Medicare Group Q.S.C.

FINANCIAL STATEMENTS

31 DECEMBER 2016

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 audit of the financial statements

Opinion

We have audited the financial statements of Medicare Group Q.S.C. Company ("the Company"), which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes 12 and 21 to the financial statements. The Company submitted claims amounting to QR 187 million to National Health Insurance Company ("NHIC") with respect to services provided to patients under the NHIC scheme. Claims pertaining to services provided have been submitted to the NHIC in accordance with the agreement between NHIC and the service providers. As of the reporting date, the claims submitted by the Company pertaining to this amount are yet to be formally approved by the NHIC. Based on the latest available information, management is of the opinion that the balance due as at 31 December 2016 from the NHIC is recoverable in full.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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

Key audit matters (continued)

Impairment of trade accounts receivables

At the year-end, the Company's gross trade accounts receivables amounted to QR 183 million, of which the majority pertained to receivables from the National Health Insurance Company (NHIC). The total allowance for impairment as at that date amounted to QR 66 million. The Company provided services to patients under the NHIC scheme and had recognized revenue, and corresponding receivables, from such services, at rates pre-agreed within the contract with NHIC. In 2015, the scheme was suspended by NHIC and the Company entered into discussions with NHIC to recover the outstanding receivables. Please refer to Note 12 to the financial statements for the related disclosures.

The determination as to whether a trade receivable is collectable involves management judgement. Specific factors management considers include the age of the balance, location of customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether an allowance for impairment is required either for a specific transaction or for a customer's balance overall.

Due to the uncertainty surrounding the receivable from NHIC and the subjectivity in determining the requirement for impairment allowances in general, we considered this to be a key audit matter.

In addressing this particular matter, we tested the accuracy of the receivables aging report and reviewed it to identify any instances of long outstanding receivables. We reviewed correspondence between the Company and its customers, such as NHIC, and made inquiries of the management to identify any instances of disputes, and to understand the judgments taken by the management in ascertaining the impairment allowance. We also performed an independent recalculation of impairment allowance based on the outcome of the procedures noted above. We also assessed the adequacy of the disclosures relating to impairment allowance in the financial statements.

Other information included in the Company's 2016 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Board of Directors is responsible for the other information. The annual report is expected to be made available to us after the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to the Board of Directors.

Responsibilities of management and Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EY
Building a better working world

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

Report on Legal and Other 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 adverse effect on the Company's financial position or performance.

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

Date: 8 February 2017
Doha

ERNST & YOUNG
Doha
محاسبون قانونيون
الدوحة
22-3
ارنست ويونغ

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	***2016*** ***QR***	*2015* *QR*
Operating income		**468,983,588**	595,966,293
Operating costs	3	**(272,768,251)**	(298,080,230)
GROSS PROFIT		**196,215,337**	297,886,063
Income from deposits with an Islamic bank		**533,087**	650,450
Other income	4	**12,780,165**	15,852,438
General and administrative expenses	5	**(115,341,741)**	(107,299,874)
Depreciation of property and equipment	8	**(26,443,439)**	(25,232,509)
Finance cost		**(2,591,711)**	(1,481,194)
PROFIT FOR THE YEAR		**65,151,698**	180,375,374
Other comprehensive income			
Net other comprehensive loss to be classified to profit and loss in subsequent periods	7	**(62,873)**	(1,578,545)
Net (loss)/ gain from financial investments at fair value through other comprehensive income	7	**(1,849,333)**	136,171,343
Other comprehensive (loss)/ income for the year		**(1,912,206)**	134,592,798
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**63,239,492**	314,968,172
BASIC AND DILUTED EARNINGS PER SHARE (expressed in Qatari Riyals per share)	6	**2.31**	6.41

