Share Premium	Statutory reserve	Charity reserve	Fair value reserve	Retained earnings	Total
At 1 January 2017	12,934	1,953	6,467	660	7,271	21,486	50,771
Comprehensive income for the year:							
Profit for the year	-	-	-	-	-	7,091	7,091
Other comprehensive income							
Items that are or may be reclassififed subsequently to profit or loss							
Net fair value changes on available-for-sale securities	-	-	-	-	(1,137)	-	(1,137)
Transferred to profit or loss on impairment of available-for-sale equity securities					46		46
Transferred to profit or loss on maturirty of available-for-sale debt securities	-	-	-	-	(7)	-	(7)
Total other comprehensive income	-	-	-	-	(1,098)	-	(1,098)
Total comprehensive income for the year	-	-	-	-	(1,098)	7,091	5,993
Bonus shares issued	1,293	-	-	-	-	(1,293)	-
Transfer to statutory reserve	-	-	647	-	-	(647)	-
Final dividend declared for 2016	-	-	-	-	-	(3,880)	(3,880)
Interim dividend paid for 2017	-	-	-	-	-	(2,845)	(2,845)
Charity utilised during 2017	-	-	-	(88)	-	-	(88)
Charity contributions approved for 2016	-	-	-	167	-	(167)	-
At 31 December 2017	14,227	1,953	7,114	739	6,173	19,745	49,951

The accompanying notes 1 to 26 are an intergral part of these financial statements

BAHRAIN DUTY FREE SHOP COMPLEX B.S.C.

STATEMENT OF CASH FLOWS
for year ended 31 December 2018

(Bahraini dinars '000s)

	note	**2018**	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from customers		37,175	31,051
Other receipts		1,770	2,901
		38,945	33,952
Payments for purchases		(19,600)	(17,515)
Payments for other operating expenses		(5,881)	(5,476)
Payments for management fees		(955)	(899)
Payments for royalty	15	(5,243)	(4,600)
Directors' remuneration paid		(100)	(88)
Payment to charities		(142)	(88)
		(31,921)	(28,666)
Net cash generated from operating activities		**7,024**	5,286
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		373	263
Dividend income received		1,583	1,672
Rental income received from investment property - net		421	247
Dividends received from associate		50	38
Acquisition of property and equipment, net		(125)	(473)
Acquisition of investment property		-	(261)
Bank deposit		5,418	(3,966)
Proceeds from maturity of debt securities		113	
Proceeds from sale of investment at FVOCI		170	-
Acquisition of investments at FVOCI		(2,422)	-
Advances for investments at FVOCI		(1,967)	-
Investment in joint venture		(2,377)	-
Advance of available-for-sale investments		-	(439)
Acquisition of available-for-sale investments		-	(1,614)
Net cash from/(used) in investing activities		**1,237**	(4,533)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(6,428)	(6,547)
Net cash used in financing activities		**(6,428)**	(6,547)
Net increase/(decrease) in cash and cash equivalents during the year		1,833	(5,794)
Cash and cash equivalents at 1 January		2,642	8,436
Cash and cash equivalents at 31 December	11	**4,475**	2,642

The accompanying notes 1 to 26 are an intergral part of these financial statements

1 REPORTING ENTITY

Bahrain Duty Free Shop Complex BSC (the "Company") is a Bahrain Joint Stock Company registered under commercial registration number 23509 on 15 July 1990 and listed on the Bahrain Bourse. The Company operates shops within Bahrain International Airport, Khalifa Port and Gulf Air Inflight under a concession agreement. This concession agreement will conclude in Q4 2019.

The Company has a 55% equity interest in Bahrain Duty Free Co WLL, a joint venture by virtue of shareholders agreement. The entity will provide duty free services within the new terminal (under construction) at the Bahrain International Airport and is expected to be in operation during Q4 2019.

The Company has a 25% equity interest in Bahrain International Airport Development Company (BIADCO) (2017: 25%).

2 BASIS OF PREPARATION

a) Statement of compliance

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

This is the first set of the annual financial statements in which IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have been applied. Changes to significant accounting policies are described in Note 3 (a).

b) Basis of measurement

The financial statements have been prepared under the historical cost convention except for investments at fair value though other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL), which are stated at fair value.

c) Functional and presentation currency

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

d) Use of estimates and judgments

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

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

(i) Impairment of inventories

The Company reviews the carrying amounts of inventory at each reporting date to determine whether the inventories have been impaired. The Company identifies the inventories which have been impaired based on the age of the inventory and their estimate of the future demand for the inventory. If any impairment indication exists, the inventories recoverable amount is estimated based on past experience relating to disposal of such inventory.

