

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
ASSETS		
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
Total non-current assets	4,697,252	3,321,420
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
Total current assets	21,552,096	19,476,291
Total assets	26,249,348	22,797,771
Equity and liabilities		
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
Total equity	22,283,941	20,822,183
Liabilities		
Non-current portion of lease liability	865,819	-
Non-current portion of deferred income	293,153	146,364
Provision for employees' leaving indemnities	207,461	146,364
Total non-current liabilities	1,366,433	1,366,433
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
Total current liabilities	2,598,974	1,829,164
Total equity and liabilities	26,249,348	22,797,771

* 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 CHANGES IN EQUITY for the year ended 31 December 2019

	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
Profit and total comprehensive income for the year	-	-	-	-	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)	-
At 31 December 2019	3,110,400	1,612,138	1,136,788	385,819	16,038,796	22,283,941

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

Mohamed Ebrahim Albastaki
Chairman

Ahmed A. Rahim Mohamed
Vice Chairman

Licensed by the Central Bank of Bahrain as Ancillary Services Provider

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

	2019	2018
Revenue		
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
Total operating revenue	11,923,409	9,859,850
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
Total operating expenses	9,019,445	6,707,775
Operating profit	2,903,964	3,152,075
Interest income	319,723	259,247
Interest expense on lease liability	(68,936)	-
Other income	173,247	14,421
Profit for the year	3,327,998	3,425,743
Other comprehensive income for the year	-	-
Total comprehensive income for the year	3,327,998	3,425,743

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

	2019	2018
Operating activities		
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)
Net cash generated from operating activities	4,540,563	4,159,903
Investing activities		
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
Net cash (used in) / generated from investing activities	(1,758,850)	1,445,888
Financing activities		
Dividend paid	(1,866,240)	(2,332,800)
Net cash used in financing activities	(1,866,240)	(2,332,800)
Net increase in cash and cash equivalents	915,473	3,272,991
Cash and cash equivalents at beginning of year	12,324,669	9,051,678
Cash and cash equivalents at end of the year	13,240,142	12,324,669
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
*13,240,142	*12,324,669	

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

	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
Impact of adoption of IFRS 9	-	-	-	-	-	(58,204)
Impact of adoption of IFRS 15	-	-	-	-	-	11,096
Adjusted balance at 1 January 2018	3,110,400	1,612,138	365,150	-	14,688,660	19,776,348
Profit and total comprehensive income for the year	-	-	-	-	-	(58,204)
Dividend declared in 2017	-	-	-	-	-	11,096
Transfer to charity reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	429,064	-	(429,064)	-
At 31 December 2018	3,110,400	1,612,138	794,214	214,532	15,090,899	20,822,183