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

STATEMENT OF FINANCIAL POSITION
At 31 December 2016

	Notes	*2016* *QR*	*2015* *QR*
ASSETS			
Non-current assets			
Property and equipment	8	**876,492,930**	861,238,822
Financial investments at fair value through other comprehensive income	9	**31,835,778**	32,285,111
Available-for-sale financial assets	10	**18,581,867**	18,937,827
		926,910,575	912,461,760
Current assets			
Inventories	11	**29,648,050**	34,824,942
Accounts receivable and prepayments	12	**152,385,454**	232,562,286
Cash and bank balances	13	**96,864,639**	112,160,282
		278,898,143	379,547,510
TOTAL ASSETS		**1,205,808,718**	1,292,009,270
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**281,441,000**	281,441,000
Legal reserve	15	**67,366,036**	60,850,866
Fair value reserve		**(3,296,998)**	(1,384,792)
Revaluation surplus		**541,344,487**	548,540,300
Retained earnings		**129,889,656**	206,406,607
Total equity		**1,016,744,181**	1,095,853,981
Non-current liabilities			
Interest bearing loans	17	**34,132,814**	53,188,408
Employees' end of service benefits	18	**48,280,051**	41,866,149
		82,412,865	95,054,557
Current liabilities			
Accounts payable and accruals	19	**86,768,936**	82,256,245
Interest bearing loans	17	**19,055,594**	18,427,338
Retention payable		**827,142**	417,149
		106,651,672	101,100,732
Total liabilities		**189,064,537**	196,155,289
TOTAL EQUITY AND LIABILITIES		**1,205,808,718**	1,292,009,270

……………………………………
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 2016

	Share capital QR	*Legal reserve QR*	*Fair value reserve QR*	*Revaluation surplus QR*	*Retained earnings QR*	*Total equity QR*
Balance at 1 January 2016	281,441,000	60,850,866	(1,384,792)	548,540,300	206,406,607	1,095,853,981
Profit for the year	-	-	-	-	65,151,698	65,151,698
Other comprehensive loss	-	-	(1,912,206)	-	-	(1,912,206)
Total comprehensive (loss) / income	-	-	(1,912,206)	-	65,151,698	63,239,492
Transfer to legal reserve	-	6,515,170	-	-	(6,515,170)	-
Transfer of depreciation of revalued assets	-	-	-	(7,195,813)	7,195,813	-
Contribution to social and sports fund (Note 20)	-	-	-	-	(1,628,792)	(1,628,792)
Cash dividend paid to shareholders (Note 16)	-	-	-	-	(140,720,500)	(140,720,500)
Balance at 31 December 2016	**281,441,000**	**67,366,036**	**(3,296,998)**	**541,344,487**	**129,889,656**	**1,016,744,181**

	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 (loss) / income	-	-	(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 20)	-	-	-	-	(4,509,384)	(4,509,384)
Cash dividend paid to shareholders (Note 16)	-	-	-	-	(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

