



Bahrain Commercial Facilities Company BSC

Consolidated Financial Statements 31 December 2010

CONSOLIDATED INCOME STATEMENT

for the year ended 31 Dec 2010

Bahraini Dinars in thousands	2010	2009
Interest income	17,344	17,892
Interest expense	(6,116)	(6,383)
Net interest income	11,228	11,509
Automotive sales	55,022	59,586
Cost of sales	(48,922)	(54,079)
Gross profit on automotive sales	6,100	5,507
Insurance commission income	708	706
Gross profit on land activities	53	194
OPERATING INCOME OF THE GROUP	18,089	17,916
Salaries and related costs	3,690	3,641
General and administrative costs	2,216	1,964
Selling and promotion costs	1,053	1,165
Depreciation	1,280	1,128
Provision for bad and doubtful loans	1,545	928
Provision for inventory and trade receivables	394	775
Recoveries of loans previously written off	(524)	(488)
Automotive finance costs	373	1,212
Foreign exchange gain	(197)	(797)
Other operating income	(297)	(240)
Total operating expenses	9,533	9,288
PROFIT FROM OPERATIONS	8,556	8,628
Other income	-	1,007
PROFIT FOR THE YEAR	8,556	9,635
Basic earnings per 100 fils share	53 fils	60 fils
Proposed cash dividend per 100 fils share	35 fils	35 fils

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 Dec 2010

Bahraini Dinars in thousands	2010	2009
ASSETS		
Cash and cash equivalents	1,436	2,522
Loans	138,294	144,039
Trade and other receivables	2,951	3,546
Inventories, net of provision	17,281	18,229
Property and equipment	15,357	13,739
Other assets	766	32
Total assets	176,085	182,107
LIABILITIES		
Bank overdrafts	2,785	4,590
Trade and other payables	13,636	18,043
Term loans	70,325	69,633
Bonds	16,600	19,966
Total liabilities	103,346	112,232
EQUITY		
Share capital	16,335	16,335
Treasury shares	(599)	(599)
Reserves and retained earnings	57,003	54,139
Total equity	72,739	69,875
Total liabilities and equity	176,085	182,107

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 Dec 2010

Bahraini Dinars in thousands	2010	2009
OPERATING ACTIVITIES		
Loan repayments, interest and commission receipts	81,296	87,792
Automotive sales receipts	55,616	59,663
Cash expended on operations		
Loans disbursed	(58,121)	(61,863)
Payments to automotive suppliers	(52,642)	(54,479)
Payments for staff salaries and related costs	(3,690)	(3,641)
Directors' fees paid	(220)	(220)
Payments of other operating expenses	(3,420)	(2,208)
Interest paid	(6,116)	(6,383)
Cash received from insurance claim	-	1,007
Cash generated from operations activities	12,703	19,668
INVESTING ACTIVITIES		
Capital expenditure on property and equipment	(4,215)	(2,638)
Proceeds from sale of property and equipment	658	568
Cash used in investing activities	(3,557)	(2,070)
FINANCING ACTIVITIES		
Term loans repaid	691	(11,865)
Bonds matured	(10,000)	-
Bonds issued	6,700	-
Dividends paid	(5,640)	(5,651)
Donations paid	(178)	(188)
Treasury shares purchased	-	(135)
Cash used in financing activities	(8,427)	(17,839)
Net increase/(decrease) in cash and cash equivalents	719	(241)
Cash and cash equivalents at beginning of the year	(2,068)	(1,827)
Cash and cash equivalents at 31 December	(1,349)	(2,068)
Cash and cash equivalents comprise:		
Cash and balances with banks	1,436	2,522
Bank overdrafts	(2,785)	(4,590)
Total	(1,349)	(2,068)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 Dec 2010

Bahraini Dinars in thousands	2010	2009
PROFIT FOR THE YEAR	8,556	9,635
Other Comprehensive Income		
Cash flow hedge fair value changes	346	1,848
Other comprehensive income for the year	346	1,848
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8,902	11,483

SEGMENT INFORMATION

for the year ended 31 Dec 2010

Bahraini Dinars in thousands	Operating income		Net profit	
	2010	2009	2010	2009
Consumer finance	11,228	11,509	6,101	7,296
Automotive	6,100	5,507	1,922	1,708
Insurance	708	706	508	506
Real estate	53	194	25	125
	18,089	17,916	8,556	9,635

Notice of the Shareholders' Ordinary Annual General Meeting

The Board of Directors of Bahrain Commercial Facilities Company BSC cordially invites the shareholders to attend the Ordinary Annual General Meeting to be held on Monday 14 March 2011, at 10:30 AM, at the National Motor Company's Conference Room in Sitra, Kingdom of Bahrain, to discuss the below agenda.

