

**Aluminium Bahrain B.S.C.**  
**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**

**30 SEPTEMBER 2017 (REVIEWED)**



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## **REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ALUMINIUM BAHRAIN B.S.C.**

### ***Introduction***

We have reviewed the accompanying interim consolidated statement of financial position of Aluminium Bahrain B.S.C. ('the Company') and its subsidiary (together "the Group") as at 30 September 2017, and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the nine month period then ended and explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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. Consequently, it 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

29 October 2017  
Manama, Kingdom of Bahrain

# Aluminium Bahrain B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	30 September 2017 Reviewed BD '000	31 December 2016 Audited BD '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,101,187	847,500
Other asset	4,176	4,320
Deferred tax asset	10	10
	<u>1,105,373</u>	<u>851,830</u>
<b>Current assets</b>		
Inventories	200,184	163,422
Trade and other receivables	179,250	92,065
Bank balances and cash	57,262	66,413
	<u>436,696</u>	<u>321,900</u>
<b>TOTAL ASSETS</b>	<u><u>1,542,069</u></u>	<u><u>1,173,730</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	142,000	142,000
Treasury shares	(2,561)	(4,965)
Statutory reserve	71,000	71,000
Capital reserve	249	249
Retained earnings	818,257	779,813
<b>Total equity</b>	<u>1,028,945</u>	<u>988,097</u>
<b>Non-current liabilities</b>		
Borrowings	293,273	6,489
Employees' end of service benefits	1,662	1,554
Derivative financial instruments	1,695	-
	<u>296,630</u>	<u>8,043</u>
<b>Current liabilities</b>		
Borrowings	23,711	45,235
Trade and other payables	192,442	132,355
Derivative financial instruments	341	-
	<u>216,494</u>	<u>177,590</u>
<b>Total liabilities</b>	<u>513,124</u>	<u>185,633</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,542,069</u></u>	<u><u>1,173,730</u></u>



Daj Bin Salman Bin Daj Al Khalifa  
Chairman



Tim Murray  
Chief Executive Officer



Yousif Taqi  
Director

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.



Aluminium Bahrain B.S.C.

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the nine months ended 30 September 2017 (Reviewed)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2017	2016	2017	2016
		BD '000	BD '000	BD '000	BD '000
Sales revenue	5	235,297	174,268	605,028	496,449
Cost of sales		(197,076)	(152,134)	(507,717)	(436,588)
<b>GROSS PROFIT</b>		<b>38,221</b>	<b>22,134</b>	<b>97,311</b>	<b>59,861</b>
Other income		1,390	822	7,874	2,136
(Loss) gain on foreign exchange		(809)	706	(397)	1,026
Selling and distribution expenses		(4,630)	(3,563)	(11,339)	(9,378)
General and administrative expenses		(6,996)	(5,212)	(20,048)	(16,922)
Finance costs		(541)	(579)	(1,755)	(1,911)
Changes in fair value of derivative financial instruments		(821)	-	(2,036)	-
<b>PROFIT FOR THE PERIOD BEFORE TAX</b>		<b>25,814</b>	<b>14,308</b>	<b>69,610</b>	<b>34,812</b>
Tax		(60)	-	(601)	-
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>25,754</b>	<b>14,308</b>	<b>69,009</b>	<b>34,812</b>
Basic and diluted earnings per share (fils)	3	18	10	49	25



Daj Bin Salman Bin Daj Al Khalifa  
Chairman



Tim Murray  
Chief Executive Officer



Yousif Taqi  
Director

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.



**Aluminium Bahrain B.S.C.**

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine months ended 30 September 2017 (Reviewed)

	Share capital BD '000	Treasury shares BD '000	Statutory reserve BD '000	Capital reserve BD '000	Retained earnings BD '000	Proposed dividend BD '000	Total BD '000
Balance at 1 January 2017	142,000	(4,965)	71,000	249	779,813	-	988,097
Total comprehensive income for the period	-	-	-	-	69,009	-	69,009
Net movement in treasury shares	-	2,404	-	-	-	-	2,404
Loss on resale of treasury shares	-	-	-	-	(907)	-	(907)
Final dividend for 2016 approved and paid (note 7)	-	-	-	-	(29,658)	-	(29,658)
<b>Balance at 30 September 2017</b>	<b>142,000</b>	<b>(2,561)</b>	<b>71,000</b>	<b>249</b>	<b>818,257</b>	<b>-</b>	<b>1,028,945</b>
	Share capital BD '000	Treasury shares BD '000	Statutory reserve BD '000	Capital reserve BD '000	Retained earnings BD '000	Proposed dividend BD '000	Total BD '000
Balance at 1 January 2016	142,000	(4,905)	71,000	249	731,698	7,768	947,810
Total comprehensive income for the period	-	-	-	-	34,812	-	34,812
Net movement in treasury shares	-	(35)	-	-	-	-	(35)
Loss on resale of treasury shares	-	-	-	-	(253)	-	(253)
Final dividend for 2015 approved and paid (note 7)	-	-	-	-	-	(7,756)	(7,756)
Excess of final dividend for 2015 reversed	-	-	-	-	12	(12)	-
<b>Balance at 30 September 2016</b>	<b>142,000</b>	<b>(4,940)</b>	<b>71,000</b>	<b>249</b>	<b>766,269</b>	<b>-</b>	<b>974,578</b>