2 *BASIS OF PREPARATION (continued)*

(ii) Classification of financial assets
In the process of applying the Company's accounting policies, management decides on acquisition of an investment whether it should be classified as investments carried at fair value through profit or loss or investments carried at fair value through other comprehensive income or investments carried at amortised cost. The classification of each investment reflects Company's business model in relation to each investment and is subject to different accounting treatments based on such classification (note 3 (g)).

(iii) Impairment of financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Debt securities and other financial assets measured at amortized cost are assessed for impairment using the expected credit loss model.

(iv) Financial instruments measured at fair value
Fair value measurement techniques are used to value unquoted equity investments. Detailed discussions of the fair value measurement techniques are included in Note 24(e).

(v) Impairment of investment property
The Company conducts impairment assessment of investment property on an annual basis using external independent property valuers to value the property. The fair value is determined based on the market value of the property by using sales comparison approach and/or income capitalization method considering its current physical condition.

(vi) Useful life and residual value of investment property, property and equipment
The Company reviews the useful life and residual value of the property and equipment at each reporting date to determine whether an adjustment to the useful life and residual value is required. The useful life and residual value is estimated based on similar assets of the industry, and future economic benefit expectations of the management.

e) New standards, amendments and interpretations effective from 1 January 2018

The following standards, amendments and interpretations, which became effective as of 1 January 2018, are relevant to the Company:

i. IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*.

There was no significant impact on the Company's financial statements from adoption of this standard.

2 *BASIS OF PREPARATION (continued)*

ii. IFRS 9 Financial Instruments

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments.

The Company has adopted IFRS 9 on 1 January 2018, its effective date, and has not restated the comparative information. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for the classification and measurement of financial assets and financial liabilities, a new model based on expected credit losses for recognising loan loss provisions and provides for simplified hedge accounting by aligning hedge accounting more closely with an entity's risk management methodology.

The impact due to adoption of this standard has been disclosed in note 3 (a).

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

There are no new standards or amendments to standards effective for annual periods beginning after 1 January 2018 that will have a significant impact on the Company's financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting polices applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for changes arising from adoption of IFRS 9 as set out below.

a) Changes in significant accounting policies

The Company has initially adopted IFRS 15 and IFRS 9 from 1 January 2018. The adoption of IFRS 15 did not have a significant impact on the Company's financial statements.

IFRS 9 - Financial instruments

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but have not been generally applied to comparative information.

Due to the transition options chosen by the Company in applying this standard, comparative information throughout these financial statements has not been restated to reflect the requirements of this standard. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

for the year ended 31 December 2018 (Bahraini dinars '000s)

3 *SIGNIFICANT ACCOUNTING POLICIES (continued)*

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application;
  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
  - The designation of certain investments in equity instruments not held for trading as at FVOCI.

The following table summarises the impact of transition to IFRS 9 on the opening balance of reserves, retained earnings as at 1 January 2018;

	Retained earnings	**Fair value reserve**
Closing balance under IAS 39 (31 December 2017)	19,746	6,173
Impact on reclassification and re-measurements:		
Impairment on investment securities (equity) reclassified from available-for-sale to those measured at fair value through other comprehensive income	314	(314)
Debt securities reclassified from available-for-sale to those measured at amortised cost	-	105
Fair value of unquoted investment securities re-classified from available for sale to those measured at fair value through other comprehensive income	-	629
	20,060	**6,593**
Impact on recognition of expected credit losses		
Placements with banks	(2)	-
Investment debt securities - at amortised cost	(49)	-
Opening balance under IFRS 9 on date of initial application of 1 January 2018	**20,009**	**6,593**

There was no significant expected credit loss on trade and other receivables.

Classification and measurement of financial assets and financial liabilities
IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

for the year ended 31 December 2018 (Bahraini dinars '000s)

3 *SIGNIFICANT ACCOUNTING POLICIES (continued)*

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

The following table explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 1 January 2018. There is no change in the financial liabilities.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	Re-measurement	Reclassi-fication	New carrying amount under IFRS 9
Financial assets						
Debt securities	Available-for-sale	Amortized cost	2,621	(49)	105	2,677
Placements with banks	Loans and Receivables	Amortized cost	11,086	(2)	-	11,084
Equity securities	Available-for-sale	FVOCI	22,723	629	-	23,352
Funds	Available-for-sale	FVTPL	458	-	-	458
Trade and other receivables	Loans and Receivables	Amortized cost	1,683	-	-	1,683
			38,571	**578**	**105**	**39,254**

Impairment of financial assets
IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates to the new impairment requirements, as described further below.

