

**MEDICARE GROUP (Q.P.S.C.)**

**UNAUDITED INTERIM CONDENSED  
FINANCIAL STATEMENTS**

**30 SEPTEMBER 2020**

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# Medicare Group (Q.P.S.C.)

## INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2020

	Notes	30 September 2020 (Unaudited) QR	31 December 2019 (Audited) QR
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	4	967,051,776	949,218,568
Right-of-use of assets		62,880,655	66,464,025
Investment Properties		25,814,655	25,814,655
Investments at fair value through other comprehensive income		61,695,348	63,333,725
		<u>1,117,442,434</u>	<u>1,104,830,973</u>
<b>Current assets</b>			
Inventories		22,886,145	21,508,672
Accounts receivable and prepayments	5	91,253,974	93,163,340
Cash and bank balances	6	46,110,217	75,319,680
		<u>160,250,336</u>	<u>189,991,692</u>
<b>Total assets</b>		<u><b>1,277,692,770</b></u>	<u><b>1,294,822,665</b></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		281,441,000	281,441,000
Legal reserve		91,637,240	91,637,240
Fair value reserve		7,300,404	9,044,099
Revaluation surplus		556,848,120	559,467,700
Retained earnings		52,943,265	79,480,102
<b>Total equity</b>		<u>990,170,029</u>	<u>1,021,070,141</u>
<b>Non-current liabilities</b>			
Lease liabilities		62,590,556	64,372,788
Bank Facilities		25,501,474	19,083,163
Employees' end of service benefits		70,235,675	65,654,308
		<u>158,327,705</u>	<u>149,110,259</u>
<b>Current liabilities</b>			
Accounts payable and accruals		111,236,202	108,367,966
Lease liabilities		2,545,538	3,404,108
Bank facilities		14,399,031	11,448,630
Retention payable		1,014,265	1,421,561
		<u>129,195,036</u>	<u>124,642,265</u>
<b>Total liabilities</b>		<u>287,522,741</u>	<u>273,752,524</u>
<b>Total equity and liabilities</b>		<u><b>1,277,692,770</b></u>	<u><b>1,294,822,665</b></u>

These interim condensed financial statements were approved and signed on behalf of the Board of Directors by the following on 20 October 2020.

  
 Abdulla Bin Thani Bin Abdulla Al-Thani  
 Chairman

  
 Khalid Mohammed Al-Emadi  
 Chief Executive Officer

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

## Medicare Group (Q.P.S.C.)

### INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month and nine-month period ended 30 September 2020

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Operating income		<b>132,548,329</b>	109,227,692	<b>347,183,629</b>	356,109,845
Operating costs	7	<b>(82,380,150)</b>	(67,826,665)	<b>(213,946,938)</b>	(218,327,917)
<b>Gross profit</b>		<b>50,168,179</b>	41,401,027	<b>133,236,691</b>	137,781,928
Income from deposit with an Islamic bank		<b>71,207</b>	373,733	<b>251,739</b>	1,085,280
Other income		<b>1,837,466</b>	1,148,957	<b>7,906,239</b>	6,993,386
General and administrative expenses	8	<b>(24,938,685)</b>	(22,570,126)	<b>(68,843,483)</b>	(71,812,033)
Depreciation of property and equipment		<b>(5,782,667)</b>	(7,635,119)	<b>(16,997,650)</b>	(22,862,279)
Depreciation of right-of-use assets		<b>(1,116,911)</b>	(1,171,811)	<b>(3,433,818)</b>	(3,461,235)
Reversal of expected credit losses on due from banks		-	-	<b>45,395</b>	-
Provision for expected credit losses on trade receivables		-	(450,000)	-	(727,538)
Finance costs		<b>(814,262)</b>	(964,985)	<b>(2,518,050)</b>	(3,028,806)
<b>Net Profit for the period</b>		<b>19,424,327</b>	10,131,676	<b>49,647,063</b>	43,968,703
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Net (loss) gain from investments at fair value through other comprehensive income		<b>3,666,986</b>	3,657,256	<b>(1,743,695)</b>	8,306,935
<b>Other comprehensive income (loss) for the period</b>		<b>3,666,986</b>	3,657,256	<b>(1,743,695)</b>	8,306,935
<b>Total comprehensive income for the period</b>		<b>23,091,313</b>	13,788,932	<b>47,903,368</b>	52,275,638
<b>Basic and diluted earnings per share (expressed in Qatari Riyals per share)</b>		<b>0.07</b>	0.04	<b>0.18</b>	0.16