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

## Aluminium Bahrain B.S.C.

### INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2017 (Reviewed)

	<i>Nine months ended</i>	
	<i>30 September</i>	
	<i>2017</i>	<i>2016</i>
<i>Note</i>	<i>BD '000</i>	<i>BD '000</i>
<b>OPERATING ACTIVITIES</b>		
Profit for the period before tax	69,610	34,812
Adjustments for:		
Depreciation	49,990	53,819
Amortisation of other asset	144	144
Provision for employees' end of service benefits	1,105	1,247
(Reversal of provision) provision for slow moving inventories	(131)	24
Reversal of provision for impairment of trade receivables - net	(160)	(20)
Loss on disposal of property, plant and equipment	917	222
Changes in fair value of derivative financial instruments	2,036	-
Interest income	(401)	(139)
Interest on borrowings	2,034	1,761
	<u>125,144</u>	<u>91,870</u>
Working capital changes:		
Inventories	(36,631)	5,673
Trade and other receivables	(87,025)	(682)
Trade and other payables	60,358	(21,247)
	<u>61,846</u>	<u>75,614</u>
Cash from operations	61,846	75,614
Employees' end of service benefits paid	(997)	(1,226)
Tax paid	(601)	-
	<u>60,248</u>	<u>74,388</u>
<b>Net cash flows from operating activities</b>	<b>60,248</b>	<b>74,388</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(304,652)	(58,495)
Proceeds from disposal of property, plant and equipment	58	322
Interest income received	401	139
	<u>(304,193)</u>	<u>(58,034)</u>
<b>Net cash flows used in investing activities</b>	<b>(304,193)</b>	<b>(58,034)</b>
<b>FINANCING ACTIVITIES</b>		
Borrowings availed	438,036	90,240
Borrowings repaid	(172,776)	(104,311)
Interest on borrowings paid	(2,305)	(1,809)
Dividends paid	(29,658)	(7,756)
Purchase of treasury shares	(3,725)	(705)
Proceeds from resale of treasury shares	5,222	417
Amounts received from long term receivable	-	1,720
	<u>234,794</u>	<u>(22,204)</u>
<b>Net cash flows from (used in) financing activities</b>	<b>234,794</b>	<b>(22,204)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(9,151)</b>	<b>(5,850)</b>
Cash and cash equivalents at 1 January	66,413	116,009
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>57,262</b>	<b>110,159</b>

#### Non-cash item

1) Movements in unpaid finance costs of BD 271 thousand (2016: BD 48 thousand) have been excluded from the movement of trade and other payables.

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

# Aluminium Bahrain B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED

### FINANCIAL STATEMENTS

At 30 September 2017 (Reviewed)

#### 1 ACTIVITIES

Aluminium Bahrain B.S.C. ("the Company") was incorporated as a Bahrain Joint Stock Company (closed) in the Kingdom of Bahrain and registered with the Ministry of Industry, Commerce and Tourism under commercial registration (CR) number 999.

Subsequent to the Initial Public Offering (IPO), the Company became a Bahrain Public Joint Stock Company effective 23 November 2010 and its shares are listed on Bahrain Bourse and Global Depository Receipts are listed on the London Stock Exchange. The Company has its registered office at 150 Askar Road, Askar 951, Kingdom of Bahrain.

The majority shareholder of the Company is Bahrain Mumtalakat Holding Company B.S.C. (c) (Mumtalakat), a company wholly owned by the Government of the Kingdom of Bahrain through the Ministry of Finance, which holds 69.38% of the Company's share capital.

The Company is engaged in manufacturing aluminium and aluminium related products. The Company owns and operates a primary aluminium smelter and the related infrastructure in the Kingdom of Bahrain. The Company also has representative sales branch offices in Zurich, Switzerland and Hong Kong and a subsidiary incorporated in the United States of America.

