Medicare Group Q.S.C.

FINANCIAL STATEMENTS

31 DECEMBER 2015

EY
Building a better working world

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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 2015, 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

The Board of Directors is 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 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

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. 11 of 2015 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. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Company.

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

Date: 14 February 2016
Doha

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Notes	2015 QR	2014 QR
Operating income		**595,966,293**	528,495,904
Operating costs	3	**(298,080,230)**	(243,737,114)
GROSS PROFIT		**297,886,063**	284,758,790
Income from deposits with an Islamic bank		**650,450**	1,887,633
Other income	4	**15,852,438**	15,615,333
General and administrative expenses	5	**(107,299,874)**	(99,062,485)
Depreciation of property and equipment	8	**(25,232,509)**	(21,678,733)
Finance cost		**(1,481,194)**	-
PROFIT FOR THE YEAR		**180,375,374**	181,520,538
Other comprehensive income			
Net other comprehensive (loss)/gain to be classified to profit and loss in subsequent periods	7	**(1,578,545)**	547,978
Net gain financial investments at fair value through other comprehensive income	7	**136,171,343**	24,067,387
Other comprehensive income for the year		**134,592,798**	24,615,365
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**314,968,172**	206,135,903
BASIC AND DILUTED EARNINGS PER SHARE (expressed in Qatari Riyals per share)	6	**6.41**	6.45

The attached notes 1 to 29 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	2015 QR	2014 QR
ASSETS			
Non-current assets			
Property and equipment	8	**861,238,822**	584,894,699
Financial investments at fair value through other comprehensive income	9	**32,285,111**	38,874,013
Available-for-sale financial assets	10	**18,937,827**	20,700,900
		912,461,760	644,469,612
Current assets			
Inventories	11	**34,824,942**	31,291,026
Assets of a disposal group classified as held for sale	12	**-**	-
Accounts receivable and prepayments	13	**232,562,286**	177,455,038
Cash and bank balances	14	**112,160,282**	186,639,501
		379,547,510	395,385,565
TOTAL ASSETS		**1,292,009,270**	1,039,855,177
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**281,441,000**	281,441,000
Legal reserve	16	**60,850,866**	42,813,329
Fair value reserve		**(1,384,792)**	6,782,655
Revaluation surplus		**548,540,300**	409,645,511
Retained earnings		**206,406,607**	185,433,198
Total equity		**1,095,853,981**	926,115,693
Non-current liabilities			
Interest bearing loans	18	**53,188,408**	-
Employees' end of service benefits	19	**41,866,149**	34,702,629
		95,054,557	34,702,629
Current liabilities			
Accounts payable and accruals	20	**82,256,245**	79,036,855
Interest bearing loans	18	**18,427,338**	-
Retention payable		**417,149**	-
		101,100,732	79,036,855
Total liabilities		**196,155,289**	113,739,484
TOTAL EQUITY AND LIABILITIES		**1,292,009,270**	1,039,855,177

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Abdulla Bin Thani Bin Abdulla Al-Thani	Khalid Mohammed Al-Emadi
Chairman	Chief Executive Officer

The attached notes 1 to 29 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	Share capital QR	Legal reserve QR	Fair value reserve QR	Revaluation surplus QR	Retained earnings QR	Total equity QR
Balance at 1 January 2015	281,441,000	42,813,329	6,782,655	409,645,511	185,433,198	926,115,693
Profit for the year	-	-	-	-	180,375,374	180,375,374
Other comprehensive income/(loss)	-	-	(8,167,447)	142,760,245	-	134,592,798
Total comprehensive (loss)/ income	-	-	(8,167,447)	142,760,245	180,375,374	314,968,172
Transfer to legal reserve	-	18,037,537	-	-	(18,037,537)	-
Transfer of depreciation of revalued assets	-	-	-	(3,865,456)	3,865,456	-
Contribution to social and sports fund (Note 21)	-	-	-	-	(4,509,384)	(4,509,384)
Cash dividend paid to shareholders (Note 17)	-	-	-	-	(140,720,500)	(140,720,500)
Balance at 31 December 2015	**281,441,000**	**60,850,866**	**(1,384,792)**	**548,540,300**	**206,406,607**	**1,095,853,981**