ECL impact on exposure as at 1 January 2018

	Total
Loss allowance at 31 December 2017 under IAS 39	-
Impairment allowance recognized on 1 January 2018 on;	
Debt securities	49
Placements with banks	2
Loss allowance at 1 January 2018 under IFRS 9	**51**

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Equity-accounted investees
The Company's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

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

c) Foreign currency translation
The transactions in foreign currencies are translated into the functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into functional currency at exchange rate prevailing at that date. The foreign currency gain or loss on monetary items is the difference between cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the translation of equity investments designated as at FVOCI which are recognised in other comprehensive income.

d) Inventories
Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses. The cost of inventory is based on the weighted average basis. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

e) Investment property
Investment properties are those which are held by the Company to earn rental income or for capital appreciation or both. Investment properties are carried at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on cost by the straight-line method at annual rates which are intended to write off the cost of the investment property over their estimated useful lives of 20-40 years. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from the disposal and the carrying amount of the property) is recognized in profit or loss in the period in which it arises. Land is not depreciated.

Rental income from investment property is recognised on a straight line basis over the term of the lease.

3 *SIGNIFICANT ACCOUNTING POLICIES (continued)*

f) Property and equipment

(i) Owned assets

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

(ii) Subsequent expenditure

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

(iii) Depreciation

Depreciation is calculated on cost by the straight-line method at annual rates which are intended to write off the cost of the items of property and equipment over the following estimated useful lives:

Categories	**Estimated used life in years**
Leasehold buildings	20
Leasehold improvements	10
Furniture and fixtures	5
Computer, other equipment and vehicles	5

The assets residual values and useful lives are reviewed and revised if appropriate at each reporting date. All depreciation is charged to the profit or loss. When an asset is sold or otherwise retired, the cost and related accumulated depreciation are removed and any resultant gain or loss is taken to the profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

g) Financial instruments

(i) Recognition and initial measurement

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial instruments – Policy applicable from 1 January 2018

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

The Company classifies its financial liabilities at amortised cost.

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets – Business model assessment: Policy applicable from 1 January 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

3 *SIGNIFICANT ACCOUNTING POLICIES (continued)*

Financial assets – Subsequent measurement and gains and losses: Policy applicable from 1 January 2018

The following accounting policies apply to the subsequent measurement of financial assets;

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

Financial instruments – Policy applicable before 1 January 2018

Financial assets
The Company classifies its financial assets in the following categories;
- Loans and receivables; and
- Available-for-sale investments

Available-for-sale investments are non-derivative financial assets, that are designated as available-for-sale or are not classified into any of the other categories of IAS 39 and management intends to hold them for the medium to long-term period.

Financial liabilities
The Company classifies its financial liabilities into "others at amortised cost"

Recognition
The Company initially recognises loans and receivables on the date on which they originate. All other financial assets and financial liabilities are initially recognized on the trade date, the date on which the Company becomes party to the contractual provisions of the instrument.

Amortised cost measurement
The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Measurement
A non-derivative financial asset is recognized initially at fair value, plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition. Available-for-sale financial assets are subsequently carried at fair value. Gains and losses from changes in fair value are recognized in other comprehensive income.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

A non-derivative financial liability is recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, the liabilities are measured at amortised cost using the effective interest method.

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

(iv) 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Unquoted equity investments – Policy applicable before 1 January 2018

If there is no quoted price in an active market and no other appropriate methods from which to derive fair value, investments are carried at cost less impairment allowance.

(v) Offsetting

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

(vi) Impairment of financial assets

- *Policy applicable from 1 January 2018*

The Company recognises loss allowance for ECL on financial assets measured at amortized cost. Loss allowance for trade receivables and debt securities at FVTOCI are measured at an amount equal to lifetime ECLs.

3 *SIGNIFICANT ACCOUNTING POLICIES (continued)*

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

- *Policy applicable before 1 January 2018*

Assets classified as available-for-sale

If there is an objective evidence of impairment for available-for-sale financial assets, the cumulative loss recognized is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss, is removed from equity and recognized in profit and loss. A significant or a prolonged decline in the fair value of equity security is an objective evidence of impairment.

