

# THE BENEFIT COMPANY BSC (c)

## Consolidated Financial Statements 31 December 2019

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2019

Bahraini Dinars

|                                                 | 2019              | 2018              |
|-------------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                                   |                   |                   |
| Furniture and equipment                         | 1,349,483         | 1,285,673         |
| System software                                 | 1,776,522         | 1,048,273         |
| Right-of-use assets                             | 883,920           | -                 |
| Capital-work-in-progress                        | 548,159           | 848,306           |
| Other assets                                    | 139,168           | 139,168           |
| <b>Total non-current assets</b>                 | <b>4,697,252</b>  | <b>3,321,420</b>  |
| Cash and bank balances                          | 5,393,718         | 8,440,972         |
| Balance with Central Bank of Bahrain            | 4,789,052         | 2,032,378         |
| Balance with other central banks                | 3,057,372         | 1,851,319         |
| Deposits with banks                             | 2,460,043         | 1,964,161         |
| Treasury bills                                  | 4,881,827         | 4,788,738         |
| Trade receivables                               | 654,286           | 241,562           |
| Prepaid expenses and other receivables          | 315,798           | 157,161           |
| <b>Total current assets</b>                     | <b>21,552,096</b> | <b>19,476,291</b> |
| <b>Total assets</b>                             | <b>26,249,348</b> | <b>22,797,711</b> |
| <b>Equity and liabilities</b>                   |                   |                   |
| Share capital                                   | 3,110,400         | 3,110,400         |
| Statutory reserve                               | 1,612,138         | 1,612,138         |
| General reserve                                 | 1,136,788         | 794,214           |
| Charity reserve                                 | 385,819           | 214,532           |
| Retained earnings                               | 16,038,796        | 15,090,899        |
| <b>Total equity</b>                             | <b>22,283,941</b> | <b>20,822,183</b> |
| <b>Liabilities</b>                              |                   |                   |
| Non-current portion of lease liability          | 865,819           | -                 |
| Non-current portion of deferred income          | 293,153           | -                 |
| Provision for employees' leaving indemnities    | 207,461           | 146,364           |
| <b>Total non-current liabilities</b>            | <b>1,366,433</b>  | <b>146,364</b>    |
| Trade payables and accrued expenses             | 2,024,600         | 1,536,604         |
| Payable for acquisition of shares in Subsidiary | 221,970           | 221,970           |
| Current portion of lease liability              | 55,251            | -                 |
| Current portion of deferred income              | 297,153           | 70,590            |
| <b>Total current liabilities</b>                | <b>2,598,974</b>  | <b>1,829,164</b>  |
| <b>Total equity and liabilities</b>             | <b>26,249,348</b> | <b>22,797,711</b> |

\* The Group has initially applied IFRS 16 at 1 January 2019, the mandatory date of initial application.  
Under the transition method chosen, comparative information is not restated. See note 3 (a) for further details.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 December 2019

Bahraini Dinars

|                                                | 2019              | 2018             |
|------------------------------------------------|-------------------|------------------|
| <b>Revenue</b>                                 |                   |                  |
| Switch                                         | 8,249,931         | 6,803,714        |
| BCRB                                           | 968,984           | 993,227          |
| BCTS                                           | 563,256           | 582,086          |
| EFTS                                           | 887,360           | 758,435          |
| eKYC                                           | 58,346            | -                |
| Card services                                  | 1,195,532         | 722,388          |
| <b>Total operating revenue</b>                 | <b>11,923,409</b> | <b>9,859,850</b> |
| Staff cost                                     | 3,909,114         | 2,982,684        |
| Cost of provision of services                  | 2,265,995         | 1,312,992        |
| Depreciation and amortisation                  | 1,188,155         | 856,924          |
| Other operating expenses                       | 1,656,181         | 1,555,175        |
| <b>Total operating expenses</b>                | <b>9,019,445</b>  | <b>6,707,775</b> |
| <b>Operating profit</b>                        | <b>2,903,964</b>  | <b>3,152,075</b> |
| Interest income                                | 319,723           | 259,247          |
| Interest expense on lease liability            | (68,936)          | -                |
| Other income                                   | 173,247           | 14,421           |
| <b>Profit for the year</b>                     | <b>3,327,998</b>  | <b>3,425,743</b> |
| Other comprehensive income for the year        | -                 | -                |
| <b>Total comprehensive income for the year</b> | <b>3,327,998</b>  | <b>3,425,743</b> |

### CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2019

Bahraini Dinars

|                                                                 | 2019               | 2018               |
|-----------------------------------------------------------------|--------------------|--------------------|
| <b>Operating activities</b>                                     |                    |                    |
| Cash received from switch operations                            | 8,231,067          | 6,798,742          |
| Cash received from BCRB operations                              | 951,457            | 1,020,858          |
| Cash received from card services                                | 1,493,583          | 767,325            |
| Cash received from BCTS operations                              | 560,052            | 582,549            |
| Cash received from EFTS operations                              | 787,106            | 752,155            |
| Cash received from eKYC                                         | 97,810             | -                  |
| Payments for operating expenses                                 | (7,430,596)        | (5,651,726)        |
| Payment for directors' remuneration                             | (149,916)          | (110,000)          |
| <b>Net cash generated from operating activities</b>             | <b>4,540,563</b>   | <b>4,159,903</b>   |
| <b>Investing activities</b>                                     |                    |                    |
| Purchase of furniture and equipment                             | (210,218)          | (176,222)          |
| Purchase of software                                            | (109,871)          | (198,768)          |
| Payments for capital-work-in-progress                           | (1,163,729)        | (732,769)          |
| Movement on deposits with banks and treasury bills              | (281,762)          | 2,544,969          |
| Interest received on current account                            | 6,730              | 8,678              |
| <b>Net cash (used in) / generated from investing activities</b> | <b>(1,758,850)</b> | <b>1,445,888</b>   |
| <b>Financing activities</b>                                     |                    |                    |
| Dividend paid                                                   | (1,866,240)        | (2,332,800)        |
| <b>Net cash used in financing activities</b>                    | <b>(1,866,240)</b> | <b>(2,332,800)</b> |
| <b>Net increase in cash and cash equivalents</b>                | <b>915,473</b>     | <b>3,272,991</b>   |
| Cash and cash equivalents at beginning of year                  | 12,324,669         | 9,051,678          |
| <b>Cash and cash equivalents at end of the year</b>             | <b>13,240,142</b>  | <b>12,324,669</b>  |
| Cash and bank balances                                          | 5,393,718          | 8,440,972          |
| Balance with Central Bank of Bahrain                            | 4,789,052          | 2,032,378          |
| Balance with other central banks                                | 3,057,372          | 1,851,319          |
| <b>*13,240,142</b>                                              | <b>*12,324,669</b> |                    |

\*Cash and cash equivalents include ECL of BD 1,941 as of 31 December 2019 (2018: BD 2,473)

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2019

Bahraini Dinars

|                                                           | Share capital    | Statutory reserve | General reserve  | Charity Reserve | Retained earnings | Total             |
|-----------------------------------------------------------|------------------|-------------------|------------------|-----------------|-------------------|-------------------|
| At 1 January 2019                                         | 3,110,400        | 1,612,138         | 794,214          | 214,532         | 15,090,899        | 20,822,183        |
| <b>Profit and total comprehensive income for the year</b> | -                | -                 | -                | -               | 3,327,998         | 3,327,998         |
| Dividend declared in 2018                                 | -                | -                 | -                | -               | (1,866,240)       | (1,866,240)       |
| Transfer to charity reserve                               | -                | -                 | -                | 171,287         | (171,287)         | -                 |
| Transfer to general reserve                               | -                | -                 | 342,574          | -               | (342,574)         | -                 |
| <b>At 31 December 2019</b>                                | <b>3,110,400</b> | <b>1,612,138</b>  | <b>1,136,788</b> | <b>385,819</b>  | <b>16,038,796</b> | <b>22,283,941</b> |

|                                                    | Share capital    | Statutory reserve | General reserve | Charity Reserve | Retained earnings | Total             |
|----------------------------------------------------|------------------|-------------------|-----------------|-----------------|-------------------|-------------------|
| At 31 December 2017                                | 3,110,400        | 1,612,138         | 365,150         | -               | 14,688,660        | 19,776,348        |
| Impact of adoption of IFRS 9                       | -                | -                 | -               | -               | (58,204)          | (58,204)          |
| Impact of adoption of IFRS 15                      | -                | -                 | -               | -               | 11,096            | 11,096            |
| Adjusted balance at 1 January 2018                 | 3,110,400        | 1,612,138         | 365,150         | -               | 14,641,552        | 19,729,240        |
| Profit and total comprehensive income for the year | -                | -                 | -               | -               | 3,425,743         | 3,425,743         |
| Dividend declared in 2017                          | -                | -                 | -               | -               | (2,332,800)       | (2,332,800)       |
| Transfer to charity reserve                        | -                | -                 | -               | 214,532         | (214,532)         | -                 |
| Transfer to general reserve                        | -                | -                 | 429,064         | -               | (429,064)         | -                 |
| <b>At 31 December 2018</b>                         | <b>3,110,400</b> | <b>1,612,138</b>  | <b>794,214</b>  | <b>214,532</b>  | <b>15,090,899</b> | <b>20,822,183</b> |

The consolidated financial statements audited by KPMG and approved by The Board of Directors on 19<sup>th</sup> February 2020 and signed on its behalf by:

**Mohamed Ebrahim Albastaki**  
Chairman

**Ahmed A. Rahim Mohamed**  
Vice Chairman