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

STATEMENT OF CASH FLOWS
For the year ended 31 December 2016

	Notes	***2016 QR***	*2015 QR*
OPERATING ACTIVITIES			
Profit for the year		**65,151,698**	180,375,374
Adjustments for:			
Depreciation of property and equipment	8	**26,443,439**	25,232,509
Provision for employees' end of service benefits	18	**9,123,089**	10,053,231
Impairment allowance for bad and doubtful debts	12	**32,511,196**	10,693,738
Provision/(Reversal) for obsolete and slow moving inventories	11	**696,705**	(491,332)
Impairment loss on available-for-sale financial assets	5	**478,154**	3,461,329
Gain on disposal of available-for-sale financial assets	4	**-**	(421,967)
Income from deposits with an Islamic bank		**(533,087)**	(650,450)
Dividend income	4	**(2,597,033)**	(2,755,044)
Operating profit before working capital changes		**131,274,161**	225,497,388
Working capital changes:			
Inventories		**4,480,187**	(3,042,584)
Accounts receivable and prepayments		**47,802,100**	(65,607,905)
Accounts payable and accruals		**7,393,283**	(1,539,875)
Retention payable		**409,993**	417,149
Cash from operating activities		**191,359,724**	155,724,173
Paid contribution to social and sports fund		**(4,509,384)**	(4,538,013)
Employees' end of service benefits paid	18	**(2,709,187)**	(2,889,711)
Net cash flows from operating activities		**184,141,153**	148,296,449
INVESTING ACTIVITIES			
Purchase of property and equipment	8	**(41,697,547)**	(158,816,387)
Net movement in term deposits		**18,000,000**	77,000,000
Income from deposits with an Islamic bank		**396,623**	457,369
Purchase of available-for-sale financial assets		**(185,067)**	(10,114,752)
Proceeds from sale of available-for-sale financial assets		**-**	7,259,918
Purchase of financial investments at fair value		**(1,400,000)**	-
Dividend income received	4	**2,597,033**	2,755,044
Net cash flows used in investing activities		**(22,288,958)**	(81,458,808)
FINANCING ACTIVITIES			
Net movement in interest bearing loans		**(18,427,338)**	71,615,746
Dividends paid		**(140,720,500)**	(135,932,606)
Net cash flows used in financing activities		**(159,147,838)**	(64,316,860)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,704,357**	2,520,781
Cash and cash equivalents at 1 January		**29,097,272**	26,576,491
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	13	**31,801,629**	29,097,272

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 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 8 February 2017.

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 27.

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 2015, except for the adoption of the new standards and interpretations effective as of 1 January 2016. Although these new standards and amendments applied for the first time in 2016, 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 IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS 27: Equity Method in Separate Financial Statements
Annual Improvements 2012-2014 Cycle
Amendments to IAS 1 Disclosure Initiative
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

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

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 is currently evaluating the impact of these standards. The Company intends to adopt these standards, if applicable, when they become effective.

Topic	***Effective date***
Disclosure initiative (Amendment to IAS 7)	1 January 2017
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	1 January 2017
IFRS 9 Financial Instruments	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 15 Revenue from Contracts with Customers	1 January 2018

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Early adoption of a new standard
The Company has adopted IFRS 9 Financial Instruments (IFRS 9) in advance of its effective date. The Company has chosen December 31, 2013 as its date of initial application (i.e. the date on which the Company has assessed its existing financial assets) as this is the first reporting period end since the Standard was issued on 12 November 2009.

IFRS 9 specifies how an entity should classify and measure its financial assets. It requires all financial assets to be classified in their entirety on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are measured either at amortised cost or fair value.

Investments in equity instruments are classified and measured as at FVTPL except if the equity investment is not held for trading and is designated by the Company as at fair value through other comprehensive income (FVTOCI). If the equity investment is designated as at FVTOCI, all gains and losses, except for dividend income recognised in accordance with IAS 18 Revenue, are recognised in other comprehensive income and are not subsequently reclassified to profit or loss.

Management have reviewed and assessed all of the Company's existing financial assets as at the date of initial application of IFRS 9. As a result:

- The Company's equity instruments not held for trading have been designated as at FVTOCI;
- The Company's remaining investments in equity investments and debt instruments are measured at FVTPL.

The impact of adopting IFRS 9 has been a reclassification of available for sale investments to investment at fair value through other comprehensive income.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Property and equipment (continued)
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 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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Available-for-sale financial assets (continued)
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 a first-in/ first-out 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.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

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.

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.

