Medicare Group Q.S.C.

FINANCIAL STATEMENTS

31 DECEMBER 2014

Building a better
working world

Ernst & Young - (Qatar Branch)
P.O. Box 164
Burj Al Gassar, 24th floor
Majlis Al Taawon Street, Onaiza
West Bay
Doha, State of Qatar

Tel: +974 4457 4111
Fax: +974 4441 4649
doha@qa.ey.com
ey.com/mena

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEDICARE GROUP Q.S.C.

Report on the financial statements

We have audited the accompanying financial statements of Medicare Group Q.S.C. (the "Company"), which comprise the statement of financial position as at 31 December 2014, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

Board of Directors' are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors' determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEDICARE GROUP Q.S.C. (CONTINUED)

Report on other legal and regulatory requirements

Furthermore, in our opinion proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles, and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Company or on its financial position.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 8 February 2015
Doha

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Notes	*2014* *QR*	*2013* *QR*
Operating income		**528,495,904**	417,785,227
Operating costs	3	**(243,737,114)**	(221,981,277)
GROSS PROFIT		**284,758,790**	195,803,950
Income from deposits with an Islamic bank		**1,887,633**	1,517,160
Other income	4	**15,615,333**	12,916,862
General and administrative expenses	5	**(99,062,485)**	(92,752,195)
Depreciation of property and equipment	8	**(21,678,733)**	(28,015,814)
PROFIT FOR THE YEAR		**181,520,538**	89,469,963
BASIC AND DILUTED EARNINGS PER SHARE (expressed in Qatari Riyals per share)	6	**6.45**	3.18

The attached notes 1 to 28 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Note	2014 QR	2013 QR
PROFIT FOR THE YEAR		**181,520,538**	89,469,963
Other comprehensive income			
Net gain on financial investments at fair value through other comprehensive income and available-for-sale financial assets	7	**24,067,387**	6,060,935
Other comprehensive income for the year		**24,067,387**	6,060,935
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**205,587,925**	95,530,898

The attached notes 1 to 28 form part of these financial statements.

Medicare Group Q.S.C.

STATEMENT OF FINANCIAL POSITION
At 31 December 2014

	Notes	*2014* *QR*	*2013* *QR*
ASSETS			
Non-current assets			
Property and equipment	8	**584,894,699**	589,413,528
Financial investments at fair value through other comprehensive income	9	**38,874,013**	35,972,509
Available-for-sale financial assets	10	**20,152,922**	4,501,914
		643,921,634	629,887,951
Current assets			
Inventories	11	**31,291,026**	27,941,796
Assets of a disposal group classified as held for sale	12	**-**	685,215
Accounts receivable and prepayments	13	**177,455,038**	97,797,841
Cash and bank balances	14	**186,639,501**	155,577,757
		395,385,565	282,002,609
TOTAL ASSETS		**1,039,307,199**	911,890,560
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**281,441,000**	281,441,000
Legal reserve	16	**42,813,329**	24,661,275
Fair value reserve		**6,234,677**	(264,459)
Revaluation surplus		**409,645,511**	413,312,869
Retained earnings		**185,433,198**	89,799,418
Total equity		**925,567,715**	808,950,103
Non-current liability			
Employees' end of service benefits	18	**34,702,629**	28,002,446
Current liabilities			
Accounts payable and accruals	19	**79,036,855**	60,174,760
Retention payable		**-**	14,763,251
		79,036,855	74,938,011
Total liabilities		**113,739,484**	102,940,457
TOTAL EQUITY AND LIABILITIES		**1,039,307,199**	911,890,560

....
Abdulla Bin Thani Bin Abdulla Al-Thani

Chairman

....
Khalid Mohammed Al-Emadi

Chief Executive Officer

The attached notes 1 to 28 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Share capital *QR*	*Legal reserve* *QR*	*Fair value reserve* *QR*	*Revaluation surplus* *QR*	*Retained earnings* *QR*	*Total equity* *QR*
Balance at 1 January 2014	281,441,000	24,661,275	(264,459)	413,312,869	89,799,418	808,950,103
Profit for the year	-	-	-	-	181,520,538	181,520,538
Other comprehensive income	-	-	24,067,387	-	-	24,067,387
Total comprehensive income	-	-	24,067,387	-	181,520,538	205,587,925
Transfer to legal reserve	-	18,152,054	-	-	(18,152,054)	-
Transfer of depreciation of revalued assets	-	-	-	(3,667,358)	3,667,358	-
Transfer relating to disposal of financial investments at fair value through other comprehensive income	-	-	(17,568,251)	-	17,568,251	-
Contribution to social and sports fund (Note 20)	-	-	-	-	(4,538,013)	(4,538,013)
Cash dividends paid to shareholders (Note 17)	-	-	-	-	(84,432,300)	(84,432,300)
Balance at 31 December 2014	**281,441,000**	**42,813,329**	**6,234,677**	**409,645,511**	**185,433,198**	**925,567,715**