	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	-	-	24,615,365	-	-	24,615,365
Total comprehensive income	-	-	24,615,365	-	181,520,538	206,135,903
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 21)	-	-	-	-	(4,538,013)	(4,538,013)
Cash dividend paid to shareholders (Note 17)	-	-	-	-	(84,432,300)	(84,432,300)
Balance at 31 December 2014	281,441,000	42,813,329	6,782,655	409,645,511	185,433,198	926,115,693

The attached notes 1 to 29 form part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	Notes	*2015* *QR*	*2014* *QR*
OPERATING ACTIVITIES			
Profit for the year		**180,375,374**	181,520,538
Adjustments for:			
Depreciation of property and equipment	8	**25,232,509**	21,678,733
Provision for employees' end of service benefits	19	**10,053,231**	9,442,545
Impairment allowance for bad and doubtful debts	13	**10,693,738**	14,156,974
(Reversal)/provision for obsolete and slow moving inventories	11	**(491,332)**	1,398,740
Bad debts written off	13	**5,390,075**	5,729,952
Impairment loss on available-for-sale financial assets	5	**3,461,329**	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	**(421,967)**	(1,812,617)
Income from deposits with an Islamic bank		**(650,450)**	(1,887,633)
Dividend income	4	**(2,755,044)**	(2,496,100)
Operating profit before working capital changes		**230,887,463**	229,213,323
Working capital changes:			
Inventories		**(3,042,584)**	(4,747,970)
Accounts receivable and prepayments		**(70,997,980)**	(99,042,314)
Accounts payable and accruals		**(1,539,875)**	13,044,633
Retention payable		**417,149**	(14,763,251)
Cash from operating activities		**155,724,173**	123,704,421
Paid contribution to social and sports fund		**(4,538,013)**	(2,236,749)
Employees' end of service benefits paid	19	**(2,889,711)**	(2,742,362)
Net cash flows from operating activities		**148,296,449**	118,725,310
INVESTING ACTIVITIES			
Purchase of property and equipment	8	**(158,816,387)**	(17,159,904)
Net movement in term deposits		**77,000,000**	(29,963,010)
Income from deposits with an Islamic bank		**457,369**	1,385,824
Purchase of available-for-sale financial assets		**(10,114,752)**	(39,659,632)
Proceeds from sale of available-for-sale financial assets		**7,259,918**	46,190,148
Dividend income received	4	**2,755,044**	2,496,100
Net cash flows used in investing activities		**(81,458,808)**	(36,710,474)
FINANCING ACTIVITIES			
Net movement in interest bearing loans	18	**71,615,746**	-
Dividends paid		**(135,932,606)**	(80,916,102)
Net cash flows used in financing activities		**(64,316,860)**	(80,916,102)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,520,781**	1,098,734
Cash and cash equivalents at 1 January		**26,576,491**	25,477,757
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14	**29,097,272**	26,576,491

The attached notes 1 to 29 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 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 14 February 2016.

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. 11 of 2015.

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 buildings 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 judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to financial statements are disclosed in Note 28.

Changes in accounting policies and disclosures
The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2014, except for the adoption of the new standards and interpretations effective as of 1 January 2015. Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the annual financial statements of the Company. The nature and the impact of each new standard or amendment is described below:

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. This amendment is not relevant to the Company, since the Company does not operate defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle
With the exception of the improvement relating to IFRS 2 Share-based Payment applied to share-based payment transactions with a grant date on or after 1 July 2014, all other improvements are effective for accounting periods beginning on or after 1 July 2014. The Company has applied these improvements for the first time in these financial statements. 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. These amendments did not impact the Company's financial statements or accounting policies since the Company does not have a share based payment plan.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and disclosures (continued)

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 IAS 39. This is consistent with the Company's current accounting policy and, thus, this amendment did not impact the Company's accounting policy.