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Current versus non-current classification (continued)
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

	2016	*2015*
	QR	*QR*
Staff costs	**177,788,953**	172,789,483
Medications and surgical costs (inventories recognised as cost of sales)	**70,417,651**	100,367,774
Community doctors expenses	**16,217,141**	18,140,474
Utilities	**3,535,461**	3,104,430
Food cost	**2,356,870**	2,752,243
Fuel expenses	**819,095**	649,513
Provision / (reversal) for obsolete and slow moving inventories (Note 11)	**696,705**	(491,332)
Other direct cost	**936,375**	767,645
	272,768,251	298,080,230

4 OTHER INCOME

	2016	*2015*
	QR	*QR*
Rental income	**7,918,100**	7,311,920
Dividend income	**2,597,033**	2,755,044
Gain on foreign currency exchange	**815,848**	386,130
Write back of prior year accruals	**699,213**	3,446,095
Catering income	**580,682**	967,422
Gain on disposal of available-for-sale financial assets	**-**	421,967
Miscellaneous income	**169,289**	563,860
	12,780,165	15,852,438

5 GENERAL AND ADMINISTRATIVE EXPENSES

	2016 QR	*2015 QR*
Staff costs	**51,714,827**	51,994,998
Impairment allowance for bad and doubtful debts (Note 12)	**32,511,196**	10,693,738
Maintenance and repairs	**6,494,355**	6,414,431
Outsourcing call centre and helpers	**4,463,523**	4,502,896
Advertisement and promotion	**3,501,573**	1,934,834
Security and cleaning	**2,687,686**	2,760,977
Board of Directors' remuneration	**2,146,784**	8,543,016
Telephone and fax	**2,265,619**	1,130,768
Printing and stationery	**1,874,242**	79,308
Insurance	**1,677,934**	1,576,325
IT development	**1,505,830**	2,002,856
Legal and professional fees	**1,337,296**	945,033
Bank charges	**929,295**	749,898
Governmental expenses	**492,787**	1,068,247
Impairment loss on available-for-sale financial assets (Note 10)	**478,154**	3,461,329
Medical waste	**447,524**	539,501
Charity	**291,020**	117,860
Recruitment expenses	**240,671**	470,706
Travel expenses	**76,051**	239,756
Commissions	**47,000**	800,000
Compensations	**600**	1,515,908
Rent	**-**	5,574,938
Others	**157,774**	182,551
	115,341,741	107,299,874

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:

	2016 QR	*2015 QR*
Profit attributable to ordinary shareholders of the Company for basic earnings (QR)	**65,151,698**	180,375,374
Weighted average number of ordinary shares outstanding during the year	**28,144,100**	28,144,100
Basic and diluted earnings per share (QR)	**2.31**	6.41

7 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2016 QR	*2015 QR*
Movements of other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Net loss on available-for-sale financial assets	**(62,873)**	(1,578,545)
Net other comprehensive loss to be classified to profit and loss in subsequent periods	**(62,873)**	(1,578,545)
Other comprehensive income to not be reclassified to profit or loss in subsequent periods		
Revaluation of land and building	**-**	142,760,245
Net loss on financial investments at fair value through other comprehensive income	**(1,849,333)**	(6,588,902)
Net other comprehensive (loss)/ gain not to be classified to profit and loss in subsequent periods	**(1,849,333)**	136,171,343
Other comprehensive (loss)/ income for the year	**(1,912,206)**	134,592,798

8 PROPERTY AND EQUIPMENT

	Land *QR*	*Buildings* *QR*	*Office equipment* *QR*	*Medical equipment* *QR*	*Equipment and tools* *QR*	*Vehicles* *QR*	*Furniture and fixtures* *QR*	*Capital work in progress* *QR*	*Total* *QR*
Cost or valuation:									
At 1 January 2016	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
Additions during the year	39,454	77,003	1,388,438	16,233,384	821,225	174,000	173,971	22,790,072	41,697,547
At 31 December 2016	310,808,217	553,206,106	28,098,176	137,743,266	35,062,462	1,740,359	8,623,434	40,077,885	1,115,359,905
Accumulated depreciation:									
At 1 January 2016	-	51,866,192	22,001,028	99,955,587	29,161,202	1,329,147	8,110,380	-	212,423,536
Charge for the year	-	14,955,873	1,538,137	7,447,711	2,200,241	89,597	211,880	-	26,443,439
At 31 December 2016	-	66,822,065	23,539,165	107,403,298	31,361,443	1,418,744	8,322,260	-	238,866,975
Net book value:									
At 31 December 2016	**310,808,217**	**486,384,041**	**4,559,011**	**30,339,968**	**3,701,019**	**321,615**	**301,174**	**40,077,885**	**876,492,930**