	Share capital *QR*	*Legal reserve* *QR*	*Fair value reserve* *QR*	*Revaluation surplus* *QR*	*Retained earnings* *QR*	*Total equity* *QR*
Balance at 1 January 2013	281,441,000	15,714,279	1,460,898	416,985,443	50,713,714	766,315,334
Profit for the year	-	-	-	-	89,469,963	89,469,963
Other comprehensive income	-	-	6,060,935	-	-	6,060,935
Total comprehensive income	-	-	6,060,935	-	89,469,963	95,530,898
Transfer to legal reserve	-	8,946,996	-	-	(8,946,996)	-
Transfer of depreciation of revalued assets	-	-	-	(3,672,574)	3,672,574	-
Transfer relating to disposal of financial investments at fair value through other comprehensive income			(7,786,292)		7,786,292	
Contribution to social and sports fund (Note 20)	-	-	-	-	(2,236,749)	(2,236,749)
Cash dividends paid to shareholders (Note 17)	-	-	-	-	(50,659,380)	(50,659,380)
Balance at 31 December 2013	281,441,000	24,661,275	(264,459)	413,312,869	89,799,418	808,950,103

The attached notes 1 to 28 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Notes	2014 QR	2013 QR
OPERATING ACTIVITIES			
Profit for the year		**181,520,538**	89,469,963
Adjustments for:			
Depreciation of property and equipment	8	**21,678,733**	28,015,814
Provision for employees' end of service benefits	18	**9,442,545**	7,538,105
Impairment allowance for bad and doubtful debts	13	**14,156,974**	16,588,616
Provision for obsolete and slow moving inventories	11	**1,398,740**	753,724
Bad debts written off	13	**5,729,952**	-
Impairment loss on available-for-sale financial assets	5	**796,976**	-
Provision for impairment of assets of a disposal group classified as held for sale	12	**685,215**	-
Gain on disposal of available-for-sale financial assets	4	**(1,812,617)**	(840,387)
Gain on disposal of property and equipment		**-**	(29,918)
Income from deposits with an Islamic bank		**(1,887,633)**	(1,517,160)
Dividend income	4	**(2,496,100)**	(2,483,734)
Operating profit before working capital changes:		**229,213,323**	137,495,023
Working capital changes:			
Inventories		**(4,747,970)**	(10,601,010)
Accounts receivable and prepayments		**(99,042,314)**	(36,471,597)
Accounts payable and accruals		**16,560,831**	9,683,772
Retention payable		**(14,763,251)**	-
Cash from operating activities:		**127,220,619**	100,106,188
Paid contribution to social and sports fund		**(2,236,749)**	(1,120,336)
Employees' end of service benefits paid	18	**(2,742,362)**	(3,430,667)
Net cash flows from operating activities		**122,241,508**	95,555,185
INVESTING ACTIVITIES			
Purchase of property and equipment	8	**(17,159,904)**	(12,792,091)
Proceeds from disposal of property and equipment		**-**	43,828
Net movement in term deposits		**(29,963,010)**	(100,100,000)
Income from deposits with an Islamic bank		**1,385,824**	1,060,445
Purchase of available-for-sale financial assets		**(39,659,632)**	(26,615,798)
Proceeds from sale of available-for-sale financial assets		**46,190,148**	40,724,589
Dividend income received	4	**2,496,100**	2,483,734
Net cash flows used in investing activities		**(36,710,474)**	(95,195,293)
FINANCING ACTIVITY			
Dividends paid	17	**(84,432,300)**	(50,659,380)
Net cash flows used in financing activity		**(84,432,300)**	(50,659,380)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,098,734**	(50,299,488)
Cash and cash equivalents at 1 January		**25,477,757**	75,777,245
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14	**26,576,491**	25,477,757

The attached notes 1 to 28 form part of these financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Medicare Group Q.S.C., formerly known as Al Ahli Specialised Hospital Company Q.S.C., is a Qatari Shareholding Company incorporated on 30 December 1996 under commercial registration number 18895. The Company's main activity is to operate a specialised hospital and promote medical services in the State of Qatar.

The Company's registered office address is P.O. Box 6401 Doha, State of Qatar. The Company is a listed entity in the Qatar Exchange.