If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Where fair values are not readily available, the investments are carried at cost, less impairment. The recoverable amount of such investment is estimated to test for impairment. In making this judgment, the Company evaluates among other factors, evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

Financial assets carried at amortised cost

Impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit and loss.

3 *SIGNIFICANT ACCOUNTING POLICIES (continued)*

h) Employee benefits

Pension rights (and other social benefits) for Bahraini employees are covered by the General Organisation for Social Insurance scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Company's share of contributions to this scheme, which is a defined contribution scheme under IAS 19 – Employee Benefits, is recognised as an expense in the profit or loss.

Expatriate employees are entitled to leaving indemnities payable under the Bahraini Labour Law for the Private Sector 2012, based on length of service and final remuneration. Provision for this, which is unfunded and which represents a defined benefit plan under IAS 19 – Employee Benefits, has been made by calculating the notional liability had all employees left at the reporting date. The charge for the year is recognised as an expense in the profit or loss.

i) Provisions

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

j) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. All impairment losses are recognised in the profit or loss.

k) Statutory reserve

In accordance with Bahrain Commercial Companies Law 2001, the Company is required to appropriate 10 percent of the net profit to a statutory reserve, which is normally distributable only on dissolution. Appropriations may cease when the reserve reaches 50% of the share capital.

l) Dividends

Dividends are recognised as a liability in the period in which they are declared.

m) Revenue recognition

The Company generates revenue primarily from the sale of goods at the duty free to its customers. Other sources of revenue include commission on consignment goods and advertisement income from suppliers.

Revenue from sale of goods

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Customers obtain control when the goods are delivered to them at the duty free shop. Invoices are generated at that point in time and consideration collected over the counter. Revenue is recorded net of returns and discounts.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

The contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered. For such contracts, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Commissions – if the Company acts in the capacity of an agent rather than as the principal in transaction, then revenue recognised is the net amount of commission made by the Company.

Advertisement income - is recognized from suppliers for advertising their products in the premises operated by the Company over the period of the contracts.

n) Finance income

Interest income on bank deposits is recognised on effective interest rate basis. Dividend income is recognized when the right to receive the dividend is established.

o) Trade and other receivables

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

p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost.

(Bahraini dinars '000s)

4 PROPERTY AND EQUIPMENT

	Leasehold buildings	Leasehold improvements	Furnitures and Fixtures	Computer, other equipment & vehicles	Capital work in progress	Total
Cost						
1 January 2018	1,516	2,817	233	1,014	46	5,626
Additions	-	-	-	-	131	131
Transfers	-	53	65	20	(138)	-
Disposals / write-off	-	(6)	(101)	(36)	-	(143)
31 December 2018	**1,516**	**2,864**	**197**	**998**	**39**	**5,614**
Depreciation						
1 January 2018	(1,175)	(1,727)	(213)	(797)	-	(3,912)
Charge for the year	(170)	(545)	(21)	(90)	-	(826)
Disposals / write-off	-	6	101	20	-	127
31 December 2018	**(1,345)**	**(2,266)**	**(133)**	**(867)**	**-**	**(4,611)**
Net book value at 31 December 2018	**171**	**598**	**64**	**131**	**39**	**1,003**

NOTES TO THE FINANCIAL STATEMENTS
for year ended 31 December 2018 (Bahraini dinars '000s)

4 PROPERTY AND EQUIPMENT (continued)

	Leasehold buildings	Leasehold improvements	Furnitures and Fixtures	Computer, other equipment & vehicles	Capital work in progress	Total
Cost						
1 January 2017	1,516	1,921	264	980	571	5,252
Additions	-	-	-	-	595	595
Transfers	-	926	16	129	(1,071)	-
Disposals / write-off	-	(30)	(47)	(95)	(49)	(221)
31 December 2017	1,516	2,817	233	1,014	46	5,626
Depreciation						-
1 January 2017	(1,004)	(1,226)	(227)	(699)	-	(3,156)
Charge for the year	(171)	(505)	(18)	(152)	-	(846)
Disposals / write-off	-	4	32	54	-	90
31 December 2017	(1,175)	(1,727)	(213)	(797)	-	(3,912)
Net book value at 31 December 2017	341	1,090	20	217	46	1,714

Properties used by the Company

Property	Address	Area	Existing use	Tenure	Average age of property	Present carrying value
Shop building	Bahrain Airport	3,300 sq. mtr.	Business	25 years lease agreement	25 years	171

for year ended 31 December 2018 (Bahraini dinars '000s)

5 INVESTMENT PROPERTIES

	2018	2017
At 1 January	11,703	7,575
Additions during the year	-	4,560
Depreciation for the year	(203)	(267)
Impairment during the year	(692)	(165)
At 31 December	10,808	11,703

Investment properties comprises freehold plots of vacant land, office property and residential property leased to third parties. Residential properties include furniture & fixtures with net book value of BD 134 thousand (2017: BD 178 thousand).