IFRS 8 Operating Segments
The amendments are applied retrospectively and clarify 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.

This is consistent with the Company's current accounting policy and, thus, this amendment did not impact the Company's accounting policy.

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 by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any impact on the Company during the current period.

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. This amendment is not relevant to the Company as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and the Company has applied these amendments for the first time in these financial statements. They include:

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 IAS 39. The Company does not apply the portfolio exception in IFRS 13.

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 a business combination. In previous periods, the Company has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. This amendment did not impact the accounting policy of the Company.

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 Company intends to adopt these standards, if applicable, when they become effective.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

Topic	*Effective date*
IFRS 9 Financial Instruments	1 January 2018
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests	1 January 2016
Amendments to IAS 16 and IAS 38: Clarifications of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to IAS 27: Equity method in Separate Financial Statements	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to IAS 1 Disclosure Initiative	1 January 2016
Annual Improvements 2012-2014 Cycle	1 January 2016

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Property and equipment (continued)
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.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Available-for-sale financial assets (continued)
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.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

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.

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.

Interest bearing loans
Interest bearing loans are recognised initially at fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, interest bearing loans are measured at amortised cost using the effective interest method, with any differences between the cost and final settlement values being recognised in the statement of income over the period of borrowings. Installments due within one period at amortised cost are shown as a current liability.

Gains or losses are recognized in the statement of income when the liabilities are derecognised.

Borrowing costs
Borrowing costs directly attributable to the acquisition or construction or production of an asset that necessarily takes a substantial period of time for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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:

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Impairment and uncollectibility of financial assets (continued)

(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.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

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.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

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 24
- Property and equipment under revaluation model — Note 24
- 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

	2015 *QR*	*2014* *QR*
Staff costs	**172,789,483**	145,983,817
Medications and surgical costs (inventories recognised as cost of sales)	**100,367,774**	76,980,361
Community doctors expenses	**18,140,474**	12,141,897
Utilities	**3,104,430**	2,826,333
Food cost	**2,752,243**	3,211,940
Fuel expenses	**649,513**	574,981
(Reversal)/provision for obsolete and slow moving inventories (Note 11)	**(491,332)**	1,398,740
Other direct cost	**767,645**	619,045
	298,080,230	243,737,114

4 OTHER INCOME

	2015 *QR*	*2014* *QR*
Rental income	**7,311,920**	5,777,958
Write back of prior year accruals	**3,446,095**	3,660,663
Dividend income	**2,755,044**	2,496,100
Catering income	**967,422**	1,455,021
Gain on disposal of available-for-sale financial assets	**421,967**	1,812,617
Gain on foreign currency exchange	**386,130**	-
Miscellaneous income	**563,860**	412,974
	15,852,438	15,615,333

5 GENERAL AND ADMINISTRATIVE EXPENSES

	2015 *QR*	*2014* *QR*
Staff costs	**51,994,998**	51,855,606
Impairment allowance for bad and doubtful debts (Note 13)	**10,693,738**	14,156,974
Board of Directors' remuneration	**8,543,016**	8,543,016
Maintenance and repairs	**6,414,431**	4,596,408
Rent	**5,574,938**	-
Outsourcing call centre and helpers	**4,502,896**	3,430,654
Impairment loss on available-for-sale financial assets (Note 10)	**3,461,329**	796,976
Security and cleaning	**2,760,977**	2,784,999
IT development	**2,002,856**	-
Advertisement and promotion	**1,934,834**	1,987,746
Insurance	**1,576,325**	1,119,157
Compensations	**1,515,908**	2,746,924
Telephone and fax	**1,130,768**	1,143,196
Governmental expenses	**1,068,247**	675,777
Charity	**117,860**	1,194,944
Legal and professional fees	**945,033**	1,199,734
Commissions	**800,000**	84,000
Bank charges	**749,898**	598,425
Medical waste	**539,501**	406,239
Recruitment expenses	**470,706**	415,943
Travel expenses	**239,756**	339,675
Printing and stationery	**79,308**	86,116
Provision for impairment of assets of a disposal group classified as held for sale (Note 12)	**-**	685,215
Loss on foreign currency exchange	**-**	82,103
Others	**182,551**	132,658
	107,299,874	99,062,485

