

Nass Corporation BSC

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

30 SEPTEMBER 2019

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2019

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GENERAL INFORMATION

Commercial registration	60037
Head office	P.O. Box 669 Manama Kingdom of Bahrain
Chairman	Mr. Sameer Abdulla Nass
Deputy Chairman & Managing Director	Mr. Sami Abdulla Nass
Director	Mr. Adel Abdulla Nass
Director	Mr. Ghazi Abdulla Nass
Director	Mr. Fawzi Abdulla Nass
Director	Mr. Bashar Sameer Nass
Director	Dr. Mustafa Al Sayed
Director	Mr. Jamal A Al Hazeem
Director	Mr. Hisham Al Saie
Director	Mr. Hemant Joshi
Bankers	HSBC Bank Middle East Standard Chartered Bank BNP Paribas BBK Ahli United Bank Bahrain Islamic Bank State Bank of India Arab Bank
Company secretary	Mr. Srinath Prabhu
Auditors	KPMG Fakhro



KPMG Fakhro
Audit
12th Floor, Fakhro Tower
PO Box 710, Manama
Kingdom of Bahrain

Telephone +973 17 224807 2
Fax +973 17 227443
Website: www.kpmg.com/bh
CR No. 6220

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Board of Directors
Nass Corporation BSC
P.O. Box 669
Manama
Kingdom of Bahrain

7 November 2019

Introduction

We have reviewed the accompanying 30 September 2019 condensed consolidated interim financial information of Nass Corporation BSC (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2019;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2019;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2019;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2019; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the 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 30 September 2019 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2019

Bahraini Dinars '000

	Note	30 September 2019 (reviewed) *	31 December 2018 (audited)
ASSETS			
Property, plant and equipment		27,098	27,436
Right-of-use assets	3 (iv)	5,997	-
Investment properties		2,041	2,100
Equity accounted investees		1,541	1,592
Other assets		980	982
Total Non-current assets		37,657	32,110
Inventories		11,419	9,622
Trade and other receivables	7	65,524	70,780
Contract assets		37,267	31,208
Due from related parties	8	4,381	4,126
Deposits with banks		204	366
Cash and cash equivalents		24,112	10,417
Total Current assets		142,907	126,519
Total assets		180,564	158,629
EQUITY			
Share capital		22,000	22,000
Treasury shares		(1,597)	(1,597)
Statutory reserve		8,767	8,767
Retained earnings		26,493	31,960
Donations and charity reserve		63	43
Equity attributable to equity holders of the parent		55,726	61,173
Non-controlling interest		1,948	3,170
Total equity		57,674	64,343
Liabilities			
Lease liabilities	3 (v)	4,047	-
Bank loans		3,982	3,668
Employee benefits		7,505	7,627
Non-current liabilities		15,534	11,295
Trade and other payables	9	47,123	40,988
Lease liabilities	3 (v)	2,050	-
Contract liabilities		18,720	8,570
Employee benefits		3,239	3,799
Due to related parties	8	10,178	9,505
Bills payable		3,621	1,236
Bank loans		1,858	981
Bank overdrafts		20,567	17,912
Current liabilities		107,356	82,991
Total liabilities		122,890	94,286
Total equity and liabilities		180,564	158,629

* September 2019 results reflect the adoption of IFRS 16. Prior periods have not been restated. Refer note 3 for further details

The condensed consolidated interim financial information was approved by the Board of Directors on 7 November 2019 and signed on its behalf by:

