

business

Inovest announces profit, dividend

● Board recommends distribution of 5pc stock dividends

● Consolidated operating income increased by 49pc

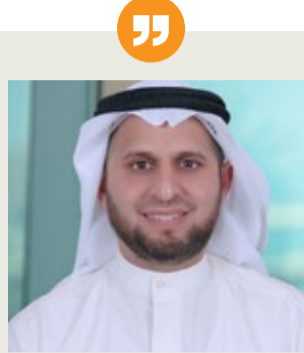
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Helped largely by an increase in management fees attributed to its subsidiary, Inovest posted a 26 per cent jump in its consolidated net profit attributable to the parent shareholders to US\$2.14 m from US\$1.70 m in the same quarter a year ago.

Earnings Per Share for the last quarter of 2019, amounted to US cents 0.76 as compared to Earnings Per Share of US cents 0.60 for the same period in 2018.

Net operating profit increased by 249pc to US\$2.07 m from US\$0.6 m for the same period last year.

Consolidated operating income for this quarter increased by 49pc to reach US\$6.3 m from US\$4.22 m in year ago quarter.



On an operational and administrative level, significant effort has been placed on strengthening our Group-wide network towards overcoming challenges, as well as creating greater efficacy through establishing professional standards for Group-wide progress and development

DR OMAR AL MUTAWA
INOVEST CHAIRMAN



Despite it being an economically difficult year in the market and region, we have, with the grace of God, managed to effectively implement the first year of our strategy and to further maintain positive financial indicators across the board; Return on Equity stands at 5pc, Return on Assets at 3pc, and in terms of liquidity, cash and bank balances represent a healthy 15pc of the total consolidated assets

YASSER AL JAR
CEO OF INOVEST

Full year results

For the year ended December 31st, 2019, consolidated net profit attributable to parent shareholders of US\$7.15 m, representing a 49pc decline as compared to US\$14.01 m for last year.

Inovest attributed the decline primarily to an expected decrease in revenue from the contracting activities, from completion of a major government project, and the capital gain from disposal of an investments that took place in the same period of last year.

Earnings Per Share of the parent company amounted to US cents 2.52 as compared to US cents 4.95 in 2018.

Consolidated net operating profit decreased by 51pc to US\$6.17 m from US\$12.52 m a year ago.

Equity Attributable to Parent Shareholders, increased by 1pc to stand at US\$138 m at the end of the December 31st, 2019 in comparison to US\$137 m at

2018 year-end.

Within the same period, INOVEST reported consolidated total assets of US\$244 m, representing a decrease of 9% in comparison to US\$267 m as of 2018 year-end

Operating income for 2019 dropped by 16pc from US\$23.74 m to US\$19.94 m.

Group's operating expenses increased, standing at US\$13.78 m in comparison to US\$11.22 m for 2018, reflecting an increase of 23pc.

The increase stems, as in previous quarters this year, from completion of a major government project and therein the reclassification of labour expenses within our contracting arm from a project level cost to an operational level until work begins on new construction projects, which is expected within 2020.

Dividend

The board recommended, a stock dividend distribution of 5pc of paid up capital subject to the approval of Central Bank of Bahrain and the Ministry of Industry and Commerce and Tourism.

Twitter says Olympics, IOC accounts hacked

Reuters

Twitter said yesterday that an official Twitter account of the Olympics and the International Olympic Committee's (IOC) media Twitter account had been hacked and temporarily locked.

The accounts were hacked through a third-party platform, a spokesperson for the social media platform said in an emailed statement, without giving further details.

"As soon as we were made aware of the issue, we locked the compromised accounts and are working closely with our partners to restore them," the Twitter spokesperson said.

A spokesperson for the IOC separately said that the IOC was investigating the potential breach.

Last month, the official Twitter accounts of several US National Football League (NFL) teams, including the San Francisco 49ers and Kansas City Chiefs, were hacked a few days ahead of the Super Bowl.