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 share data used in the basic and diluted earnings per share computations:

6 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

	2015	*2014*
Profit attributable to ordinary shareholders of the Company for basic earnings (QR)	**180,375,374**	181,520,538
Weighted average number of ordinary shares outstanding during the year	**28,144,100**	28,144,100
Basic and diluted earnings per share (QR)	**6.41**	6.45

7 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2015 *QR*	*2014* *QR*
Movements of other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Net (loss)/gain on available-for-sale financial assets	**(1,578,545)**	547,978
Net other comprehensive (loss)/gain to be classified to profit and loss in subsequent periods	**(1,578,545)**	547,978
Other comprehensive income to not be reclassified to profit or loss in subsequent periods		
Revaluation of land and building	**142,760,245**	-
Transfer relating to disposal of financial investments at fair value through other comprehensive income	**-**	17,568,251
Net (loss)/ gain on financial investments at fair value through other comprehensive income	**(6,588,902)**	6,499,136
Net other comprehensive gain not to be classified to profit and loss in subsequent periods	**136,171,343**	24,067,387
Other comprehensive income for the year	**134,592,798**	24,615,365

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 2015	249,920,490	335,787,000	25,599,700	111,925,415	32,769,497	1,566,359	8,402,927	6,114,338	772,085,726
Revaluation	46,126,160	96,634,085	-	-	-	-	-	-	142,760,245
Additions during the year	14,722,113	120,708,018	1,110,038	9,584,467	1,471,740	-	46,536	11,173,475	158,816,387
At 31 December 2015	310,768,763	553,129,103	26,709,738	121,509,882	34,241,237	1,566,359	8,449,463	17,287,813	1,073,662,358
Accumulated depreciation									
At 1 January 2015	-	40,452,257	17,768,224	93,373,555	26,629,188	1,183,805	7,783,998	-	187,191,027
Charge for the year	-	11,413,935	4,232,804	6,582,032	2,532,014	145,342	326,382	-	25,232,509
At 31 December 2015	-	51,866,192	22,001,028	99,955,587	29,161,202	1,329,147	8,110,380	-	212,423,536
Net book value:									
At 31 December 2015	**310,768,763**	**501,262,911**	**4,708,710**	**21,554,295**	**5,080,035**	**237,212**	**339,083**	**17,287,813**	**861,238,822**

The Company measures land and buildings at revalued amounts with gains in fair value being recognised in OCI and losses in the statement of profit or loss. An independent valuation specialist was engaged to assess the fair value as at 31 December 2015 for the revalued land and buildings. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

The revalued land and buildings consist of Hospital premises and employee accommodations. Management determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the property.

Fair value measurement disclosures for revalued land and buildings are provided in Note 24. The key valuation assumptions used are:

Significant unobservable valuation input:	Range
Price per square foot of land	QR 500 – QR 550
Price per square meter of Hospital building	QR 11,115
Price per square meter of Employee accommodation	QR 6,000

Significant increases (decreases) in estimated price per square foot/meter in isolation would result in a significantly higher (lower) fair value.

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 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	-	12,349,458	-	-	-	-	-	(12,349,458)	-
Disposals during the year	-	-	-	-	-	-	-	-	-
At 31 December 2014	249,920,490	335,787,000	25,599,700	111,925,415	32,769,497	1,566,359	8,402,927	6,114,338	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	295,334,743	7,831,476	18,551,860	6,140,309	382,554	618,929	6,114,338	584,894,699

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:

	2015 *QR*	*2014* *QR*
Land		
Cost	**132,469,670**	117,747,557
Buildings		
Cost	**310,063,293**	189,415,275
Accumulated depreciation	**(43,000,426)**	(35,451,949)
Net carrying amount	**267,062,867**	153,963,326

As at 31 December 2015, property and equipment of QR 113,912,561 (2014: QR 91,293,419) were fully depreciated.