The fair value of investment property was determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provides the fair value of the Company's investment property once a year.

The fair value of land plots was determined using sales comparison approach. The key inputs under this approach are the price per square meter from current year sales of comparable plots of land. Accordingly, the fair value has been categorised as level 2 in the fair value hierarchy.

The fair value of the office building was determined using the average of cost approach and income capitalisation approach. The fair value has been categorised as level 3 in the fair value hierarchy.

The fair value of the residential property was determined using the sales comparison approach. The fair value has been categorised as level 2 in the fair value heirarchy.

6 EQUITY-ACCOUNTED INVESTEES

	2018	2017
Interest in Joint venture	2,341	-
Interest in associate	142	162
	2,483	162

Set out below are the associates and joint ventures of the company as at 31 December 2018 which, in the opinion of the directors, are material to the company.The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the company.The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of relationship	Measurement method
		2018	2017		
Bahrain Duty Free Company WLL	Kingdom of Bahrain	55%	-	Joint Venture(1)	Equity Method
Bahrain International Airport Development Company	Kingdom of Bahrain	25%	25%	Associate(2)	Equity Method

(1) Bahrain Duty Free Company WLL is a duty free retailer and will operate in the new terminal of Bahrain International Airport on opening and commencement of the terminal. The entity was incorporated in 2018.

(2) Bahrain International Airport Development Company is a warehouse facility service provider which provides bonded and non-bonded warehouse facility.

for year ended 31 December 2018 (Bahraini dinars '000s)

6 EQUITY-ACCOUNTED INVESTEES (continued)

Summarised financial information for associates and joint venture
The tables below provide summarised financial information for the joint venture and associate. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and joint venture and not the Company's share of those amounts.

	BDFC		BIADCO	
Summarised financial information	**2018**	2017	**2018**	2017
Current assets				
Cash and cash equivalents	4,054	-	*	*
Other current assets	204	-	*	*
Total current assets	4,258	-	260	151
Non-current assets	-	-	337	409
Current liabilities	-	-	(232)	(200)
Net assets	**4,258**	-	**365**	360
Reconciliation to carrying amounts:				
Opening net assets 1 January	-	-	449	515
Additions during the year	4,322	-	-	-
(Loss)/profit for the period	(66)	-	121	82
Dividends paid	-	-	(201)	(148)
Closing net assets	**4,256**	-	**369**	449
Company's share in %	55%	-	25%	25%
Company share	2,341	-	92	112
Goodwill	-	-	50	50
Carrying amount	**2,341**	-	**142**	162

** Shading indicates disclosures that are not required for investments in associates*

	BDFC		BIADCO	
Summarised statement of comprehensive income	**2018**	2017	**2018**	2017
Interest income	9	-	*	*
Profit from continuing operations	(66)	-	121	82
Profit for the period	(66)	-	121	75
Adjustment for prior year accounts	-	-	-	7
Total comprehensive income	(66)	-	121	82
Dividends received from associates and joint venture	-	-	50	37

Reconciliation to Company's share of carrying amounts:

	BDFC		BIADCO	
	2018	2017	**2018**	2017
Opening balance 1 January	-	-	162	178
Additions during the year	2,377	-	-	-
Share of operating profits	(36)	-	30	21
Dividends received	-	-	(50)	(37)
Closing balance 31 December	**2,341**	-	**142**	162

** Shading indicates disclosures that are not required for investments in associates*

for year ended 31 December 2018 (Bahraini dinars '000s)

7 INVESMENT SECURITIES

	2018	2017
Equity securities		
At FVTOCI	25,501	-
Available-for-sale	-	22,724
Debt securities		
At amortised cost (net of ECL)	2,552	-
Available-for-sale	-	2,621
Funds		
At FVTPL	1,383	-
Available-for-sale	-	458
	29,436	25,803

