

Gulf Air losses exposed

Parliamentary investigation committee unveils damning findings on national carrier

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The parliamentary investigation committee has submitted its report regarding the individuals accountable for the losses incurred by Gulf Air.

Spearheaded by MP Mohammed Almaarafi, the committee commenced its inquiry with a total of 10 meetings held, conducted interviews with representatives of the company, and collected evidence pertaining to the matter.

Gulf Air, founded in the 1950s by four families, operated under the authority of four governments: Bahrain, Qatar, Abu Dhabi, and Oman with a capital of BD130 million.

Some of the committee's investigation noteworthy revelations included:

1. Gulf Air's responses failed to disclose the magnitude of its losses, which are estimated to be around BD77 million.

2. The loss rose to 8.4% in 2022 due to the Russia-Ukraine war.

3. The committee revealed that the national carrier has not made any plans to fly to highly sought-after destinations, a missed opportunity that its competitors capitalised on.

4. Contrary to circulating numbers suggesting a figure of 35 affected by the company's restructuring, it issued a statement indicating that 22 employees were initially affected, 13 of which the company later reemployed.

"The report relied heavily on previous reports and the transparent correspondence with the company's trade union, unlike its board of directors," said MP Al Maarafi.

"Appealing to article 200 of Bahrain's Penal Code, holding the responsible for the losses is of utmost importance," he added.

The MP unveiled compelling documents to the house that



MP Mohammed Almaarafi



MP Khalid Saleh Buanaq



MP Basma Mubarak

purportedly showcased instances of vindictive termination against employees who had successfully prevailed in legal battles against the company. These documents shed light on a troubling pattern of retaliatory actions taken by the company, casting doubt on their commitment to fair labour practices and raising serious concerns about employee rights.

According to official sources, the national carrier received approximately BD48 million in subsidies in 2023. This financial support aims to facilitate the implementation of the company's plan to revitalise its capital and pursue a strategic approach towards effective spending.

MP Khalid Saleh Buanaq later showcased images of dilapidated machines worth thousands of

dinars purchased by Gulf Air, which have been left unused for years, a blatant example of irresponsible spending by the company.

In a written statement, MP Basma Mubarak has proposed five key recommendations for Gulf Air aiming to enhance the overall efficiency and transparency of Gulf Air. These recommendations include:

1. Solidifying financial performance and reducing reliance on state subsidies.

2. Expanding the airline's reach by introducing flights to new destinations.

3. Establishing a robust system of accountability to ensure responsible and transparent operations.

4. Boosting Bahrainisation in the company.

5. Enhancing transparency in disclosing the company's financial transactions

In response to the concerns expressed by the MPs, H.E. Minister of Transportation Mohamed bin Thamer AlKaabi highlighted reports from reputable aviation organisations like IATA (International Air Transport Association) and ICAO (International Civil Aviation Organization) that underscored the significant financial repercussions endured by the entire airline industry as a direct consequence of the pandemic.



From chaos to safety

After strong winds swept through various areas of Bahrain on Monday, the government swiftly acted to ensure public safety and minimize property damage. The Daily Tribune observed crews removing damaged light poles and replacing them with new, securely cemented bases in locations such as Mahooz and Um Al-Hassam. The Cabinet discussed measures to address the weather-related damage and directed authorities to document and manage it. These efforts, in line with the Cabinet's decision, aim to prevent further incidents and ensure the safety of both people and property. (By Ashen Tharaka)

Kidnappers imprisoned

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The High Criminal Court has handed down a verdict, sentencing one defendant to one month in prison and another defendant to three years in prison for their involvement in the kidnapping of a man who was riding his scooter in a residential area.

The defendants took the victim to their apartment in the country and physically assaulted him before stealing his belongings. According to the details, the victim was riding his scooter to a restaurant when he was approached by a GCC man, aged 36, who grabbed him by the neck and demanded that he accompany him to a car.

The man then took him to the apartment where they resided in a hotel. Upon entering the apartment, the man pushed the victim onto a billiard table, locked the door, and called out to the second man, aged 29, who was present.