9 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2015 *QR*	*2014* *QR*
Investment in equity securities		
Quoted	**32,285,111**	38,874,013
Investments:		
At cost	**32,639,336**	32,639,336
Net (loss)/gain from fair value adjustment	**(354,225)**	6,234,677
	32,285,111	38,874,013

10 AVAILABLE–FOR-SALE FINANCIAL ASSETS

	2015 *QR*	*2014* *QR*
Investments in equity securities		
Quoted	**18,937,827**	20,700,900
Investments:		
At cost	**24,226,700**	20,949,899
Net (loss)/ gain from fair value adjustment	**(1,030,568)**	547,977
Impairment loss (i)	**(4,258,305)**	(796,976)
	18,937,827	20,700,900

Notes:

(i) Impairment loss of QR 3,461,329 (2014: QR 796,976) has been recognised during the year with respect to the Company's quoted available-for-sale investments (Note 5).

11 INVENTORIES

	2015 *QR*	*2014* *QR*
Main store - medical and other supplies	**24,430,779**	23,125,326
Pharmaceuticals inventory	**15,511,459**	13,774,328
	39,942,238	36,899,654
Less: Provision for obsolete and slow moving inventories	**(5,117,296)**	(5,608,628)
	34,824,942	31,291,026

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

	2015 *QR*	*2014* *QR*
At 1 January	**5,608,628**	4,209,888
(Reversed)/provided during the year (Note 3)	**(491,332)**	1,398,740
At 31 December	**5,117,296**	5,608,628

12 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	2015 *QR*	*2014* *QR*
Assets of a disposal group classified as held for sale	-	685,215
Provision for impairment (Note 5)	-	(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

	2015 *QR*	*2014* *QR*
Trade accounts receivables (net)	**206,869,086**	150,044,034
Advances to suppliers	**13,074,678**	3,222,219
Due from Islamic Financial Securities	**8,470,820**	21,317,319
Prepaid expenses	**1,042,105**	417,070
Refundable deposits	**1,677,414**	1,146,224
Staff receivables	**747,343**	663,772
Others	**680,840**	644,400
	232,562,286	177,455,038

As at 31 December 2015, trade accounts receivable at nominal value of QR 61,814,561 (2014: QR 56,510,898) were impaired and fully provided for. The movement in the allowance for impairment of trade accounts receivables is as follows:

	2015 *QR*	*2014* *QR*
At 1 January	**56,510,898**	48,083,876
Provision during the year (Note 5)	**10,693,738**	14,156,974
Write off	**(5,390,075)**	(5,729,952)
At 31 December	**61,814,561**	56,510,898

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*
2015	**218,445,503**	**40,566,487**	**40,598,996**	**32,820,174**	**59,810,477**	**37,102,478**	**7,546,891**
2014	173,815,749	63,996,525	37,312,255	54,715,555	9,124,944	8,666,470	-

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 26.

14 CASH AND CASH EQUIVALENTS

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

	2015 *QR*	*2014* *QR*
Cash on hand	**260,869**	289,146
Cash at bank	**28,836,403**	26,287,345
Short term deposits	**83,063,010**	160,063,010
Total cash and bank balances	**112,160,282**	186,639,501
Less: Deposits with original maturity dates more than three months	**(83,063,010)**	(160,063,010)
	29,097,272	26,576,491

Deposits carry profit ranging from 1.5% per annum (2014: 1.5% to1.75% per annum).

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 26.

