

Nass Corporation BSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 September 2015

Nass Corporation BSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2015

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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 BMI Bank State Bank of India
Auditors	KPMG Fakhro



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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

Introduction

We have reviewed the accompanying 30 September 2015 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 2015;
- the condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2015;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2015;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2015; 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 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

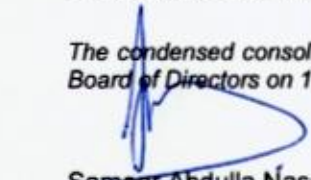
KPMG Fakhro
Partner Registration No: 187
11 November 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2015

Bahraini Dinars'000

	30 September 2015 (reviewed)	31 December 2014 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	17,617	18,335
Investment property	1,500	1,500
Investment in associates	396	380
Interests in joint ventures	863	611
Total non-current assets	20,376	20,826
Current assets		
Inventories	5,812	5,545
Trade and other receivables	53,877	44,008
Due from contract customers	6,306	4,753
Due from related parties	3,893	4,226
Term deposits with banks	7,440	11,589
Cash and cash equivalents	10,756	9,112
Total current assets	88,084	79,233
Total assets	108,460	100,059
EQUITY AND LIABILITIES		
Equity		
Share capital	22,000	22,000
Treasury shares	(1,597)	(1,597)
Statutory reserve	7,417	7,417
Retained earnings	26,934	28,588
Donations and charity reserve	31	29
Total equity attributable to equity holders of the parent	54,785	56,437
Non-controlling interest	2,011	1,993
Total equity (page 5)	56,796	58,430
Liabilities		
Loans and borrowings	263	302
Employee benefits	5,206	4,570
Trade and other payables	72	129
Total non-current liabilities	5,541	5,001
Current liabilities		
Trade and other payables	31,079	17,983
Due to contract customers	2,567	5,034
Employee benefits	2,242	1,850
Due to related parties	5,407	5,151
Bills payable	477	1,236
Loans and borrowings	1,092	1,264
Bank overdrafts	3,259	4,110
Total current liabilities	46,123	36,628
Total liabilities	51,664	41,629
Total equity and liabilities	108,460	100,059

The condensed consolidated interim financial statements which consist of pages 3 to 16 were approved by the Board of Directors on 11 November 2015 and signed on its behalf by:


 Sameer Abdulla Nass
 Chairman


 Sami Abdulla Nass
 Deputy Chairman & Managing Director

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

for the nine months ended 30 September 2015

Bahraini Dinars'000

	Nine months ended		Three months ended	
	30 September 2015 (reviewed)	30 September 2014 (reviewed)	30 September 2015 (reviewed)	30 September 2014 (reviewed)
REVENUE				
Contract income	49,131	30,556	16,852	11,679
Sales	17,226	19,890	5,791	5,909
Hire income	6,225	8,902	2,395	2,458
Total revenue	72,582	59,348	25,038	20,046
Cost of sales / contract costs	(62,473)	(47,783)	(22,315)	(16,450)
Gross profit	10,109	11,565	2,723	3,596
Other operating income, net	245	189	80	45
General and administrative expenses	(8,807)	(7,570)	(2,625)	(2,901)
Finance income	125	334	40	108
Finance costs	(161)	(275)	(51)	(83)
Share of profit/(loss) from joint ventures net	252	(482)	328	(61)
Share of profit from associate	66	65	22	20
Profit for the period	1,829	3,826	517	724
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,829	3,826	517	724
<i>Profit attributable to</i>				
Equity holders of the Company	1,582	3,646	456	700
Non-controlling interest	247	180	61	24
	1,829	3,826	517	724
Basic earnings per 100 fils share (fils)	7.36	16.95	2.14	3.25

The condensed consolidated interim financial statements which consist of pages 3 to 16 were approved by the Board of Directors on 11 November 2015 and signed on its behalf by:


Sameer Abdulla Nass
Chairman


Sami Abdulla Nass
Deputy Chairman & Managing Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2015