The financial statements of the Company for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 8 February 2015.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and applicable requirements of Qatar Commercial Companies' Law No. 5 of 2002.

The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, available-for-sale financial assets and land and building which are carried at fair value.

The financial statements are presented in Qatari Riyals ("QR'), which is the Company's functional and presentational currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to financial statements are disclosed in Note 27.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective as of 1 January 2014.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Company, since the Company does not qualify to be an investment entity under IFRS 10.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Company.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Company.

Annual Improvements 2010-2012 cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the basis for conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and disclosures (continued)

Annual Improvements 2011-2013 cycle
In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the basis for conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Company, since the Company is an existing IFRS preparer.

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

IFRS 14 Regulatory Deferral Accounts
IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Company is an existing IFRS preparer, this standard would not apply.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. It is not expected that this amendment would be relevant to the Company, since Company has no defined benefit plans with contributions from employees or third parties.

Annual improvements 2010-2012 cycle
These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:

IFRS 2 Share-based Payment
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

Annual improvements 2010-2012 cycle (continued)

IFRS 2 Share-based Payment (continued)

- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarifies that:

- An entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual improvements 2011-2013 cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

Annual improvements 2011-2013 cycle (continued)

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 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company as the Company does not have any bearer plants.

Amendments to IAS 27: Equity Method in Separate Financial Statements
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Company's financial statements.

The Company has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies

Revenue

Medical services:
The revenue is recognized when the medical services are performed.

Profit from term deposits and saving accounts:
Profit is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable.

Rent:
Rental income is recognised when earned based on actual occupancy for the premises.

Dividend income:
Dividend income from investments is recognised when the Company's right to receive payment is established.

Property and equipment
Land and buildings held for use in the Company's operations are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity under revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. In addition, part of the reserve is transferred over the period for which the asset is used by the Company. The amount of the reserve transferred is the difference between the depreciation charge based on the revalued carrying amount of the asset and the depreciation charge based on the asset's original cost. The transfer from revaluation reserve to retained earnings, whether on disposal or on a systematic basis over the life of the asset, is not made through profit or loss.

Capital work-in-progress is stated at cost. When the asset is ready for its intended use, it is transferred from capital work-in-progress to the appropriate category under property, plant and equipment and depreciated in accordance with the Company's policies.

Depreciation is charged on straight line basis on all property and equipment at rates calculated to write off the cost of each asset over its estimated useful life. Land and capital work in progress are not depreciated. The rates of depreciation are based upon the following estimated useful lives:

Buildings	40 years
Office equipment	5 years
Medical equipment	7 years
Equipment & tools	5 years
Vehicles	5 years
Future & fixtures	4-5 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income when the asset is derecognised.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Property and equipment (continued)
The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Financial investments at fair value through other comprehensive income (FVTOCI)
At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income ("FVTOCI"). Designation at FVTOCI is not permitted if the equity investment is held for trading.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

Available-for-sale financial assets
Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are recognised initially at fair value plus transaction costs. After initial recognition, available-for-sale financial assets are subsequently remeasured at fair value, with any resultant gain or loss directly recognised as a separate component of equity under other comprehensive income until the investment is sold, collected, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of income for that year. Interest earned on the investments is reported as interest income using the effective interest rate. Dividends earned on investments are recognised in the statement of income as "Dividend income" when the right to receive dividend has been established. All regular way purchases and sales of investment are recognised on the trade date when the Company becomes or commits to be a party to contractual provisions of the instrument.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models. For investment in funds, fair value is determined by reference to net asset values provided by the fund administrators.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the statement of income, is transferred from equity to the statement of income. Impairment losses on equity instruments recognised in the statement of income are not subsequently reversed. Reversals of impairment losses on debt instruments are reversed through the statement of income; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the statement of income.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition. Cost is determined on weighted average basis.

Net realisable value is based on estimated usage / selling price in the ordinary course of business less estimated costs necessary to make the sale.

Assets of disposal group classified as held for sale
Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset.

Assets (or disposal groups) classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Impairment of non-financial assets
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Trade and other receivables
Accounts receivable are carried at original invoiced amounts less provision, if any for non-collectability of these receivables. An allowance for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, balances with banks and deposits with original maturities of less than three months.

Derecognition of financial assets and liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is derecognised where:
- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Employees' end of service benefits and pension
The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Qatar Labor Law and the employees' contracts and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

Under Law No. 24 of 2002 on Retirement and Pension, the Company is required to make contributions to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

Trade payable and accruals
Liabilities are recognised for amounts to be paid in future for goods or services received whether or not billed to the Company.