15 SHARE CAPITAL

	2015 *No of shares*	*2014* *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	**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. 11 of 2015 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 2015:	
Final dividend for 2014, QR 5 per share	140,720,500
Declared, accrued and paid during the 2014	
Final dividend for 2013, QR 3 per share	84,432,300
Proposed dividend for approval at Annual General Assembly Meeting , QR 5 per share	**140,720,500**

18 INTEREST BEARING LOANS

	2015 *QR*	*2014* *QR*
Term loan (i)	**61,331,346**	-
Term loan (ii)	**10,284,400**	-
	71,615,746	-
Presented in the statement of financial position as follows:		
Current portion	**18,427,338**	-
Non-current portion	**53,188,408**	-
	71,615,746	-

Notes:

(i) The term loan represents a facility of QR 70 million obtained from a Qatar based commercial bank to finance the purchase of a building for employee accommodation in Al Mansoura area, State of Qatar. The loan is repayable in 60 monthly instalments of QR 1,268,731 commencing from 30 May 2015. The loan carries interest at market rates. The term loan is secured through the mortgage of the building purchased.

(ii) The term loan represents a facility of QR 10.28 million obtained from an Islamic bank to finance the purchase of two properties in Bin Omran area, State of Qatar. The loan is repayable in 24 monthly instalments of QR 443,639, commencing from 24 January 2016. The loan carries profit rate at market rates. The term loan is secured by mortgage of the properties purchased.

19 EMPLOYEES' END OF SERVICE BENEFITS

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

	2015 *QR*	*2014* *QR*
At 1 January	**34,702,629**	28,002,446
Provided during the year	**10,053,231**	9,442,545
End of service benefits paid	**(2,889,711)**	(2,742,362)
At 31 December	**41,866,149**	34,702,629

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 200,945 as of 31 December 2015, (31 December 2014: QR 199,390) which is yet to be remitted to the Retirement and Pension Authority is included in accounts payable and accruals as disclosed in Note 20.

20 ACCOUNTS PAYABLE AND ACCRUALS

	2015 *QR*	*2014* *QR*
Trade accounts payable	**17,228,005**	25,506,288
Accrued expenses	**44,815,410**	37,035,997
Unclaimed dividends	**14,207,321**	10,517,662
Advances from staff	**707,523**	584,642
Rent received in advance	**587,657**	654,863
Payable to Retirement and Pension Authority (Note 19)	**200,945**	199,390
Provision for contribution to social and sports fund (Note 21)	**4,509,384**	4,538,013
	82,256,245	79,036,855

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 26.

21 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 4,509,384 (2014: QR 4,538,013) representing 2.5% of the net profit generated from operations.

22 CAPITAL COMMITMENTS AND CONTINGENCIES

Contingent liabilities

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

	2015 *QR*	*2014* *QR*
Bank guarantees	**135,710**	135,710

Legal claims

As at 31 December 2015, various legal claims were initiated by patients and other third parties 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.

22 CAPITAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments under lease agreements
The Company has entered into operating leases for staff accommodation. These leases have been negotiated for periods of less than 1 year.

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

	2015 *QR*	*2014* *QR*
Within one year	**5,692,263**	6,137,247

Capital commitments
The management has authorised future capital expenditure amounting to QR 33,522,444 as of 31 December 2015 (2014: QR 35,093,350).

23 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.

24 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*	
	2015 ***QR***	*2014* *QR*	***2015*** ***QR***	*2014* *QR*
Financial assets				
Bank balances	**111,899,413**	186,350,355	**111,899,413**	186,350,355
Trade and other receivables	**218,445,503**	173,815,749	**218,445,503**	173,815,749
Financial assets at fair value through other comprehensive income	**32,285,111**	38,874,013	**32,285,111**	38,874,013
Available-for-sale financial assets	**18,937,827**	20,700,900	**18,937,827**	20,700,900
Financial liabilities				
Trade and other payables	**17,428,950**	25,705,678	**17,428,950**	25,705,678
Retention payable	**417,149**	-	**417,149**	-
Interest bearing loans	**71,615,746**	-	**71,615,746**	-

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.