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		
2015 (reviewed)								
Balance at 1 January 2015	22,000	(1,597)	7,417	28,588	29	56,437	1,993	58,430
2014 Appropriations:	-	-	-	(3,226)	-	(3,226)	(229)	(3,455)
- Final dividend (15%) - 2014	-	-	-	(10)	10	-	-	-
- Donations and charity reserve	-	-	-	-	-	-	-	-
Balance after 2014 Appropriations	22,000	(1,597)	7,417	25,352	39	53,211	1,764	54,975
Profit for the period	-	-	-	1,582	-	1,582	247	1,829
Total comprehensive income for the period	-	-	-	1,582	-	1,582	247	1,829
Utilization of donation and charity reserve	-	-	-	-	(8)	(8)	-	(8)
Balance at 30 September 2015	22,000	(1,597)	7,417	26,934	31	54,785	2,011	56,796

The condensed consolidated interim financial information consists of pages 3 to 16.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2015

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		
2014 (reviewed)								
Balance at 1 January 2014	22,000	(1,597)	7,007	28,134	30	55,574	1,872	57,446
2013 Appropriations:	-	-	-	(3,226)	-	(3,226)	(126)	(3,352)
- Final dividend (15 %) - 2013	-	-	-	(10)	10	-	-	-
- Donations and charity reserve								
Balance after 2013 Appropriations	22,000	(1,597)	7,007	24,898	40	52,348	1,746	54,094
Profit for the period	-	-	-	3,646	-	3,646	180	3,826
Total comprehensive income for the period	-	-	-	3,646	-	3,646	180	3,826
Utilization of donation and charity reserve	-	-	-	-	(10)	(10)	-	(10)
Balance at 30 September 2014	22,000	(1,597)	7,007	28,544	30	55,984	1,926	57,910

The condensed consolidated interim financial information consists of pages 3 to 16.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended 30 September 2015

Bahraini Dinars '000

	Nine months ended 30 September	
	2015 (reviewed)	2014 (reviewed)
OPERATING ACTIVITIES		
Profit for the period before non-controlling interest	1,829	3,826
<i>Adjustments</i>		
Depreciation	2,989	3,506
Impairment of trade receivables	463	540
Gain on disposal of property, plant and equipment	(71)	(62)
Share of (profit) /loss from joint ventures, net	(252)	482
Share of profit from associate	(66)	(65)
Employee benefits	636	426
<i>Working capital changes</i>		
Inventories	(267)	(1,496)
Trade and other receivables	(10,332)	2,147
Due from contract customers	(1,553)	(4,657)
Due from related parties	333	1,030
Trade and other payables	12,954	2,670
Due to contract customers	(2,467)	(2,842)
Due to related parties	256	497
Employee benefits	392	(267)
Bills payable	(759)	1,026
Cash flows from operating activities	4,085	6,761
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,304)	(1,644)
Proceeds from sale of property, plant and equipment	104	111
Receipt of share of profits from joint ventures	-	577
Repayment of loan from associate	50	120
(Paid for) / maturity of term deposits with banks	4,149	(3,457)
Cash flows from / (used) in investing activities	1,999	(4,293)
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	1,198	602
Repayment of loans and borrowings	(1,409)	(2,833)
Dividends paid to equity shareholders of the parent	(3,141)	(3,050)
Dividends paid to non-controlling shareholders	(229)	(126)
Utilization of donation and charity reserve	(8)	(10)
Cash flows used in financing activities	(3,589)	(5,417)
Net increase / (decrease) in cash and cash equivalents	2,495	(2,949)
Cash and cash equivalents at 1 January	5,002	11,089
Cash and cash equivalents at 30 September	7,497	8,140
<i>Represented by</i>		
Cash and bank balances	10,552	11,638
Short term deposits	204	402
Bank overdrafts	(3,259)	(3,900)
	7,497	8,140

The condensed consolidated interim financial information consists of pages 3 to 16.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2015

Bahraini Dinars'000

1 REPORTING ENTITY

Nass Corporation BSC (the "Company") is a public shareholding Company incorporated and registered in Bahrain and operates under commercial registration number 60037 obtained on 9 March 2006. The Company is listed on the Bahrain Bourse with an authorised share capital of 500 million ordinary shares of 100 fils each, out of which issued and fully paid up share capital is 220 million ordinary shares of 100 fils each.

The condensed consolidated interim financial information ("interim financial information") as at and for the nine month period ended 30 September 2015 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and joint ventures. It does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

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.

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

The interim financial information have 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 2014.

b) Judgments and estimates

The preparation of 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 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 2014.