The Group comprises of the Company and the following subsidiary:

Name	Ownership		Country of Incorporation	Principal activity
	30 September 2017	31 December 2016		
Aluminium Bahrain US, Inc.	100%	100%	United States of America (USA)	Selling and distribution of aluminium throughout the Americas

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on ~~29 October~~ 2017.

#### 2 SIGNIFICANT ACCOUNTING POLICIES

##### Basis of preparation

The interim condensed consolidated financial statements of the Group for the nine month period ended 30 September 2017 have been prepared in accordance with International Accounting Standard 34 ("IAS 34"), "Interim Financial Reporting".

The interim condensed consolidated financial statements do not contain all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2016. In addition, the results for the nine month period ended 30 September 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

##### New and amended standards and interpretations

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2016 except for the adoption of new standards and interpretations effective as of 1 January 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2017, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

## Aluminium Bahrain B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED

#### FINANCIAL STATEMENTS

At 30 September 2017 (Reviewed)

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### New and amended standards and interpretations (continued)

#### *IAS 7 Statement of Cash Flows (Amendments)*

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

#### **Standards issued but not yet effective**

Standards issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective.

#### *IFRS 9 Financial Instruments*

Guidance on classification and measurement, impairment and hedge accounting (effective for annual periods beginning on or after 1 January 2018). The Group is currently assessing the impact of IFRS 9 and plans to adopt the new standard on the required effective date.

#### *IFRS 15 Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

#### *IFRS 16 Leases*

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single statement of financial position model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.



## Aluminium Bahrain B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017 (Reviewed)

#### 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Standards issued but not yet effective (continued)

##### IFRS 16 Leases (continued)

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

#### 3 EARNINGS PER SHARE

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
Profit for the period - BD '000	<u>25,754</u>	<u>14,308</u>	<u>69,009</u>	<u>34,812</u>
Weighted average number of shares outstanding - thousands of shares	<u>1,416,590</u>	<u>1,410,066</u>	<u>1,413,825</u>	<u>1,410,158</u>
Basic and diluted earnings per share – fils	<u>18</u>	<u>10</u>	<u>49</u>	<u>25</u>

No separate figure for diluted earnings per share has been presented as the Group has not issued financial instruments which may have a dilutive effect.

#### 4 FINANCIAL INSTRUMENTS

##### Fair values

Financial instruments comprise of financial assets, financial liabilities and derivative financial instruments. Financial assets consist of bank balances, cash, trade receivables and other receivables. Financial liabilities consist of borrowings, trade payables and other payables. Derivative financial instruments consist of interest rate swaps and commodity futures.

The Group assessed that the fair values of bank balances and cash, trade receivables, other receivables, trade payables, other payables and borrowings approximate their carrying amounts, largely due to the short term maturities of these financial instruments. The Group also assessed that the fair value of the non-current portion of borrowings approximate their carrying amounts.

Set out below is an overview of financial instruments, other than bank balances, held by the Company as at 30 September 2017 and 31 December 2016:

	<i>Loans and receivables</i>	
	<i>30 September</i>	<i>31 December</i>
	<i>2017</i>	<i>2016</i>
	<i>Reviewed</i>	<i>Audited</i>
	<i>BD '000</i>	<i>BD '000</i>
Financial assets		
Trade and other receivables	<u>152,882</u>	<u>89,428</u>

## Aluminium Bahrain B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017 (Reviewed)

#### 4 FINANCIAL INSTRUMENTS (continued)

	<i>Financial liabilities at amortised cost</i>		<i>Derivative financial instruments</i>	
	<i>30 September 2017 Reviewed BD '000</i>	<i>31 December 2016 Audited BD '000</i>	<i>30 September 2017 Reviewed BD '000</i>	<i>31 December 2016 Audited BD '000</i>
<b>Financial liabilities</b>				
Borrowings	316,984	51,724	-	-
Trade and other payables	154,779	92,331	-	-
Derivative financial instruments	-	-	2,036	-
	<b>471,763</b>	<b>144,055</b>	<b>2,036</b>	<b>-</b>

#### Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities;

Level 2 : Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable); and

Level 3 : Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

As at 30 September 2017, the Group's derivative financial instruments are measured at fair value. These are Level 2 as per the hierarchy above for the nine months ended 30 September 2017. The Company does not have financial instruments qualifying for Level 1 or Level 3 classification.

During the nine month period ended 30 September 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements (31 December 2016: same).

#### 5 OPERATING SEGMENT INFORMATION

For management purposes, the Group has a single operating segment which is the ownership and operation of a primary aluminium smelter and related infrastructure. Hence no separate disclosure of profit or loss, assets and liabilities is provided as this disclosure will be identical to the interim consolidated statement of financial position and interim consolidated statement of comprehensive income of the Group.