8 PROPERTY AND EQUIPMENT (CONTINUED)

	Land *QR*	*Buildings* *QR*	*Office equipment* *QR*	*Medical equipment* *QR*	*Equipment and tools* *QR*	*Vehicles* *QR*	*Furniture and 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 23. The key valuation assumptions used as at 31 December 2015 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)

Revaluation of land and buildings

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

	2016	*2015*
	QR	*QR*
Land		
Cost	**132,509,124**	132,469,670
Buildings		
Cost	**310,140,296**	310,063,293
Accumulated depreciation	**(50,753,773)**	(43,000,426)
Net carrying amount	**259,386,523**	267,062,867

9 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2016	*2015*
	QR	*QR*
Investment in equity securities		
Quoted	**31,835,778**	32,285,111
Investments:		
At cost	**34,039,336**	32,639,336
Net loss from fair value adjustment	**(2,203,558)**	(354,225)
	31,835,778	32,285,111

10 AVAILABLE–FOR-SALE FINANCIAL ASSETS

	2016	*2015*
	QR	*QR*
Investments in equity securities		
Quoted	**18,581,867**	18,937,827
Investments:		
At cost	**24,411,767**	24,226,700
Net loss from fair value adjustment	**(1,093,441)**	(1,030,568)
Impairment loss (i)	**(4,736,459)**	(4,258,305)
	18,581,867	18,937,827

Notes:

(i) Impairment loss of QR 478,154 (2015: QR 3,461,329) has been recognised during the year with respect to the Company's quoted available-for-sale investments (Note 5).

11 INVENTORIES

	2016	*2015*
	QR	*QR*
Main store - medical and other supplies	**23,106,140**	24,430,779
Pharmaceuticals inventory	**12,355,911**	15,511,459
	35,462,051	39,942,238
Less: Provision for obsolete and slow moving inventories	**(5,814,001)**	(5,117,296)
	29,648,050	34,824,942

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

	2016	*2015*
	QR	*QR*
At 1 January	**5,117,296**	5,608,628
Provided / (reversed) during the year (Note 3)	**696,705**	(491,332)
At 31 December	**5,814,001**	5,117,296

12 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2016	*2015*
	QR	*QR*
Gross trade accounts receivables	**182,576,225**	268,683,647
Advances to suppliers	**18,138,847**	13,074,678
Due from Islamic Financial Securities	**8,285,752**	8,470,820
Refundable deposits	**5,235,964**	1,677,414
Prepaid expenses	**1,796,751**	1,042,105
Staff receivables	**991,349**	747,343
Others	**1,569,550**	680,840
	218,594,438	294,376,847
Less: Allowance for impairment of trade receivables	**(66,208,984)**	(61,814,561)
	152,385,454	232,562,286

As at 31 December 2016, trade accounts receivable at nominal value of QR 66,208,984 (2015: QR 61,814,561) were impaired and fully provided for. The movement in the allowance for impairment of trade accounts receivables is as follows:

	2016	*2015*
	QR	*QR*
At 1 January	**61,814,561**	56,510,898
Provision during the year (Note 5)	**32,511,196**	10,693,738
Write off	**(28,116,773)**	(5,390,075)
At 31 December	**66,208,984**	61,814,561

12 ACCOUNTS RECEIVABLE AND PREPAYMENTS (CONTINUED)

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

	Total	*Neither past due nor impaired*	*Past due but not impaired*				
			< 30 days	*30 – 90 Days*	*91 – 180 days*	*181 – 360 days*	*More than 360 days*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*	*QR*
2016	**191,576,176**	**28,245,481**	**27,566,747**	**2,879,293**	**10,158,928**	**6,373,763**	**116,351,964**
2015	218,445,503	40,566,487	40,598,996	32,820,174	59,810,477	37,102,478	7,546,891

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.