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Impairment and uncollectibility of financial assets
An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, an impairment loss is recognised in the statement of income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value;
(b) For assets carried at cost, impairment is the difference between cost and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Foreign currency translation
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting date. All differences are taken to the statement of income.

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if the right is not explicitly specified in an arrangement.

Company as lessor
Leases where the Company does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Company as lessee
Operating lease payments are recognised as an expense in the statement of income on a straight line basis over the lease term.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Current versus non-current classification
The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:
- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Fair value measurement
The Company measures financial instruments such as financial investments at fair value through other comprehensive income and Available-for-sale financial assets, at fair value at each balance sheet date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised as below:

• Quantitative disclosures of fair value measurement hierarchy	Note 23
• Property and equipment under revaluation model	Note 23
• Financial instruments	Note 9 and 10

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3 OPERATING COSTS

	2014 *QR*	*2013* *QR*
Staff costs	**145,983,817**	125,339,547
Medications and surgical costs (inventories recognised as cost of sales)	**76,980,361**	66,028,965
Community doctors expenses	**12,141,897**	23,875,136
Food cost	**3,211,940**	2,687,393
Utilities	**2,826,333**	2,453,982
Provision for obsolete and slow moving inventories (Note 11)	**1,398,740**	753,724
Fuel expenses	**574,981**	523,277
Other direct cost	**619,045**	319,253
	243,737,114	221,981,277

4 OTHER INCOME

	2014 *QR*	*2013* *QR*
Rental income	**5,777,958**	5,642,656
Write back of prior year accruals	**3,660,663**	1,772,677
Dividend income	**2,496,100**	2,483,734
Gain on disposal of available-for-sale financial assets	**1,812,617**	840,387
Catering income	**1,455,021**	1,507,805
Miscellaneous income	**412,974**	669,603
	15,615,333	12,916,862

5 GENERAL AND ADMINISTRATIVE EXPENSES

	2014 *QR*	*2013* *QR*
Staff costs	**51,855,606**	49,693,392
Impairment allowance for bad and doubtful debts (Note 13)	**14,156,974**	16,588,616
Board of Directors' remuneration	**8,543,016**	5,228,376
Maintenance and repairs	**4,596,408**	5,140,128
Outsourcing call centre and helpers	**3,430,654**	2,464,684
Security and cleaning	**2,784,999**	2,443,058
Compensations	**2,746,924**	-
Advertisement and promotion	**1,987,746**	2,968,159
Legal and professional fees	**1,199,734**	1,782,393
Charity	**1,194,944**	1,000,000
Telephone and fax	**1,143,196**	1,295,567
Insurance	**1,119,157**	1,613,203
Impairment loss on available-for-sale financial assets	**796,976**	-
Provision for impairment of assets of a disposal group classified as held for sale (Note 12)	**685,215**	-
Governmental expenses	**675,777**	430,275
Bank charges	**598,425**	695,753
Recruitment expenses	**415,943**	342,191
Travel expenses	**339,675**	185,880
Printing and stationery	**86,116**	318,659
Medical waste	**406,239**	412,947
Others	**298,761**	148,914
	99,062,485	92,752,195

6 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

There were no potentially dilutive shares outstanding at any time during the year and, therefore, the diluted earnings per share is equal to the basic earnings per share.

The following reflects the income and shares data used in the basic and diluted earnings per share computations:

	2014	*2013*
Net profit attributable to ordinary shareholders of the Company for basic earnings (in QR)	**181,520,538**	89,469,963
Weighted average number of ordinary shares outstanding during the year	**28,144,100**	28,144,100
Basic and diluted earnings per share (QR)	**6.45**	3.18

7 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2014 *QR*	*2013* *QR*
Movements of other comprehensive income		
Net gain on financial investments at fair value through other comprehensive income and available-for-sale financial assets		
Net movement in fair value reserve of financial investments	**24,067,387**	6,060,935
Total effect on other comprehensive income resulting from financial investments at fair value through other comprehensive income and available-for-sale financial assets	**24,067,387**	6,060,935