8 OTHER ASSETS

	2018	2017
Advance for investments	1,893	439
	1,893	439

9 INVENTORIES

	2018	2017
Inventories on hand	4,229	3,897
Less: Impairment allowance	(139)	(99)
	4,090	3,798

Movement on impairment allowance on inventories:

	2018	2017
At 1 January	99	46
Charge for the year	40	53
At 31 December	**139**	99

10 TRADE AND OTHER RECEIVABLES

	2018	2017
Related party receivables (note 20)	508	417
Prepayments	337	250
Other income receivable	341	432
Trade receivables	248	413
Interest receivable	125	100
Rent receivable	93	128
Dividend receivable	-	3
Other receivables	193	193
	1,845	1,936
Less: Impairment allowance	(32)	-
	1,813	1,936

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11 CASH AND BANK BALANCES

	2018	2017
Bank deposits	4,000	9,563
Bank balances	3,493	1,523
Cash in hand	110	106
Cash and bank balances in the statement of financial position	**7,603**	11,192
Bank deposits with original maturity more than 3 months	(3,128)	(8,550)
Cash and cash equivalents in the statement of cash flows	**4,475**	2,642

12 SHARE CAPITAL

	2018	2017
Authorised share capital / issued and fully paid up 142,271,938 (2017: 142,271,938) share of 100 fils each	**14,227**	14,227

(i) Names and nationalities of the major equity holders and the number of equity shares held:

Name	Nationality	Number of shares (thousands)	Share holding %
Global Express	Bahraini	11,514	8.1%
Esterad Investment Company B.S.C	Bahraini	10,008	7.0%
Rouben's Stores W.L.L.	Bahraini	6,908	4.9%
Farooq Yusuf Khalil Almoayyed	Bahraini	6,729	4.7%
Bahrain Maritime & Mercantile Intl. Co.	Bahraini	4,299	3.0%

(ii) The Company has only one class of equity shares and the holders of these shares have equal voting rights.

(iii) The following is a distribution schedule of equity shares setting out the number of holders:

Categories*	Number of shares (thousands)	Number of equity holders	% of total issued shares
Less than 1%	36,878	545	26%
1% up to less than 5%	83,872	33	59%
5% up to less than 10%	21,522	2	15%
	142,272	**580**	**100%**

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

(iv) Total number of shares owned by the directors of the Company as at 31 December 2018 was 15,869,672 shares (2017: 14,113,063 shares).

13 EMPLOYEE BENEFITS

	2018	2017
At 1 January	424	382
Charge for the year	84	111
Paid during the year	(36)	(69)
At 31 December	**472**	424

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14 TRADE AND OTHER PAYABLES

	2018	2017
Trade payables	1,271	1,092
Unclaimed dividends	1,457	772
Related parties payable (note 20)	708	1,161
Other payables	751	830
	4,187	3,855

15 ROYALTY PAYABLE

As per the operating agreement with the Government of Bahrain, the Company is required to pay royalty calculated as a percentage of profit to the Bahrain International Airport Company BSC (c), a company owned by the Government of Bahrain.

	2018	2017
At 1 January	2,517	2,183
Charge for the year	5,948	4,934
Paid during the year	(5,243)	(4,600)
At 31 December	**3,222**	2,517

16 REVENUE

	2018	2017
Sales of goods	35,486	30,976
Commissions	916	999
	36,402	31,975

17 OTHER INCOME

	2018	2017
Advertising income	871	712
Beauty advisors income	734	696
Foreign exchange gain	136	363
Other income	67	32
	1,808	1,803

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18 ADMINISTRATIVE EXPENSES

	2018	2017
Royalty	5,948	4,934
Salaries and related costs	3,661	3,521
Management fees	926	803
Depreciation	827	845
Utilities	496	477
IT expenses	196	154
Directors remuneration	130	100
Other expenses	621	448
	12,805	11,282

Management fee relates to amounts payable to AerRianta International Middle East W.L.L. for the management and operational support services based on a management agreement.

19 INCOME FROM INVESTMENT SECURITIES

	2018	2017
Dividend income on investments held at FVTOCI	1,477	1,505
Interest income on bonds	177	157
Interest income on investments held at FVTPL	8	-
Investment admin fees	(18)	(3)
	1,644	1,659

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20 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party, directly or indirectly through one or more intermediaries, has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Company exercises significant influence, major shareholders, directors, the management company and key management personnel of the Company. Transactions with related parties are at agreed terms.