##### a) Product

An analysis of the sales revenue by product is as follows:

	<i>Three months ended 30 September (Reviewed)</i>		<i>Nine months ended 30 September (Reviewed)</i>	
	<i>2017 BD '000</i>	<i>2016 BD '000</i>	<i>2017 BD '000</i>	<i>2016 BD '000</i>
Aluminium	204,312	166,020	548,675	471,199
Alumina	29,235	5,763	49,847	19,151
Calcined coke	1,750	2,485	6,506	6,099
	<b>235,297</b>	<b>174,268</b>	<b>605,028</b>	<b>496,449</b>

*9/11/17*

## Aluminium Bahrain B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017 (Reviewed)

#### 5 OPERATING SEGMENT INFORMATION (continued)

##### b) Geographic information

An analysis of the sales revenue by geographic location is as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Kingdom of Bahrain	82,726	73,309	233,053	205,867
Europe	70,594	30,844	141,496	85,789
Rest of the Middle East and North Africa	37,386	23,623	102,078	65,302
Asia	29,816	28,912	69,149	82,143
Americas	14,775	17,580	59,252	57,348
<b>Total sales revenue</b>	<b>235,297</b>	<b>174,268</b>	<b>605,028</b>	<b>496,449</b>

The revenue information above is based on the location of the customers.

##### c) Customers

Revenue from sale of metal to the two major customers of the Group amounted to BD 189,745 thousand (30 September 2016: BD 189,752 thousand), each being more than 10% of the total sales revenue for the period.

#### 6 COMMITMENTS

As of 30 September 2017, the Group had commitments amounting to BD 211,962 thousand relating to the capital expenditure contracted for at the reporting date (31 December 2016: BD 190,505 thousand).

#### 7 DIVIDEND

At the Annual General Meeting held on 21 March 2017, the Company's shareholders approved the Board of Directors' proposal to pay a dividend of BD 0.021 per share (excluding treasury shares) totalling BD 29,658 thousand relating to 2016, which was paid as of 30 June 2017.

At the Annual General Meeting held on 16 March 2016, the Company's shareholders approved the Board of Directors' proposal to pay a final dividend of BD 0.0055 per share (excluding treasury shares) totalling BD 7,768 thousand relating to 2015, out of which BD 7,756 thousand was paid as of 30 June 2016.

#### 8 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

In the ordinary course of business, the Group purchases supplies and services from parties related to the Government of the Kingdom of Bahrain, principally natural gas and public utility services. A royalty, based on production, is also paid to the Government of the Kingdom of Bahrain.

**Aluminium Bahrain B.S.C.**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED**

**FINANCIAL STATEMENTS**

At 30 September 2017 (Reviewed)

**8 RELATED PARTY TRANSACTIONS (continued)**

Transactions with related parties included in the interim consolidated statement of comprehensive income are as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
<b>Other related parties</b>				
<b>Revenue and other income</b>				
Sale of metal	24,415	23,225	68,071	56,581
Sale of water	188	260	767	874
Interest on long term receivable	-	8	-	40
	<u>24,603</u>	<u>23,493</u>	<u>68,838</u>	<u>57,495</u>
<b>Cost of sales and expenses</b>				
Purchase of natural gas and diesel	46,212	32,624	98,254	92,234
(Sale) purchase of electricity	(460)	914	1,238	2,313
Royalty	1,051	1,021	2,930	2,988
	<u>46,803</u>	<u>34,559</u>	<u>102,422</u>	<u>97,535</u>

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	<i>30 September</i>	<i>31 December</i>
	<i>2017</i>	<i>2016</i>
	<i>Reviewed</i>	<i>Audited</i>
	<i>BD '000</i>	<i>BD '000</i>
<b>Other related parties</b>		
<b>Assets</b>		
Trade receivables	20,489	8,940
Bank balances	1,137	2,650
	<u>21,626</u>	<u>11,590</u>
<b>Liabilities</b>		
Trade payables	47,614	27,536
Other payables	210	161
	<u>47,824</u>	<u>27,697</u>

Outstanding balances at the end of the period arise in the normal course of business. For the nine month period ended 30 September 2017, the Group has not recorded any impairment on amounts due from related parties (31 December 2016: nil).

Aluminium Bahrain B.S.C.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

At 30 September 2017 (Reviewed)

**8 RELATED PARTY TRANSACTIONS (continued)**

**Compensation of key management personnel**

The remuneration of members of key management during the period was as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Short term benefits	391	247	1,078	766
End of service benefits	16	11	49	32
Contributions to Alba Savings Benefit Scheme	23	15	61	53
	<u>430</u>	<u>273</u>	<u>1,188</u>	<u>851</u>