

# **Nass Corporation BSC**

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**30 September 2016**

**Nass Corporation BSC**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the nine months ended 30 September 2016**

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**GENERAL INFORMATION**

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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

13 November 2016

### **Introduction**

We have reviewed the accompanying 30 September 2016 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 2016;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2016;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2016;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2016; 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 2016 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 2016**

Bahraini Dinars '000

	Note	30 September 2016 (reviewed)	31 December 2015 (audited)
<b>ASSETS</b>			
Property, plant and equipment		21,138	17,842
Investment property		-	1,500
Held to maturity investment		300	-
Investment in equity accounted investees		840	883
<b>Non-current assets</b>		<b>22,278</b>	<b>20,225</b>
Inventories		7,765	5,855
Trade and other receivables		42,556	47,405
Due from contract customers		12,733	9,850
Due from related parties	8	9,664	3,381
Deposits with banks		12,205	8,553
Cash and banks balances		17,502	15,182
<b>Current assets</b>		<b>102,425</b>	<b>90,226</b>
<b>Total assets</b>		<b>124,703</b>	<b>110,451</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		22,000	22,000
Treasury shares		(1,597)	(1,597)
Statutory reserve		7,684	7,684
Retained earnings		30,853	27,753
Donations and charity reserve		35	31
<b>Equity attributable to equity holders of the parent</b>		<b>58,975</b>	<b>55,871</b>
Non-controlling interest		2,104	2,121
<b>Total equity</b>		<b>61,079</b>	<b>57,992</b>
<b>Liabilities</b>			
Bank loans		83	310
Employee benefits		5,716	5,277
Trade and other payables		344	151
<b>Non-current liabilities</b>		<b>6,143</b>	<b>5,738</b>
Trade and other payables		39,435	30,809
Due to contract customers		2,548	2,084
Employee benefits		2,842	2,313
Due to related parties	8	6,098	4,654
Bills payable		1,011	1,843
Bank loans		1,149	1,576
Bank overdrafts		4,398	3,442
<b>Current liabilities</b>		<b>57,481</b>	<b>46,721</b>
<b>Total liabilities</b>		<b>63,624</b>	<b>52,459</b>
<b>Total equity and liabilities</b>		<b>124,703</b>	<b>110,451</b>

The condensed consolidated interim financial information which consist of pages 3 to 13 were approved by the Board of Directors on 13 November 2016 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 2016**

Bahraini Dinars '000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2016 (reviewed)	2015 (reviewed)	2016 (reviewed)	2015 (reviewed)
<b>REVENUE</b>					
Contract income		61,779	49,131	22,237	16,852
Sales		20,845	17,226	7,221	5,791
Hire income		8,818	6,225	2,650	2,395
<b>Total revenue</b>		<b>91,442</b>	72,582	<b>32,108</b>	25,038
Cost of sales		(79,963)	(62,356)	(28,570)	(22,278)
<b>Gross profit</b>		<b>11,479</b>	10,226	3,538	2,760
Other operating income, net		523	245	124	80
Gain on disposal of investment property		637	-	-	-
General and administrative expenses	7	(8,330)	(8,924)	(2,798)	(2,662)
Finance income		145	125	44	40
Finance costs		(179)	(161)	(65)	(51)
Share of profit from equity accounted investments		232	318	96	350
<b>Profit and total comprehensive income for the period</b>		<b>4,507</b>	1,829	<b>939</b>	517
<i>Attributable to</i>					
Equity holders of the parent		4,185	1,582	868	456
Non-controlling interest		322	247	71	61
		<b>4,507</b>	1,829	<b>939</b>	517
<b>Earnings per share</b>					
Basic earnings per share (Fils)		<b>19.46</b>	7.36	<b>4.04</b>	2.14

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the nine months ended 30 September 2016**

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		
At 1 January 2016	22,000	(1,597)	7,684	27,753	31	55,871	2,121	57,992
2015 Appropriations:				(1,075)	-	(1,075)	(339)	(1,414)
Dividend (5%)	-	-	-	(10)	10	-	-	-
Donations and charity reserve approved	-	-	-	-	-	-	-	-
<b>Balance after 2015 appropriations</b>	<b>22,000</b>	<b>(1,597)</b>	<b>7,684</b>	<b>26,668</b>	<b>41</b>	<b>54,796</b>	<b>1,782</b>	<b>56,578</b>
Profit and total comprehensive income for the period	-	-	-	4,185	-	4,185	322	4,507
Utilisation of donation and charity reserve	-	-	-	-	(6)	(6)	-	(6)
<b>Balance at 30 September 2016</b>	<b>22,000</b>	<b>(1,597)</b>	<b>7,684</b>	<b>30,853</b>	<b>35</b>	<b>58,975</b>	<b>2,104</b>	<b>61,079</b>

The condensed consolidated interim financial information consists of pages 3 to 13.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the nine months ended 30 September 2016**

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



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the nine months ended 30 September 2016**

Bahraini Dinars '000

	<b>Nine months ended 30 September</b>	
	<b>2016 (reviewed)</b>	<b>2015 (reviewed)</b>
<b>Cash flows from operating activities</b>		
Profit for the period before non-controlling interest	4,507	1,829
<i>Adjustments for:</i>		
Depreciation	3,117	2,989
Impairment of trade receivables	125	463
Gain on disposal of property, plant and equipment	(203)	(71)
Gain on disposal of investment property	(637)	-
Share of (profit) / loss from equity associated investments	(232)	(318)
Employee benefits	439	636
<i>Changes in:</i>		
Inventories	(1,910)	(267)
Trade and other receivables	4,724	(10,332)
Due from contract customers	(2,883)	(1,553)
Due from related parties	(6,283)	333
Trade and other payables	10,232	11,454
Due to contract customers	464	(2,467)
Due to related parties	1,481	256
Employee benefits	529	392
Bills payable	(832)	(759)
<b>Net cash from operating activities</b>	<b>12,638</b>	<b>2,585</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,629)	(2,304)
Purchase of held to maturity investment	(300)	-
Proceeds from sale of equipment	419	104
Proceeds from sale of investment property	700	1,500
Dividend from equity accounted investee	238	50
Movement on deposits with banks	(2,442)	4,149
<b>Net cash (used in) / from investing activities</b>	<b>(8,014)</b>	<b>3,499</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank loans	1,109	1,198
Repayment of bank loans	(1,763)	(1,409)
Dividends paid to the company's shareholders	(1,051)	(3,141)
Dividends paid to non-controlling interests	(339)	(229)
Utilization of donation and charity reserve	(6)	(8)
<b>Net cash used in financing activities</b>	<b>(2,050)</b>	<b>(3,589)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,574</b>	<b>2,495</b>
Cash and cash equivalents at 1 January	13,594	5,002
<b>Cash and cash equivalents at 30 September</b>	<b>16,168</b>	<b>7,497</b>
<i>Represented by</i>		
Cash and bank balances	17,502	10,552
Short term bank deposits (less than 90 days)	3,064	204
Bank overdrafts	(4,398)	(3,259)
	<b>16,168</b>	<b>7,497</b>

The condensed consolidated interim financial information consists of pages 3 to 13.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION****for the nine months ended 30 September 2016**

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.

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 2016 includes the results of the Company and its subsidiaries (together referred to as the "Group").

**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 2015.

**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 2015.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Group in the preparation of the interim financial information are consistent with those applied in the preparation of the audited consolidated financial statements as at and for the year ended 31 December 2015.

The interim financial information is 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 2015 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 interim financial information for the nine months period ended 30 June 2015.