Sameer Abdulla Nass
Chairman

Sami Abdulla Nass
Deputy Chairman & Managing Director

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

for the nine months ended 30 September 2019

Bahraini Dinars'000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2019 (reviewed)	2018 (reviewed)	2019 (reviewed)	2018 (reviewed)
Revenue	10	114,492	133,126	37,402	44,076
Cost of sales		(109,005)	(121,316)	(36,015)	(40,079)
Gross profit		5,487	11,810	1,387	3,997
Other income, net		542	497	154	133
General and administrative expenses	11	(9,679)	(9,649)	(2,772)	(3,099)
Impairment on financial assets		(105)	(603)	10	(408)
Finance income		109	37	54	21
Finance costs		(940)	(638)	(337)	(264)
Share of profit /(loss) from equity- accounted investees, net		252	1,050	(11)	50
(Loss)/profit for the period		(4,334)	2,504	(1,515)	430
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(4,334)	2,504	(1,515)	430
<i>(Loss)/profit attributable to</i>					
Equity holders of the Company		(4,315)	1,711	(1,598)	281
Non-controlling interest		(19)	793	83	149
		(4,334)	2,504	(1,515)	430
Earnings per share					
Basic earnings per share (Fils)		(20.06)	7.96	(7.43)	1.31

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2019

Bahraini Dinars '000

	Attributable to equity holders of the parent						Non-controlling interest	Total equity
	Share capital	Treasury Shares	Statutory reserve	Retained earnings	Donations and charity reserve	Total		
2019 (reviewed)								
At 1 January 2019	22,000	(1,597)	8,767	31,960	43	61,173	3,170	64,343
Loss and total comprehensive income for the period	-	-	-	(4,315)	-	(4,315)	(19)	(4,334)
2018 Appropriations:								
- Dividend (5%) declared	-	-	-	(1,075)	-	(1,075)	(1,250)	(2,325)
- Donations and charity approved	-	-	-	(30)	30	-	-	-
Acquisition of balance NCI interest in a subsidiary	-	-	-	(47)	-	(47)	47	-
Utilization of donation and charity reserve	-	-	-	-	(10)	(10)	-	(10)
At 30 September 2019	22,000	(1,597)	8,767	26,493	63	55,726	1,948	57,674

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2019 (continued)

Bahraini Dinars '000

	Attributable to equity holders of the parent						Non-controlling interest	Total equity
	Share capital	Treasury Shares	Statutory reserve	Retained earnings	Donations and charity reserve	Total		
2018 (reviewed)								
At 1 January 2018 (as previously reported)	22,000	(1,597)	8,341	31,495	23	60,262	2,722	62,984
Impact of adopting IFRS 9 (note 3 (a))	-	-	-	(2,466)	-	(2,466)	(186)	(2,652)
Impact of adopting IFRS 15 (note 3 (b))	-	-	-	200	-	200	-	200
Balance as at 1 January 2018 (restated)	22,000	(1,597)	8,341	29,229	23	57,996	2,536	60,532
Profit and total comprehensive income for the period	-	-	-	1,711	-	1,711	793	2,504
Acquisition of subsidiary	-	-	-	-	-	-	658	658
2017 Appropriations:								
- Dividend (5%) declared	-	-	-	(1,075)	-	(1,075)	(940)	(2,015)
- Donations and charity reserve	-	-	-	(30)	30	-	-	-
Utilization of donation and charity reserve	-	-	-	-	(10)	(10)	-	(10)
At 30 September 2018	22,000	(1,597)	8,341	29,835	43	58,622	3,047	61,669