INOVEST.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019 (Audited)

(Amounts are expressed in thousands of US dollars)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2019		2019	2018	CONSOLIDATED STATEMENT OF INCOME For the year ended 31 December 2019		2019	2018	CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2019		2019	2018	
ASSETS				OPERATING INCOME				OPERATING ACTIVITIES				
Cash and bank balances		37,315	36,375	Net income from construction contracts		4,196	16,239	Net profit for the year		7,783	14,058	
Accounts receivable		18,672	32,656	Income from investment in real estate		8,327	3,073	Adjustments for:				
Investments		13,052	16,201	Income from investments		147	3,566	Depreciation		1,266	2,158	
Investment in a joint venture and associates		87,387	88,500	Fee for management and other services		3,411	953	Net recoveries from impaired receivables		(1,614)	(1,543)	
Investments in real estate		77,402	80,786	Net share of loss from investment in a joint venture and associates		(462)	(2,238)	Net share of loss from investment in a joint venture and associates		462	2,238	
Property, plant and equipment		9,982	11,146	Other income		4,325	2,142	Realised gain on sale of investment in real estate		(3,462)	(88)	
Other assets		521	1,305	TOTAL OPERATING INCOME		19,944	23,735	Unrealised fair value loss on investment in real estate		-	2,387	
TOTAL ASSETS		244,331	266,969	OPERATING EXPENSES				Realised gain on sale of investment in real estate		4,435	19,210	
LIABILITIES AND OWNERS' EQUITY				Staff costs		5,657	5,235	Net changes in operating assets and liabilities:				
Liabilities				General and administrative expenses		4,204	2,723	Short-term deposits (with an original maturity of more than 90 days)		(15,253)	68	
Other liabilities and accounts payable		75,369	93,389	Financing costs		469	703	Accounts receivable		12,791	9,273	
Financing from a bank		6,386	9,227	Property related expenses		2,273	1,651	Other liabilities and accounts payable		(17,938)	(8,867)	
Total liabilities		81,755	102,616	Depreciation		1,172	908	Other assets		784	2,713	
Owners' Equity				TOTAL OPERATING EXPENSES		13,775	11,220	Net cash (used in) / from operating activities		(15,181)	22,397	
Share capital		114,604	114,604	NET OPERATING PROFIT		6,169	12,515	INVESTING ACTIVITIES				
Less: Treasury shares		(1,239)	(1,239)	Recoveries from impaired receivables		1,614	1,543	Proceeds from sale of investment		3,149	-	
		113,365	113,365	PROFIT FOR THE YEAR		7,783	14,058	Purchase of non-controlling interest		(1,043)	-	
Reserves		4,073	3,358	Attributable to:				Impairment loss on a joint venture		-	1,516	
Retained earnings		20,529	19,808	Equity shareholders of the Parent		7,146	14,007	Additions in investment in real estate		(60)	(6,872)	
Equity attributable to Parent's shareholders		137,967	136,531	Non-controlling interest		637	51	Proceeds from sale of investment in real estate - net		6,906	610	
Non-controlling interest		24,609	27,822	BASIC AND DILUTED EARNINGS PER SHARE (US\$ cents)		2.52	4.95	Distributions received from a joint venture and associates		651	372	
Total owners' equity		162,576	164,353					Purchase of property, plant and equipment		(103)	(345)	
TOTAL LIABILITIES AND OWNERS' EQUITY		244,331	266,969					Dividends received from investments		-	719	
CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY												
For the year ended 31 December 2019												
		Equity attributable to Parent's shareholders					Non-controlling interest		Total owners' equity			
		Share capital	Treasury shares	Statutory reserve	Share option reserve	Retained earnings	Total equity					
At 1 January 2019		114,604	(1,239)	3,358	-	19,808	136,531	27,822	164,353			
Appropriation to charity funds		-	-	-	-	(50)	(50)	-	(50)			
Purchase of non-controlling interest		-	-	-	-	-	-	(1,043)	(1,043)			
Dividend paid		-	-	-	-	(5,660)	(5,660)	-	(5,660)			
Capital redemption		-	-	-	-	-	-	(2,807)	(2,807)			
Profit for the year		-	-	-	-	7,146	7,146	637	7,783			
Transfer to statutory reserve		-	-	715	-	(715)	-	-	-			
At 31 December 2019		114,604	(1,239)	4,073	-	20,529	137,967	24,609	162,576			
At 1 January 2018		114,604	(1,239)	1,957	42	7,036	122,400	27,771	150,171			
Cancellation of ESOP		-	-	-	(42)	166	124	-	124			
Profit for the year		-	-	-	-	14,007	14,007	51	14,058			
Transfer to statutory reserve		-	-	1,401	-	(1,401)	-	-	-			
At 31 December 2018		114,604	(1,239)	3,358	-	19,808	136,531	27,822	164,353			