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

## Medicare Group (Q.P.S.C.)

### INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2020

	<i>Share capital</i> <i>QR</i>	<i>Legal reserve</i> <i>QR</i>	<i>Fair value reserve</i> <i>QR</i>	<i>Revaluation surplus</i> <i>QR</i>	<i>Retained earnings</i> <i>QR</i>	<i>Total</i> <i>QR</i>
Balance at 1 January 2019 (Audited)	281,441,000	83,817,363	(2,230,652)	563,478,921	91,477,253	1,017,983,885
Net profit for the period	-	-	-	-	43,968,703	43,968,703
Other comprehensive income	-	-	8,306,935	-	-	8,306,935
Total comprehensive income	-	-	8,306,935	-	43,968,703	52,275,638
Dividends	-	-	-	-	(84,432,300)	(84,432,300)
Transfer of depreciation of revalued assets	-	-	-	(3,358,609)	3,358,609	-
Balance at 30 September 2019 (Unaudited)	<u>281,441,000</u>	<u>83,817,363</u>	<u>6,076,283</u>	<u>560,120,312</u>	<u>54,372,265</u>	<u>985,827,223</u>
<b>Balance at 1 January 2020 (Audited)</b>	<b>281,441,000</b>	<b>91,637,240</b>	<b>9,044,099</b>	<b>559,467,700</b>	<b>79,480,102</b>	<b>1,021,070,141</b>
Net profit for the period	-	-	-	-	49,647,063	49,647,063
Other comprehensive income	-	-	(1,743,695)	-	-	(1,743,695)
Total comprehensive income	-	-	(1,743,695)	-	49,647,063	47,903,368
Dividends	-	-	-	-	(78,803,480)	(78,803,480)
Transfer of depreciation of revalued assets	-	-	-	(2,619,580)	2,619,580	-
<b>Balance at 30 September 2020 (Unaudited)</b>	<u><b>281,441,000</b></u>	<u><b>91,637,240</b></u>	<u><b>7,300,404</b></u>	<u><b>556,848,120</b></u>	<u><b>52,943,265</b></u>	<u><b>990,170,029</b></u>

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

# Medicare Group (Q.P.S.C.)

## INTERIM STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2020

	Notes	30 September 2020 (Unaudited) QR	30 September 2019 (Unaudited) QR
<b>OPERATING ACTIVITIES</b>			
Net profit for the period		49,647,063	43,968,703
<i>Adjustments for:</i>			
Depreciation of property and equipment	4	16,997,650	22,862,279
Depreciation of right-of-use assets		3,433,818	3,461,235
Provision for obsolete and slow moving inventories		-	296,427
Provision for expected credit losses on trade receivables		-	727,538
Provision for employees' end of service benefits		6,854,932	7,150,791
Gain on sale of equipment		(22,105)	-
Finance cost		2,518,050	3,028,806
Gain from rent concession		(2,250,000)	-
Loss on derecognition of lease liability		2,667	-
Income from deposits with an Islamic bank		(251,739)	(1,085,280)
Dividend Income		(2,563,807)	(2,575,155)
Operating profit before working capital changes		74,366,529	77,835,344
<i>Working capital changes:</i>			
Inventories		(1,377,473)	(725,391)
Accounts receivable and prepayments		1,648,757	(9,440,130)
Accounts payable and accruals		4,396,725	7,642,439
Retention payable		(407,296)	2,320,798
Cash generated from operations		78,627,242	77,633,060
Employees' end of service benefits paid		(2,273,565)	(3,298,382)
Contribution paid to social and sports fund		(1,954,969)	(2,112,783)
Finance cost paid		(40,966)	(3,028,806)
Net cash flow from operating activities		74,357,742	69,193,089
<b>INVESTING ACTIVITIES</b>			
Additions to property and equipment	4	(34,830,858)	(39,864,085)
Proceeds from sale of equipment		22,105	-
Net movement in deposits with maturity of more than 90 days		35,000,000	5,000,000
Additional investments at fair value through other comprehensive income		(105,318)	-
Income received from deposits with an Islamic bank		512,348	708,057
Dividend income received		2,563,807	2,575,155
Net cash flow from (used in) investing activities		3,162,084	(31,580,873)
<b>FINANCING ACTIVITIES</b>			
Cash dividends paid		(78,376,999)	(81,342,169)
Additional bank facilities during the period		21,299,338	19,000,000
Payment of lease liabilities		(2,721,000)	(2,539,745)
Repayment of bank facilities		(11,930,628)	(14,132,540)
Net cash flow used in financing activities		(71,729,289)	(79,014,454)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		5,790,537	(41,402,238)
Cash and cash equivalents at the beginning of the period		40,319,680	53,638,410
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	6	<b>46,110,217</b>	<b>12,236,172</b>

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

# Medicare Group (Q.P.S.C.)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2020

### 1. REPORTING ENTITY

Medicare Group Q.P.S.C. (formerly known as “Al Ahli Specialized Hospital Company Q.S.C.”) is a Qatari Public Shareholding Company incorporated on 30 December 1996 under the Commercial Registration number 18895. The Company’s main activity is the operation of a specialized hospital and promoting medical services in the State of Qatar. The Company’s registered office address is at Ahmed Bin Ali Street, Wadi Al Sail, Doha, State of Qatar, P.O. Box 6401. The Company is listed on the Qatar Stock Exchange.