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended 30 September 2019

Bahraini Dinars '000

	Nine months ended 30 September	
	2019 (reviewed)	2018 (reviewed)
Cash flows from operating activities		
(Loss) / profit for the period before non-controlling interest	(4,334)	2,504
<i>Adjustments for:</i>		
Depreciation	6,287	4,401
Write off / impairment of trade receivables net	704	1,381
Impairment reversal on contract assets and related parties	(1)	-
Amortization of held to maturity investment	2	3
Gain on disposal of property, plant and equipment	(67)	(63)
Share of profit from equity accounted investments	(252)	(1,050)
Employee benefits	(122)	402
<i>Changes in:</i>		
Inventories	(1,797)	2,235
Trade and other receivables	4,552	(6,926)
Due from contract customers	(6,063)	(2,057)
Due from related parties	(250)	586
Trade and other payables	5,249	(5,496)
Due to contract customers	10,150	(599)
Employee benefits	(560)	546
Due to related parties	673	1,650
Bills payable	2,385	226
Net cash from / (used) in operating activities	16,556	(2,257)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,458)	(3,065)
Proceeds from sale of property, plant and equipment	126	263
Acquisition of subsidiary	-	(1,000)
Dividend from equity-accounted investees	303	532
Movement on deposits with banks	162	246
Net cash used in investing activities	(3,867)	(3,024)
Cash flows from financing activities		
Proceeds from bank loans	2,124	4,326
Repayment of bank loans	(933)	(1,371)
Payment of lease liabilities	(784)	-
Dividends paid to shareholders	(1,056)	(1,024)
Dividends paid to non-controlling interest	(990)	(722)
Donations paid	(10)	(10)
Net cash (used in) / from financing activities	(1,649)	1,199
Net increase / (decrease) in cash and cash equivalents	11,040	(4,082)
Cash and cash equivalents at 1 January	(7,495)	(1,883)
Cash and cash equivalents at 30 September	3,545	(5,965)
<i>Represented by:</i>		
Cash and bank balances	12,325	11,118
Short term bank deposits	11,787	1,703
Bank overdrafts	(20,567)	(18,786)
	3,545	(5,965)

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2019**

Bahraini Dinars '000

1 REPORTING ENTITY

Nass Corporation B.S.C. (the "Company") is a public shareholding Company incorporated and registered in Bahrain on 17 September 2005 under commercial registration number 60037 and listed on the Bahrain Bourse on 22 November 2005.

It operates through a group consisting of divisions, subsidiaries and joint ventures. The Group is mainly engaged in civil engineering, mechanical and electrical contracting, manufacture and supply of manpower to related contracting activities. It is also involved in the sale of ready mixed concrete, ice blocks, spare parts, foodstuff, and general trading and undertakes contracts relating to precast concrete and water supply.

The condensed consolidated interim financial information ("interim financial information") as at and for the nine month period ended 30 September 2019 includes the results of the Company and its subsidiaries (together referred to as the "Group").

2 BASIS OF PREPARATION**a) Statement of compliance**

The condensed consolidated interim financial information has been prepared in accordance with IAS 34 – '*Interim Financial Reporting*'. These do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2018.

The condensed consolidated interim financial information are reviewed, not audited. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements for the year ended 31 December 2018 and comparatives for the condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted from the reviewed condensed consolidated interim financial information for the nine month period ended 30 September 2018.

b) Judgments and estimates

The preparation of condensed consolidated interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2018 except for changes arising from adopting of IFRS 16 as referred to in note 3.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and risk management framework applied by the Group in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the last audited consolidated financial statements as at and for the year ended 31 December 2018, except for the impact of IFRS 16 adoption as below.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2019**

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)**IFRS 16 Leases**

IFRS 16 Leases introduces a single, on-balance lease sheet accounting model for lessees. It replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group has adopted IFRS 16 its effective on 1 January 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

On transition to IFRS 16, the Group recognised an additional BD 6,632 of right-of-use asset and BD 6,632 of lease liabilities.

Amount disclosed as operating lease commitments at 31 December 2018

Less: Low value leases

6,081
(1,212)

Impact of discounting

Extension and termination options reasonably certain to be exercised

(1,312)
3,075

Lease liabilities recognised on 1 January 2019

6,632

As a result of adoption of IFRS 16, the Group has changed its accounting policy for lease contracts as detailed below.

i) Definition of a lease

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease.

ii) As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

- Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at either:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2019**

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)**IFRS 16 Leases (continued)**

- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments
- the Group applied this approach to all other leases.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

iii) As a lessor

The Company leases out its investment property, including right-of-use assets. The Group has classified these leases as operating leases.