8 PROPERTY AND EQUIPMENT

	Land QR	*Buildings QR*	*Office equipment QR*	*Medical equipment QR*	*Equipment & tools QR*	*Vehicles QR*	*Furniture & fixtures QR*	*Capital work in progress QR*	*Total QR*
Cost or valuation									
At 1 January 2014	249,920,490	323,435,342	22,510,810	107,820,594	30,809,102	1,282,860	8,133,128	11,013,496	754,925,822
Additions during the year	-	2,200	3,088,890	4,104,821	1,960,395	283,499	269,799	7,450,300	17,159,904
Transfers	-	12,289,458	-	-	-	-	-	(12,289,458)	-
Disposals during the year	-	-	-	-	-	-	-	-	-
At 31 December 2014	249,920,490	335,847,002	25,599,700	111,925,415	32,769,497	1,566,359	8,402,927	6,054,336	772,085,726
Accumulated depreciation									
At 1 January 2014	-	32,342,668	13,663,186	87,577,239	23,522,900	972,458	7,433,843	-	165,512,294
Charge for the year	-	8,109,589	4,105,038	5,796,316	3,106,288	211,347	350,155	-	21,678,733
Related to disposals	-	-	-	-	-	-	-	-	-
At 31 December 2014	-	40,452,257	17,768,224	93,373,555	26,629,188	1,183,805	7,783,998	-	187,191,027
Net book value:									
At 31 December 2014	**249,920,490**	**295,394,745**	**7,831,476**	**18,551,860**	**6,140,309**	**382,554**	**618,929**	**6,054,336**	**584,894,699**

8 PROPERTY AND EQUIPMENT (CONTINUED)

	Land *QR*	*Buildings* *QR*	*Office equipment* *QR*	*Medical equipment* *QR*	*Equipment & tools* *QR*	*Vehicles* *QR*	*Furniture & fixtures* *QR*	*Capital work in progress* *QR*	*Total* *QR*
Cost or valuation									
At 1 January 2013	249,920,490	323,226,740	20,446,147	104,722,009	28,942,479	1,349,860	8,068,282	5,616,724	742,292,731
Additions during the year	-	208,602	2,064,663	3,098,585	1,866,623	92,000	64,846	5,396,772	12,792,091
Disposals during the year	-	-	-	-	-	(159,000)	-	-	(159,000)
At 31 December 2013	249,920,490	323,435,342	22,510,810	107,820,594	30,809,102	1,282,860	8,133,128	11,013,496	754,925,822
Accumulated depreciation									
At 1 January 2013	-	24,242,004	9,768,230	75,067,840	20,732,098	937,600	6,893,798	-	137,641,570
Charge for the year	-	8,100,664	3,894,956	12,509,399	2,790,802	179,948	540,045	-	28,015,814
Related to disposals	-	-	-	-	-	(145,090)	-	-	(145,090)
At 31 December 2013	-	32,342,668	13,663,186	87,577,239	23,522,900	972,458	7,433,843	-	165,512,294
Net book value:									
At 31 December 2013	249,920,490	291,092,674	8,847,624	20,243,355	7,286,202	310,402	699,285	11,013,496	589,413,528

8 PROPERTY AND EQUIPMENT (CONTINUED)

Revaluation of land and buildings

If the land and buildings were measured using the cost model, the carrying amounts would have been as follows:

	2014 *QR*	*2013* *QR*
Land		
Cost	**117,747,557**	117,747,557
Buildings		
Cost	**189,415,275**	177,123,617
Accumulated depreciation	**(35,451,949)**	(31,018,589)
Net carrying amount	**153,963,326**	146,105,028

9 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2014 *QR*	*2013* *QR*
Investment in equity securities		
Quoted	**38,874,013**	35,972,509

10 AVAILABLE–FOR-SALE FINANCIAL ASSETS

	2014 *QR*	*2013* *QR*
Investments in equity securities		
Quoted	**20,152,922**	4,501,914

11 INVENTORIES

	2014 *QR*	*2013* *QR*
Main store - medical and other supplies	**23,125,326**	13,517,470
Pharmaceuticals inventory	**13,774,328**	18,634,214
	36,899,654	32,151,684
Less: Provision for obsolete and slow moving inventories	**(5,608,628)**	(4,209,888)
	31,291,026	27,941,796

Movement in the provision for obsolete and slow moving inventories is as follows:

	2014 *QR*	*2013* *QR*
At 1 January	**4,209,888**	3,456,164
Provided during the year (Note 3)	**1,398,740**	753,724
At 31 December	**5,608,628**	4,209,888

12 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	2014 *QR*	*2013* *QR*
Assets of a disposal group classified as held for sale	**685,215**	685,215
Provision for impairment (Note 5)	**(685,215)**	-
	-	685,215

In 2009, the shareholders' of the Maghrabi Specialised Center for Ophthalmology and E.N.T. (the "Subsidiary Company"), in their extra-ordinary general assembly, had resolved to liquidate the Subsidiary Company. As at 31 December 2009, the Company's management estimated that the proceeds from the liquidation will exceed the carrying amount of the related net assets and accordingly, no impairment losses were recognised on the reclassification of this disposal group classified as held for sale.