Agenda of the Ordinary Annual General Meeting:

- To read and approve the minutes of the last Annual General Meeting held on 15 March 2010.
- To review and approve the Board of Directors' report on the activities of the Company for the year ended 31 December 2010.
- To receive the auditor's report on the financial statements for the year ended 31 December 2010.
- To review and approve the Company's financial statements for the year ended 31 December 2010.
- To appropriate the net profit for the year upon recommendations of the Board of Directors as follows:
 - Distribution of cash dividends of 35% of paid-up capital at 35 fils per share (BD 5,640,009).
 - Transfer of BD 1,500,000 to the General Reserve.
 - Allocation of BD 280,000 for the Charity and Donation Fund
 - Transfer of BD 1,135,991 to Retained Earnings.
- To approve BD 220,000 for the Board of Directors' remuneration for 2010.
- To approve issuance of new bonds up to BD 20 Millions.
- The Board of Directors' report on Corporate Governance Compliance.
- To absolve the members of the Board from liability for their actions during the year ended 31 December 2010.
- To elect five members to the Boards of Directors for the next three years.
- To appoint /reappoint the external auditors for 2011 and authorize the Board of Directors to determine their remuneration.

Notes:

- Shareholders wishing to stand for election to the Board of Directors for the next three years, must submit in writing to the Secretary to the Board, signed requests expressing their intention to do so, including personal details, resumes and number of shares owned, to P. O. Box 1175 or by Fax: 17787276, by Wednesday 02 March 2011, at 04:00 PM, in order to clear candidacies with the Central Bank of Bahrain.
- Shareholders wishing to be represented by other persons at the AGM are invited to get proxies at KPMG Fakhro - Share Section, Al-Hedayia House (2) 5th Floor, Government Avenue, P.O. Box 710, Tel.: 17215080, Fax: 17212055, BH-DLSharesUsers@kpmg.com.bh, Manama, Kingdom of Bahrain, effective from Sunday 20 February 2011.
- This proxy must be deposited at least 48 hours prior to the meeting date with KPMG's Shares Section.
- Board of Directors shall not act as proxies and the appointed proxy shall not represent a proxy more than 5% of the issued and paid up share capital of the Company.
- If the quorum for the said AGM is not obtained, a second meeting with the same agenda shall be held on Monday 21 March 2011 at the same time and place. Again, if the quorum for the said second meeting of AGM is not obtained, a third meeting with the same agenda shall be held on Monday 28 March 2011 at the same time and place.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 Dec 2010

Bahraini Dinars in thousands	Share capital	Treasury shares	Statutory reserve	Cash flow hedge revaluation reserve	Donations reserve	General reserve	Retained earnings	Total
2010								
At 1 January 2010	16,335	(599)	32,042	(6,307)	910	11,250	16,244	69,875
2009 appropriations (approved by shareholders)								
Directors fees for 2009	-	-	-	-	-	-	(220)	(220)
Dividend declared for 2009	-	-	-	-	-	-	(5,640)	(5,640)
Donation declared (2009)	-	-	-	-	280	-	(280)	-
Transfer to statutory reserve (2009)	-	-	1,500	-	-	-	(1,500)	-
Transfer to general reserve (2009)	-	-	-	-	-	1,500	(1,500)	-
Balance after 2009 appropriations	16,335	(599)	33,542	(6,307)	1,190	12,750	7,104	64,015
Total comprehensive for the year								
Profit for the year	-	-	-	-	-	-	8,556	8,556
Other comprehensive income	-	-	-	-	-	-	-	-
cash flow fair value changes	-	-	-	346	-	-	-	346
Total comprehensive income for the year	-	-	-	346	-	-	8,556	8,902
Utilisation of donation	-	-	-	-	(178)	-	-	(178)
At 31 December 2010	16,335	(599)	33,542	(5,961)	1,012	12,750	15,660	72,739

Abdulrahman Yusif Fakhro
Chairman

Abdulkareem Ahmed Bucheery
Vice Chairman

Dr. Adel Hubail
Chief Executive Officer