The second man joined in the assault, punching the victim in various parts of his body, hitting him on the head and hand with a wooden staircase, and restraining him with a curtain rope.

The second man also managed to steal the victim's mobile phone and the key to his scooter.

The victim remained confined in the apartment for some time while bound. During this period, he noticed a mobile phone charging in the room and took advantage of the kidnappers' absence.

He closed the room's door and called the police for help without the kidnappers noticing.



SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023	31 DEC 2023	31 DEC 2022	01 JAN 2022
Amounts are in Bahraini Dinars			
ASSETS		As restated	As restated
Cash and Bank Balances	14,053,271	13,668,584	11,151,143
Mudaraba deposit	1,150,000	1,000,000	500,000
Statutory deposit	97,000	96,016	95,052
Insurance and other receivables	870,733	511,674	252,676
Financial assets at fair value through other comprehensive income	6,158,282	6,054,095	4,507,671
Financial assets at fair value through profit or loss	6,445,525	4,971,554	5,695,149
Reinsurance contract assets	868,630	802,127	965,413
Investment property	538,357	538,357	538,357
Right of use assets	927,101	785,539	—
Property, plant and equipment	892,835	550,818	261,812
Total assets	32,001,734	28,978,764	23,967,273
LIABILITIES			
Insurance contract liabilities	11,242,353	9,945,079	8,562,867
Reinsurance contract liabilities	134,155	183,158	6,082
Lease liabilities	888,438	726,418	—
Other liabilities and provisions	2,878,002	2,566,501	1,348,235
	15,142,948	13,421,156	9,917,184
EQUITY			
Share capital	5,000,000	5,000,000	5,000,000
Statutory reserve	2,500,000	2,500,000	2,500,000
Investment Fair value reserve	77,505	65,183	253,806
Retained earnings	9,281,281	7,992,425	6,296,283
Total equity	16,858,786	15,557,608	14,050,089
Total equity and liabilities	32,001,734	28,978,764	23,967,273

These financial statements have been audited by BDO.

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

	YEAR ENDED 31 DECEMBER 2023	YEAR ENDED 31 DECEMBER 2022
Amounts are in Bahraini Dinars		
Insurance revenue	10,371,996	8,570,176
Insurance service expenses	(7,712,815)	(5,821,608)
Insurance service result before reinsurance contracts held	2,659,181	2,748,568
Allocation of reinsurance premiums	(287,623)	(369,926)
Amounts recoverable from reinsurers for incurred claims	40,217	(134,761)
Net expense from reinsurance contracts	(247,406)	(504,687)
Insurance service results	2,411,775	2,243,881
Insurance finance expenses for insurance contracts issued	(331,606)	(127,213)
Reinsurance finance income for reinsurance contracts held	31,877	16,734
Net financial (expense)/income	(299,729)	(110,479)
Other insurance income	1,366,577	846,501
Net financial results from insurance operations	3,478,623	2,979,903
Income from investments	1,896,833	672,850
Indirect portion of income/(expenses):		
Staff costs	(146,827)	(134,706)
General and Administrative expenses	(189,551)	(158,759)
Amortisation of right-of-use assets	(7,571)	—
Depreciation	(18,261)	(6,084)
Directors' remuneration	(350,000)	(250,000)
Charity expense	(40,000)	(40,000)
Other Income	165,610	7938
	(586,600)	(581,611)
NET PROFIT FOR THE YEAR	4,788,856	3,071,142
Basic and diluted earnings per share	958 Fils	614 Fils

STATEMENT OF COMPREHENSIVE INCOME

Net Profit for the Period	4,788,856	3,071,142
Other Comprehensive Income/(loss):		
Items that will or may be reclassified to profit or loss:		
Valuation gains/(losses) in financial assets FVOCI	12,322	(188,623)
Total comprehensive income for the period	4,801,178	2,882,519

These financial Statements were approved and authorised for issue by the Board of Directors and signed on its behalf by:

Abdulaziz Alnowaiser
Chairman

Sameer Ebrahim Al-Wazzan
Vice Chairman

Maysa A. Al-Kooheji
Chief Executive Officer