In 2010, the Subsidiary Company appointed a liquidator to manage the liquidation process, and was placed legally under liquidation. In 2011, the company received an amount of QR 1,682,324 as part of the net recoverable amount from the investment. The remaining balance has been impaired as at 31 December 2014 since recovery of this amount is doubtful.

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2014 *QR*	*2013* *QR*
Trade accounts receivables (net)	**150,044,034**	75,926,902
Due from Islamic Financial Securities	**21,317,319**	14,702,346
Advances to suppliers	**3,222,219**	4,708,096
Refundable deposits	**1,146,224**	739,874
Staff receivables	**663,772**	638,570
Prepaid expenses	**417,070**	602,024
Others	**644,400**	480,029
	177,455,038	97,797,841

As at 31 December 2014, trade accounts receivable at nominal value of QR 56,510,898 (2013: QR 48,083,876) were impaired and fully provided for. The movement in the allowance for impairment of trade accounts receivables is as follows:

	2014 *QR*	*2013* *QR*
At 1 January	**48,083,876**	31,495,260
Provision during the year (Note 5)	**14,156,974**	16,588,616
Write off	**(5,729,952)**	-
At 31 December	**56,510,898**	48,083,876

As at 31 December, the ageing of unimpaired financial assets is as follows:

			Past due but not impaired				
	Total *QR*	*Neither past due nor impaired* *QR*	*< 30 days* *QR*	*30 – 90 Days* *QR*	*91 – 180 days* *QR*	*181 – 360 days* *QR*	*More than 360 days* *QR*
2014	**173,815,749**	**63,996,525**	**37,312,255**	**54,715,555**	**9,124,944**	**8,666,470**	-
2013	92,487,721	43,225,692	24,488,864	7,290,263	8,382,426	9,100,476	-

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS (CONTINUED)

The Company's average credit period is 30 to 90 days after which trade accounts receivables are considered to be past due. Unimpaired receivables are expected on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority is, therefore, unsecured.

The Company's exposure, to credit and currency risks and impairment losses relating to financial assets is disclosed in Note 25.

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise the following items:

	2014 *QR*	*2013* *QR*
Cash on hand	**289,146**	141,898
Cash at bank	**26,287,345**	25,335,859
Short term deposits	**160,063,010**	130,100,000
Total cash and bank balances	**186,639,501**	155,577,757
Less: Deposits with original maturity dates more than three months	**(160,063,010)**	(130,100,000)
	26,576,491	25,477,757

Deposits carry profit ranging from 1.5% to1.75% per annum (2013:1.75% per annum).

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 25.

15 SHARE CAPITAL

	2014 *No of shares*	*2013* *No of shares*
Authorised shares:		
Ordinary shares of QR 10 each	**28,144,100**	28,144,100
	No of shares	***No of shares***
Ordinary shares issued and fully paid up:		
At 31 December 2014	**28,144,100**	28,144,100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

16 LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association, a minimum of 10% of the profit for the year should be transferred to a legal reserve each year until this reserve is equal to 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Company's Articles of Association.

17 DIVIDENDS

Dividends paid and proposed

	QR
Declared, accrued and paid during the year:	
Final dividend for 2013, QR 3 per share	84,432,300
Proposed for approval at Annual General Assembly Meeting (not recognised as a liability as at 31 December)	
Dividend for 2014, QR 5 per share	**140,720,500**

18 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	2014 ***QR***	*2013* *QR*
At 1 January	**28,002,446**	23,895,008
Provided during the year	**9,442,545**	7,538,105
End of service benefits paid	**(2,742,362)**	(3,430,667)
At 31 December	**34,702,629**	28,002,446

The Company has provided for its estimated obligation for pension contributions for Qatari staff in accordance with the requirements of Qatari Retirement and Pension Law No. 24 of 2002. An amount of QR 199,390 as of 31 December 2014, (31 December 2013: QR 193,344) which is yet to be remitted to the Retirement and Pension Authority is included in accounts payable and accruals as disclosed in Note 19.

19 ACCOUNTS PAYABLE AND ACCRUALS

	2014 ***QR***	*2013* *QR*
Trade accounts payable	**25,506,288**	20,097,261
Accrued expenses	**37,035,997**	29,427,426
Unclaimed dividends	**10,517,662**	7,207,774
Provision for contribution to social and sports fund (Note 20)	**4,538,013**	2,236,749
Rent received in advance	**654,863**	513,806
Advances from customers	**584,642**	498,400
Payable to Retirement and Pension Authority (Note 18)	**199,390**	193,344
	79,036,855	60,174,760

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 25.