Note:
Receivables outstanding as of 31 December 2016 comprise mainly of balances due from NHIC. Management is of the opinion that these balances are recoverable in full

13 CASH AND CASH EQUIVALENTS

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

	2016	*2015*
	QR	*QR*
Cash on hand	**355,373**	260,869
Cash at bank	**31,446,256**	28,836,403
Short term deposits	**65,063,010**	83,063,010
Total cash and bank balances	**96,864,639**	112,160,282
Less: Deposits with original maturity dates more than three months	**(65,063,010)**	(83,063,010)
	31,801,629	29,097,272

Deposits carry profit of average 1.5% per annum (2015: average 1.5% per annum).

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

14 SHARE CAPITAL

	2016 No of shares	2015 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.

15 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.

16 DIVIDENDS

Dividends paid and proposed	***QR***
Declared, accrued and paid during 2016:	
Final dividend for 2015, QR 5 per share	140,720,500
Declared, accrued and paid during the 2015	
Final dividend for 2014, QR 5 per share	140,720,500
Proposed dividend for approval at Annual General Assembly Meeting, QR 3 per share	**84,432,300**

17 INTEREST BEARING LOANS

	2016 QR	*2015 QR*
Term loan (i)	**47,959,868**	61,331,346
Term loan (ii)	**5,228,540**	10,284,400
	53,188,408	71,615,746

Presented in the statement of financial position as follows:

	2016 QR	*2015 QR*
Current portion	**19,055,594**	18,427,338
Non-current portion	**34,132,814**	53,188,408
	53,188,408	71,615,746

17 INTEREST BEARING LOANS (CONTINUED)

Notes:

(i) The term loan represents a facility of QR 70 million obtained from a bank in State of Qatar 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 profit rate 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 a bank in State of Qatar 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.

18 EMPLOYEES' END OF SERVICE BENEFITS

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

	2016 ***QR***	*2015* *QR*
At 1 January	**41,866,149**	34,702,629
Provided during the year	**9,123,089**	10,053,231
End of service benefits paid	**(2,709,187)**	(2,889,711)
At 31 December	**48,280,051**	41,866,149

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 227,118 as of 31 December 2016, (31 December 2015: QR 200,945) 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

	2016 ***QR***	*2015* *QR*
Trade accounts payable	**24,835,861**	17,228,005
Accrued expenses	**40,571,672**	44,815,410
Unclaimed dividends	**18,266,132**	14,207,321
Advances from staff	**1,219,309**	707,523
Rent received in advance	**20,052**	587,657
Payable to Retirement and Pension Authority (Note 18)	**227,118**	200,945
Provision for contribution to social and sports fund (Note 20)	**1,628,792**	4,509,384
	86,768,936	82,256,245

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 1,628,792 (2015: QR 4,509,384) 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.

	2016	*2015*
	QR	*QR*
Bank guarantees	**4,161,710**	135,710

Legal claims
As at 31 December 2016, 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.

Claims from NHIC
The Company submitted claims amounting to QR 187 million to National Health Insurance Company ("NHIC") with respect to services provided to patients under the NHIC scheme. Claims pertaining to services provided have been submitted to the NHIC in accordance with the agreement between NHIC and the services providers. As of the reporting date, the claims submitted by the Company pertaining to this amount are yet to be formally approved by the NHIC. Based on the latest available information, management is of the opinion that the claims submitted to the NHIC are recoverable in full.

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:

	2016	*2015*
	QR	*QR*
Within one year	**1,931,840**	5,692,263

Capital commitments
The management has authorised future capital expenditure amounting to QR 95,697,697 as of 31 December 2016 (2015: QR 33,522,444).