The significant related party balances and transactions (excluding compensation to key management personnel) included in these financial statements are as follows:

Description	**Equity-accounted investees**	**Management Company**	**Shareholders / entities in which directors are interested**	**Total**
As at 31 December 2018				
Assets				
Receivables	-	485	23	508
Investment in joint venture during 2018	2,377	-	-	2,377
Liabilities				
Management fee payable	-	162	-	162
Trade payable	-	429	117	546
For the year ended 31 December 2018				
Income				
Share of loss	(6)	-	-	(6)
Commission	-	-	292	292
Other income	-	-	22	22
Dividends	50	-	-	50
Expenses				
Purchases	-	7,248	525	7,773
Rental expense	109	-	137	246
Management fees	-	926	-	926
Other expenses	-	126	-	126

Description	Equity-accounted investees	Management Company	Shareholders / entities in which directors are interested	Total
As at 31 December 2017				
Assets				
Receivables	-	348	69	417
Liabilities				
Management fee payable	-	413	-	413
Trade payable	-	612	136	748
For the year ended 31 December 2017				
Income				
Share of profits	21	-	-	21
Commission	-	-	299	299
Dividends	38	-	-	38
Expenses				
Purchases	-	8,671	361	9,032
Rental expense	106	-	-	106
Management fees	-	804	-	804
Other expenses	-	126	-	126

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20 RELATED PARTY TRANSACTIONS (continued)

b) Key management compensation

Key management personnel of the Company comprise of the Board of Directors, management company and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation is as follows:

	2018	2017
Board remuneration for the year	**130**	100
Short term benefits for the year	**152**	273
Post-employment benefits for the year	**6**	8
Post-employment benefits payable	**27**	24
Management fee for the year	**926**	803

21 APPROPRIATIONS

The Board of Directors have proposed the following appropriations for the year 2018:

	2018	2017
Interim dividends - 20 fils per share	2,845	2,845
Final cash dividend proposed - 30 fils per share	4,267	4,267
Charity contribution	149	142

22 EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company of BD 7,470 (2017: BD 7,091) by the weighted number of ordinary shares as at 31 December 2018.

	Basic & Diluted	
	2018	2017
Profit for the year	**7,470**	7,091
Weighted average number of shares	**142,272**	142,272
Earnings per share (fils)	**53**	50

23 SEGMENTAL INFORMATION

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products or services within a particular environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company primarily operates Duty free shops at Bahrain International Airport, Hidd port and Gulf Air Inflight. The revenue, expenses and results are reviewed only at a Company level and therefore no separate operating segment results and disclosures are provided in these financial statements.

24 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

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

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

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

a) Credit risk

Credit risk is the risk that a customer or a counter party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company is exposed to credit risk primarily on its cash and cash equivalents, receivables and investment in debt instruments and structured notes.

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

The Company manages its credit risk on accounts receivables by restricting its credit sales only through major credit cards and ensuring that the sales to related parties are as per the internal policies established for transactions with the related parties. Since the Company is involved in 'over-the-counter' retail sales there is no significant geographical or customer type concentration of credit risk involved in accounts receivable balances.

The Company perceives that the account receivable balances are of good credit quality as these are primarily receivable from:

- vendors where the Company has net payable balances
- well established credit card companies
- related parties with good financial position

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24 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (continued)

The Company establishes provision for impairment of accounts receivables when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the accounts receivable is impaired.

The Company manages credit risk on its investments by ensuring that investments are made only after careful credit evaluation. The Company limits its exposure to credit risk by mainly investing in debt instruments promoted by established banks or financial institutions. The Company has an investment committee comprising of four board members, which is responsible for all investment related decisions. Before investing in any new securities the proposal is first placed with the investment committee for its approval. The Investment committee approves the proposal after considering all merits and demerits of the proposal.

Exposure to credit risk

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

	2018	2017
Bank balances	7,493	11,086
Debt securities	2,552	2,622
Trade and other receivables	1,000	1,266
Related party receivables	508	417
	11,553	15,391

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

	2018	2017
Bahrain	10,868	14,364
Middle East	629	206
Europe	50	722
Others	6	99
	11,553	15,391

The ageing of receivables at the reporting date was:

	2018		2017	
	Gross	**Impairment**	Gross	Impairment
Neither past due nor impaired	1,045	-	920	-
Past due 1-90 days	268	(6)	473	-
Past due 91-180 days	148	(17)	236	-
More than 180 days	79	(9)	54	-
	1,540	**(32)**	1,683	-

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24 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company ensures that a significant amount of the funds are invested in cash and cash equivalents, which are readily available to meet liquidity requirements.