The accounting policies applicable to the Company as a lessor are not different from those under IAS 17. However, when the Company is an intermediate lessor the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. However, the Company has applied IFRS 15 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

The Company sub-leases some of its properties. Under IAS 17, the head lease and sub-lease contracts were classified as operating leases. On transition to IFRS 16, the right-of-use assets recognised from the head leases are presented in investment property, and measured at fair value on transition to IFRS 16. The sub-lease contracts are classified as operating leases under IFRS 16.

iv) Right-of-use assets

The company has recognised the right-of-use assets BD 6,632 as on 1 January 2019 related to land and building and the depreciation charge thereon for the period ended 30 September 2019 was BD 1,491.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2019**

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 16 Leases (continued)

v) Lease liabilities**Maturity analysis – contractual undiscounted cash flow**

Less than one year

One to five years

More than five years

Total undiscounted lease liabilities**at 30 September 2019****2019
(reviewed)**

2,363

3,550

1,274

7,187

During the period, an amount of BD 279 was recognised as interest on lease liabilities in condensed consolidated statement of profit or loss and other comprehensive income.

4 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's audited consolidated financial statements for the year ended 31 December 2018 except for changes arising from adoption of IFRS 16 (refer note 3).

5 SEASONALITY OF OPERATIONS

Due to the effect of seasonal variations, the results reported in the condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

6 APPROPRIATIONS

Appropriations for the current year if any, will be made at the year end. At the Annual General Meeting (AGM) for the year 2018 held on 28 March 2019, the following appropriations were approved which have been effected during the period:

- a final dividend of BD 1,075 - 5 % (2017: BD 1,075 - 5 %); and
- transfer to donation and charity reserve of BD 30 (2017: BD 30).

Directors' remuneration of BD 92 (2017: BD 92) charged to profit or loss was approved by the shareholders at AGM.

7 TRADE AND OTHER RECEIVABLES

	30 September 2019 (reviewed)	31 Dec 2018 (audited)
Trade receivables	40,741	49,611
Retention receivables	23,265	23,292
Advances to suppliers and sub-contractors	6,027	4,163
Prepaid expenses	1,060	830
Other receivables	2,584	875
Staff receivables	74	130
	73,751	78,901
Allowance for impairment losses:	(8,227)	(8,121)
	65,524	70,780

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2019**

Bahraini Dinars '000

7 TRADE AND OTHER RECEIVABLES (continued)

Movement on impairment allowance is as follows:

	30 September 2019 (reviewed)	31 December 2018 (audited)
At beginning of the period	8,121	6,231
Transition adjustment IFRS 9	-	2,309
Charge / (reversal) for the period, net	106	(419)
At end of the period	8,227	8,121

8 RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and other related parties are disclosed below.

Related party	Sales / revenues		Purchases and operating expenses		Amounts due from		Amounts due to	
	Nine months ended							
	30 September 2019 (reviewed)	30 September 2018 (reviewed)	30 September 2019 (reviewed)	30 September 2018 (reviewed)	30 September 2019 (reviewed)	31 December 2018 (audited)	30 September 2019 (reviewed)	31 December 2018 (audited)
A.A. Nass & Sons WLL and its related parties	2,029	825	10,592	12,668	2,749	2,464	9,895	9,062
Joint ventures	1,110	1,314	-	-	1,632	1,662	283	443
Total	3,139	2,139	10,592	12,668	4,381	4,126	10,178	9,505

Interest in joint ventures of BD 1,167 (31 December 2018: BD 1,281) represents the accumulated capital, share of profits less distribution received from the joint venture projects.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel comprise members of the Board of Directors, the Divisional Managers, the General Managers and their compensation is as follows:

	30 September 2019 (reviewed)	30 September 2018 (reviewed)
Short-term benefits	1,010	1,047
Termination benefits	83	84
	1,093	1,131

The short-term compensation includes provision for directors' fees of BD 69 (2018: BD 69) and board committee attendance fees BD 158 (2018: BD 158).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2019**

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8 RELATED PARTY TRANSACTIONS (continued)

Directors' interest in the shares of the Company was as follows:

	30 September 2019 (reviewed)	31 Dec 2018 (audited)
Total number of shares held by Directors*	94,286,430	94,286,430
As a percentage of the total number of shares outstanding	43.84	43.84

* The shares held by Directors are in their individual capacity.