24 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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

	2015 ***QR***	***Level 1*** ***QR***	***Level 2*** ***QR***	***Level 3*** ***QR***
Financial assets at fair value through other comprehensive income	**32,285,111**	**32,285,111**	-	-
Available-for-sale financial assets	**18,937,827**	**18,937,827**	-	-
	51,222,938	**51,222,938**	-	-

Non-financial assets

	2015 ***QR***	***Level 1*** ***QR***	***Level 2*** ***QR***	***Level 3*** ***QR***
Revalued land and buildings	**812,031,674**	-	-	**812,031,674**
	812,031,674	-	-	**812,031,674**

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	20,700,900	20,700,900	-	-
	59,574,913	59,574,913	-	-

Non-financial assets

	2014 *QR*	*Level 1* *QR*	*Level 2* *QR*	*Level 3* *QR*
Revalued land and buildings	545,255,233	-	-	545,255,233
	545,255,233	-	-	545,255,233

25 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.

25 RELATED PARTY DISCLOSURES (CONTINUED)

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

	2015 *QR*	*2014* *QR*
Interest income	**650,450**	1,887,633
Rental income	**516,081**	126,000
Bank charges	**(266,226)**	(63,085)
Interest expenses	**(1,481,194)**	-
Insurance expenses	**(1,731,309)**	-

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

	2015 *QR*	*2014* *QR*
Bank balances	**26,020,617**	26,125,118
Short term deposits	**83,063,010**	160,063,010
Interest receivables	**193,081**	501,809
Interest bearing loans (Note 18)	**71,615,746**	-

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

	2015 *QR*	*2014* *QR*
Board of Directors' remuneration	**8,543,016**	8,543,016
Total key management staff benefits	**4,385,800**	3,778,000
	12,928,816	12,321,016

26 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.

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

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. The Company is exposed to interest rate risk on its interest bearing loans.

The following table demonstrates the sensitivity of the separate statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial liabilities held at 31 December 2015.

The effect of decreases in interest rates is expected to be equal and opposite of the effect of the increases shown:

	Increase/ decrease in basis points	*Effect on profit for the year QR*
2015		
QR	**+25**	**25,711**
2014		
QR	+25	-

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	*Effect on equity QR*
2015		
Qatar Exchange (QE)	**+10%**	**5,122,294**
2014		
Qatar Exchange (QE)	+10%	5,902,694

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:

	2015 QR	*2014 QR*
Bank balances	**111,899,413**	186,350,355
Trade and other receivables	**218,445,503**	173,815,749
	330,344,916	360,166,104

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (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 61,814,561 (2014: QR 56,510,898) is sufficient against financial assets as at 31 December 2015. 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 2015	*On demand QR*	*Less than 3 months QR*	*3 to 12 months QR*	*1 to 5 Years QR*	*Total QR*
Trade and other payables	-	17,428,950	-	-	17,428,950
Interest bearing loans	-	5,136,420	15,409,260	56,070,148	76,615,828
Unclaimed dividends	14,207,321	-	-	-	14,207,321
Provision for contributing to social and sports fund	-	4,509,384	-	-	4,509,384
Total	14,207,321	27,074,754	15,409,260	56,070,148	112,761,483

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

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 2014 and 2015. Capital comprises share capital and retained earnings, and is measured at QR 487,847,607 as at 31 December 2015 (2014: QR 466,874,198).

27 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.

28 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.

As at 31 December 2015, National Health Insurance Scheme has been suspended and the Company is currently negotiating with National Health Insurance Company to get the outstanding amounts.

At the reporting date, gross trade accounts receivable were QR 268,683,647 (2014: QR 206,554,932) and the allowance for impairment was QR 61,814,561 (2014: QR 56,510,898). 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 39,942,238 (2014: QR 36,899,654) with provision for obsolete and slow moving inventories of QR 5,117,296 (2014: QR 5,608,628). 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.

Impairment of available-for-sale financial assets

For available-for-sale assets, the Group assess at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of a financial assets is classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated statement of comprehensive income, is removed from equity and recognised in the consolidated statement of comprehensive income.

28 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of available-for-sale financial assets (continued)

At reporting date, the fair value of available-for-sale assets were QR 18,937,827 (2014: QR 20,700,900) with an impairment loss of QR 3,461,329 (2014: QR 796,976). Impairment losses on available-for-sale assets are transferred from equity to the statement of income.

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.

29 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the presentation in the current year's financial statements.