The Company provides medical services through Al Ahli Hospital located in Wadi Al Sail. The Company also operates a medical clinic center in Al Wakrah which has commenced its operations during February 2019.

The interim condensed financial statements of the Company for the nine months ended 30 September 2020 were authorized for issue in accordance with a resolution of the Board of Directors on 20 October 2020.

### 2. BASIS OF PREPARATION

These interim condensed financial statements of the Company are prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2019. In addition, results for the nine month period ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

### 3. USES OF JUDGEMENTS AND ESTIMATES

In preparing these interim condensed financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements as at and for the year ended 31 December 2019.

### 4. PROPERTY AND EQUIPMENT

	<i>30 September 2020 (Unaudited) QR</i>	<i>31 December 2019 (Audited) QR</i>
Net book value at 1 January	949,218,568	942,705,452
Additions	34,830,858	55,100,304
Reclassification to investment properties	-	(25,814,655)
Disposals	(124,000)	-
Depreciation charge for the period / year	(16,997,650)	(22,772,533)
Accumulated depreciation of disposals	124,000	-
Net book value at the end of the period / year	<u>967,051,776</u>	<u>949,218,568</u>

## Medicare Group (Q.P.S.C.)

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2020

#### 5. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<i>30 September 2020</i>	<i>31 December 2019</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>QR</i>	<i>QR</i>
Trade receivables	<b>139,402,838</b>	143,235,476
Advance to suppliers	<b>12,654,193</b>	12,470,148
Staff receivables	<b>5,332,131</b>	4,533,214
Prepaid expenses	<b>4,130,224</b>	2,367,456
Due from investment securities broker	<b>3,891,346</b>	3,996,665
Refundable deposits	<b>1,131,678</b>	1,234,647
Other receivables	<b>926,397</b>	1,552,655
	<b>167,468,807</b>	169,390,261
Less: Provision for expected credit losses on trade receivables	<b>(76,214,833)</b>	(76,226,921)
	<b>91,253,974</b>	93,163,340

#### 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	<i>30 September 2020</i>	<i>31 December 2019</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>QR</i>	<i>QR</i>
Cash in hand	<b>156,803</b>	70,547
Cash at bank	<b>45,953,414</b>	40,294,528
Short term deposits	-	35,000,000
Less: Provision for expected credit losses on due from the banks	-	(45,395)
Total cash & bank balances	<b>46,110,217</b>	75,319,680
Less: Deposits with original maturities of more than 90 days	-	(35,000,000)
Cash and cash equivalents	<b>46,110,217</b>	40,319,680



# Medicare Group (Q.P.S.C.)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2020

### 7. OPERATING COSTS

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Staff costs	<b>48,035,207</b>	43,415,376	<b>128,474,333</b>	136,771,442
Medications and surgical costs	<b>24,739,582</b>	16,314,647	<b>61,147,789</b>	57,604,639
Doctors' charges	<b>7,246,702</b>	5,254,315	<b>18,189,547</b>	15,760,796
Utilities	<b>1,214,733</b>	1,206,064	<b>2,922,432</b>	3,113,334
Food Cost	<b>752,199</b>	940,940	<b>1,803,945</b>	3,013,998
Fuel expenses	<b>240,805</b>	394,996	<b>890,764</b>	1,113,668
Security expenses	<b>150,922</b>	213,400	<b>518,128</b>	653,613
Provision for slow moving inventories	-	86,927	-	296,427
	<b>82,380,150</b>	<b>67,826,665</b>	<b>213,946,938</b>	<b>218,327,917</b>

### 8. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Staff costs	<b>16,306,031</b>	14,515,034	<b>42,207,869</b>	45,529,077
Maintenance & repairs	<b>2,265,071</b>	1,329,789	<b>6,942,804</b>	5,398,442
Outsourced staff costs	<b>1,328,764</b>	1,390,409	<b>4,321,642</b>	4,386,033
Insurance	<b>472,741</b>	883,487	<b>2,201,124</b>	2,671,577
Board of Directors' Remuneration	<b>1,106,304</b>	356,286	<b>2,128,016</b>	1,486,172
Cleaning	<b>629,016</b>	711,922	<b>2,047,572</b>	2,230,132
Advertisement and promotions	<b>632,230</b>	519,829	<b>1,843,390</b>	2,080,026
Telephone and fax	<b>529,474</b>	836,182	<b>1,545,327</b>	2,585,030
IT development	<b>528,126</b>	533,727	<b>1,432,612</b>	1,306,969
Legal and professional fees	<b>208,100</b>	653,870	<b>1,291,612</b>	1,289,331
Bank charges	<b>295,525</b>	269,305	<b>841,533</b>	794,439
Printing and stationary	<b>156,947</b>	179,670	<b>518,802</b>	688,466
Government expenses	<b>164,704</b>	92,177	<b>403,028</b>	544,289
Others	<b>315,652</b>	298,439	<b>1,118,152</b>	822,050
	<b>24,938,685</b>	<b>22,570,126</b>	<b>68,843,483</b>	<b>71,812,033</b>