9 TRADE AND OTHER PAYABLES

	30 September 2019 (reviewed)	31 Dec 2018 (audited)
Trade payables	15,620	18,542
Accrued expenses	22,645	15,286
Unclaimed dividends	1,899	1,619
Retention payables	3,959	3,493
Other payables	3,000	2,048
	47,123	40,988

10 REVENUE

	30 September 2019 (reviewed)	30 September 2018 (reviewed)
Contract income	81,878	98,046
Sales of goods	23,684	26,260
Hire income	8,930	8,820
	114,492	133,126

11 GENERAL AND ADMINISTRATIVE EXPENSES

	30 September 2019 (reviewed)	30 September 2018 (reviewed)
Salaries of administration staff	5,343	5,240
Management consultancy fees	1,170	1,170
Receivable written off	598	778
Depreciation	699	500
Commission expense	188	269
Vehicle expenses	297	309
Rent, electricity and water	193	389
Communication	156	154
Directors' remuneration and sitting fee	227	227
Other expenses	808	613
	9,679	9,649

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the nine months ended 30 September 2019

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12 OPERATING SEGMENTS

The Group is organised into two operating divisions - Construction and Allied Activities and Trading Activities.

The *Construction and Allied Activities* are civil engineering works, mechanical fabrication and maintenance contracts, scaffolding and formwork, readymix concrete, precast, floor and roof slabs, electrical and instrumentation contracting.

The *Trading Activities* are supply of washed sand, sweet water, import and wholesaler of frozen foods, agents for equipment and material manufacturers.

REVENUE

	Construction & Allied Activities		Trading Activities		Eliminations		Consolidated	
	30 September 2019 (reviewed)	30 September 2018 (reviewed)	30 September 2019 (reviewed)	30 September 2018 (reviewed)	30 September 2019 (reviewed)	30 September 2018 (reviewed)	30 September 2019 (reviewed)	30 September 2018 (reviewed)
External sales	104,302	123,727	10,190	9,399	-	-	114,492	133,126
Inter-segment sales	8,359	16,495	6,107	3,971	(14,466)	(20,466)	-	-
Total revenue	112,661	140,222	16,297	13,370	(14,466)	(20,466)	114,492	133,126
Segment result	(3,148)	2,455	(162)	235	(243)	(42)	(3,553)	2,648
Share of profit from joint ventures	189	1,066	-	-	-	-	189	1,066
Other gains and losses	621	430	93	88	-	-	714	518
Unallocated corporate expenses	-	-	-	-	-	-	(1,684)	(1,728)
(Loss) / Profit for the period							(4,334)	2,504

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2019**

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12 OPERATING SEGMENTS (continued)

Other Information	Construction & Allied Activities		Trading Activities		Consolidated	
	30 September 2019 (reviewed)	31 Dec 2018 (audited)	30 September 2019 (reviewed)	31 Dec 2018 (audited)	30 September 2019 (reviewed)	31 Dec 2018 (audited)
Capital expenditure	4,256	3,821	202	467	4,458	4,288
Depreciation	5,372	5,099	915	832	6,287	5,931
Total assets	163,917	146,296	16,647	12,333	180,564	158,629
Total liabilities	115,895	90,348	6,995	3,938	122,890	94,286
Total net assets	48,022	55,948	9,652	8,395	57,674	64,343

13 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS**a) Fair value**

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

None of the Company's assets are carried at fair value. The carrying value of the Company's financial instruments approximate their fair value.

b) Classification

All of the Company's financial assets and liabilities are classified at amortised cost.

14 COMMITMENTS AND CONTINGENCIES

	30 September 2019 (reviewed)	31 December 2018 (audited)
Guarantees	92,790	62,753
Letters of credit	4,709	1,046
Capital commitments	1,182	535

The banks have provided guarantees (performance, retention, financial and others related to contracting activities) amounting to BD 92,790 (31 December 2018: BD 62,753) for the various divisions and subsidiaries of the parent Company.

15 COMPARATIVES

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