All financial liabilities are non-interest bearing and are payable within six months.

c) Market risk

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

(i) Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's short-term bank deposits are at fixed interest rates and mature within 180 days. The Company is not subject to significant interest rate risk sensitivity.

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

The Company's net exposure to significant currency risk in the functional currency at the reporting date was:

	2018	2017
USD	882	1,446
AED	739	122
EURO	674	68
GBP	3,764	3,653
CHF	108	42
	6,167	5,331

24 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (continued)

c) Market risk (continued)

(ii) Currency risk (continued)

The Company does not perceive that fluctuations in foreign exchange rates will have any significant impact on the income or equity because the exposure to currencies other than US dollar, which is pegged to Bahraini dinars, is not significant.

(iii) Equity price risk

The Company's quoted equity investments are listed on Bahrain Stock Exchange ("BSE"), Kuwait Stock Exchange ("KSE"), Kingdom of Saudi Stock exchange ("Tadawul"), Qatar Stock exchange (QE) and United Arab Emirates Stock exchange NASDAQ. A one percent increase in the equity prices at the reporting date will cause a variation of equity by BD 182,298 (2017: BD 151,356) in the equity. The analysis is performed on the same basis for 2017.

d) Capital management

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

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24 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (continued)

e) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

No fair value disclosures are provided for unquoted equity securities as at 31 December 2017 of BD 7,588 thousands as these were measured at cost less impairment. In 2018, these investments are carried at FVTOCI.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measures:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(i) Financial instruments measured at fair value

2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities at FVTOCI	25,370	-	131	**25,501**
Funds at FVTPL	-	1,383	-	**1,383**

2017	Level 1	Level 2	Level 3	Total
Equity securities available-for-sale	15,136	-	-	15,136
Debt securities available-for-sale	-	2,621	-	2,621
Funds available-for-sale	-	458	-	458

The fair value of debt securities at amortised cost with carrying value BD 2,552 is BD 2,439. Fair value is classified as Level 2. The carrying value of the Company's other financial assets and financial liabilities approximates their fair value due to their short-term nature.

(ii) Assets not measured at fair value where fair value is disclosed

2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	-	6,488	4,320	**10,808**

2017	Level 1	Level 2	Level 3	Total
Investment property	-	7,035	4,668	11,703

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Sensitivity Analysis

Investments at fair value through comprehensive include investments in unquoted equity securitis. The main principles, estimates and assumptions adopted to arrive at fair value include estimated future cash flows which have been provided by the management of the investee companies, have been reviewed for reasonableness by the Company and the external independent valuer.

Valuation technique used	Key unobservable inputs	Fair value at 31 December 2018	Reasonable possible shift +/- (in any input)	Reasonable possible shift +/- (in any input)
Discounted cash flow	Discount rate	5,453	+/- 0.5%	+60 -59
Adjusted Net Assets Value	NAV	1,000	+/- 5%	+457 -414
Market multiples	P/E Multiple	818	+/- 5%	+41 -41

for year ended 31 December 2018 (Bahraini dinars '000s)

24 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (continued)

f) Categorization of financial instruments

The classification of financial assets and liabilities by accounting categorization is as follows:

2018	**FVTOCI**	**FVTPL**	**Amortised cost**	**Total carrying amount**
Investment securities	25,501	1,383	2,552	29,436
Trade and other receivables	-	-	1,813	1,813
Other assets	-	-	1,893	1,893
Cash and bank balances	-	-	7,603	7,603
	25,501	**1,383**	**13,861**	**40,745**
Trade and other payables	-	-	4,187	4,187
Royalty payable	-	-	3,222	3,222
	-	**-**	**7,409**	**7,409**

2017	Loans and receivables	Available-for-sale-investments	Others at amortised cost	Total carrying amount
Available-for-sale-investments	-	25,803	-	25,803
Trade and other receivables	1,936	-	-	1,936
Other assets	439	-	-	439
Cash and bank balances	11,192	-	-	11,192
	13,567	25,803	-	39,370
Trade and other payables	-	-	3,855	3,855
Royalty payable	-	-	2,517	2,517
	-	-	6,372	6,372

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25 CONTINGENCIES AND COMMITMENTS

	2018	2017
Uncalled face value in unquoted equity investments	1,942	2,295
Property and equipment	372	270
Guarantees	55	60
	2,369	2,625

26 COMPARATIVES

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