20 CONTRIBUTION TO SOCIAL AND SPORTS FUND

According to Qatari Law No. 13 for the year 2008 and the related clarifications issued in January 2010, the Company is required to contribute 2.5% of its annual net profits to the state social and sports fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income. Hence, this is recognised in the statement of changes in equity.

During the year, the Company appropriated an amount of QR 4,538,013 (2013: QR 2,236,749) representing 2.5% of the net profit generated from operations.

21 CAPITAL COMMITMENTS AND CONTINGENCIES

Contingent liabilities
The Company had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	2014 *QR*	*2013* *QR*
Bank guarantees	**135,710**	135,710

Legal claims
As at 31 December 2014, various legal claims were initiated by patients against the Company in the form of malpractice compensation claims and other miscellaneous claims. In the opinion of the Company's lawyers it would be difficult to reliably estimate the compensation that may be awarded. However, the Company's lawyers believe, based on previous experience and available information, that the Company is unlikely to incur losses as a result of these claims. Moreover, the Company has adequate Malpractice insurance coverage in place to protect itself and its Doctors in the event of any judgment against them. No provision has been made in the financial statements.

Commitments under lease agreements
The Company has entered into operating leases for certain staff accommodations. These leases have a life of 1 to 2 years.

The future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2014 *QR*	*2013* *QR*
Within one year	**6,137,247**	4,362,000
After one year but not more than two years	**-**	517,500
	6,137,247	4,879,500

Capital commitments
The management has authorised future capital expenditure amounting to QR 35,093,350 as of 31 December 2014 (2013: QR 6,260,799).

22 SEGMENT INFORMATION

The Company's primary business segment is the provision of health care services and therefore has no another business segments.

The Company operates only in the State of Qatar.

23 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements:

	Carrying amounts		*Fair values*	
	2014 *QR*	*2013* *QR*	*2014* *QR*	*2013* *QR*
Financial assets				
Bank balances	**186,350,355**	155,435,859	**186,350,355**	155,435,859
Trade and other receivables	**173,815,749**	92,487,721	**173,815,749**	92,487,721
Financial assets at fair value through other comprehensive income	**38,874,013**	35,972,509	**38,874,013**	35,972,509
Available-for-sale financial assets	**20,152,922**	4,501,914	**20,152,922**	4,501,914
Assets of a disposal group classified as held for sale	**-**	685,215	**-**	685,215
Financial liabilities				
Trade and other payables	**25,705,678**	20,290,605	**25,705,678**	20,290,605
Retention payable	**-**	14,763,251	**-**	14,763,251

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The carrying amounts of bank balances, trade and other receivables, assets of a disposal group classified as held for sale, trade and other payables and retention payable approximate their fair values largely due to the short-term maturities of these instruments.
- The fair value of quoted investments is based on price quotations at the end of the reporting period.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: Techniques which use inputs which have a significant effect on the recorded fair values are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Financial assets

	2014 *QR*	*Level 1* *QR*	*Level 2* *QR*	*Level 3* *QR*
Financial assets at fair value through other comprehensive income	**38,874,013**	**38,874,013**	**-**	**-**
Available-for-sale financial assets	**20,152,922**	**20,152,922**	**-**	**-**
	59,026,935	**59,026,935**	**-**	**-**

Non-financial assets

	2014 *QR*	*Level 1* *QR*	*Level 2* *QR*	*Level 3* *QR*
Revalued land and buildings	**545,315,235**	**-**	**-**	**545,315,235**
	545,315,235	**-**	**-**	**545,315,235**

23 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets

	2013 QR	*Level 1 QR*	*Level 2 QR*	*Level 3 QR*
Financial assets at fair value through other comprehensive income	35,972,509	35,972,509	-	-
Available-for-sale financial assets	4,501,914	4,501,914	-	-
	40,474,423	40,474,423	-	-

Non-financial assets

	2014 QR	***Level 1 QR***	***Level 2 QR***	***Level 3 QR***
Revalued land and buildings	541,013,164	-	-	541,013,164
	541,013,164	-	-	541,013,164

24 RELATED PARTY DISCLOSURES

Related parties represent major shareholders and their affiliates, directors and key management personnel of the Company, and companies of which they are the principal owners. Terms of these transactions are approved by the Company's management.

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

	2014 QR	*2013 QR*
Interest income	**1,887,633**	1,517,160
Rental income	**126,000**	300,000
Bank charges	**(63,085)**	(29,717)

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

	2014 QR	*2013 QR*
Bank balances	**26,125,118**	22,126,886
Short term deposits	**160,063,010**	130,100,000
Interest receivables	**501,809**	456,715

Compensation of directors and other key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2014 QR	*2013 QR*
Board of Directors' remuneration	**8,543,016**	5,228,376
Total key management staff benefits	**3,778,000**	3,166,500
	12,321,016	8,394,876

25 FINANCIAL RISK MANAGEMENT

Objectives and policies
The Company's principal financial liabilities comprise trade and other payables, unclaimed dividends and retention payable. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade and other receivables, financial assets at fair value through other comprehensive income, available-for-sale financial assets, assets of a disposal group classified as held for sale and cash and bank balances, which arise directly from its operations.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The Management reviews and agrees policies for managing each of these risks which are summarised below:

Market risk
Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Company's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimising return.

Interest rate risk
The Company's exposure to the risk of changes in market interest rates primarily relates to the Company's financial assets and liabilities with floating interest rates. At reporting dates, the Company does not have any floating interest rate financial assets and liabilities. As a result, the Company is not exposed to any interest rate risk.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in currency exchange rates. Management is of the opinion that the Company's exposure to currency risk is minimal as there are no significant assets and liabilities that are denominated in foreign currencies as of the reporting date.

Equity price risk
The following table demonstrates the sensitivity of the fair value reserve to reasonably possible changes in quoted equity share prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Changes in equity indices QR	*Effect on equity QR*
2014		
Qatar Exchange (QE)	**+10%**	**5,902,694**
2013		
Qatar Exchange (QE)	+10%	4,047,442

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of bank balances and trade and other receivables.

With respect to credit risk arising from the other financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments are as follows:

	2014 QR	*2013 QR*
Bank balances	**186,350,355**	155,435,859
Trade and other receivables	**173,815,749**	92,487,721
Assets of a disposal group classified as held for sale	**-**	685,215
	360,166,104	248,608,795

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company monitors its exposure to credit risk on an ongoing basis and based on management's assessment and historic default rates, the Company believes that an impairment allowance of QR 56,510,898 (2013: QR 48,083,876) is sufficient against financial assets as at 31 December 2014. Financial assets include certain balances that are overdue but in management's view are not impaired as at the reporting date.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of the Company's owns reserves and bank facilities. The Company's terms of revenue require amounts to be paid within 30 to 90 days from the invoiced date.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

31 December 2014	***On demand*** ***QR***	***Less than 3 months*** ***QR***	***3 to 12 months*** ***QR***	***1 to 5 Years*** ***QR***	***Total*** ***QR***
Trade and other payables	-	**25,705,678**	-	-	**25,705,678**
Unclaimed dividends	**10,517,662**	-	-	-	**10,517,662**
Provision for contributing to social and sports fund	-	**4,538,013**	-	-	**4,538,013**
Total	**10,517,662**	**30,243,691**	-	-	**40,761,353**

31 December 2013	*On demand* *QR*	*Less than 3 months* *QR*	*3 to 12 months* *QR*	*1 to 5 Years* *QR*	*Total* *QR*
Trade and other payables	-	20,290,605	-	-	20,290,605
Unclaimed dividends	7,207,774	-	-	-	7,207,774
Provision for contributing to social and sports fund	-	2,236,749	-	-	2,236,749
Retention payable	14,763,251	-	-	-	14,763,251
Total	21,971,025	22,527,354	-	-	44,498,379

Capital management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 2014. Capital comprises share capital and retained earnings, and is measured at QR 466,874,198 as at 31 December 2014 (2013: QR 286,808,118).

26 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of bank balances, trade accounts receivables, financial investments at fair value through other comprehensive income, available-for-sale financial assets and other receivables. Financial liabilities consist of accounts payable, other payables and retention payable. The fair values of financial instruments are not materially different from their carrying values.

27 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of accounts receivable

An estimate of the collectible amount of accounts receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due.

At the reporting date, gross trade accounts receivable were QR 206,554,932 (2013: QR 124,010,778) and the allowance for impairment was QR 56,510,898 (2013: QR 48,083,876). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of income.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date, gross inventories were QR 36,899,654 (2013: QR 32,151,684) with provision for obsolete and slow moving inventories of QR 5,608,628 (2013: QR 4,209,888). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of income.

Useful lives of property and equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

28 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the presentation in the current year's financial statements. However, such reclassifications did not have any effect on the net profit, total assets and equity of the comparative year.