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*	
	2016	*2015*	***2016***	*2015*
	QR	*QR*	***QR***	*QR*
Financial assets				
Bank balances	**96,509,266**	111,899,413	**96,509,266**	111,899,413
Trade and other receivables	**191,576,176**	218,445,503	**191,576,176**	218,445,503
Financial assets at fair value through other comprehensive income	**31,835,778**	32,285,111	**31,835,778**	32,285,111
Available-for-sale financial assets	**18,581,867**	18,937,827	**18,581,867**	18,937,827
Financial liabilities				
Trade and other payables	**24,835,861**	17,428,950	**24,835,861**	17,428,950
Retention payable	**827,142**	417,149	**827,142**	417,149
Interest bearing loans	**53,188,408**	71,615,746	**53,188,408**	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, 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:

23 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets

	2016 ***QR***	***Level 1*** ***QR***	***Level 2*** ***QR***	***Level 3*** ***QR***
Financial assets at fair value through other comprehensive income	**31,835,778**	**31,835,778**	**-**	**-**
Available-for-sale financial assets	**18,581,867**	**18,581,867**	**-**	**-**
	50,417,645	**50,417,645**	**-**	**-**

Non-financial assets

	2016 ***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

	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

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:

	2016 ***QR***	*2015* *QR*
Interest income	**396,622**	650,450
Rental income	**481,611**	516,081
Bank charges	**(108,794)**	(266,226)
Interest expenses	**(2,591,711)**	(1,481,194)
Insurance expenses	**(1,110,379)**	(1,731,309)

24 RELATED PARTY DISCLOSURES (CONTINUED)

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

	2016 *QR*	2015 QR
Bank balances	**31,446,256**	26,020,617
Short term deposits	**65,063,010**	83,063,010
Interest receivables	**136,464**	193,081
Interest bearing loans (Note 17)	**53,188,408**	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:

	2016 *QR*	2015 QR
Board of Directors' remuneration	**7,867,632**	8,543,016
Total key management staff benefits	**3,829,000**	4,385,800
	11,696,632	12,928,816

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 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. 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 2016.

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

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*
2016		
QR	**+25**	**17,567**
2015		
QR	+25	25,711

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*
2016		
Qatar Exchange (QE)	**+10%**	**5,041,765**
2015		
Qatar Exchange (QE)	+10%	5,122,294

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:

	2016 QR	*2015 QR*
Bank balances	**96,509,266**	111,899,413
Trade and other receivables	**191,576,176**	218,445,503
	288,085,442	330,344,916

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 66,208,984 (2015: QR 61,814,561) is sufficient against financial assets as at 31 December 2016. 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.

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)
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 2016	***On demand QR***	***Less than 3 months QR***	***3 to 12 months QR***	***1 to 5 years QR***	***Total QR***
Trade and other payables	**-**	**24,835,861**	**-**	**-**	**24,835,861**
Interest bearing loans	**-**	**4,706,695**	**14,348,898**	**34,132,815**	**53,188,408**
Unclaimed dividends	**18,266,132**	**-**	**-**	**-**	**18,266,132**
Provision for contributing to social and sports fund	**-**	**1,628,792**	**-**	**-**	**1,628,792**
Total	**18,266,132**	**31,171,348**	**14,348,898**	**34,132,815**	**97,919,193**

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	51,070,060	71,615,746
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	51,070,060	107,761,401

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 2015 and 2016. Capital comprises share capital and retained earnings, and is measured at QR 411,330,656 as at 31 December 2016 (2015: QR 487,847,607).

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.

As at 31 December 2016, 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 182,576,225 (2015: QR 268,683,647) and the allowance for impairment was QR 66,208,984 (2015: QR 61,814,561). 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 35,462,051 (2015: QR 39,942,238) with provision for obsolete and slow moving inventories of QR 5,814,001 (2015: QR 5,117,296). 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 Company 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 statement of comprehensive income, is removed from equity and recognised in the statement of comprehensive income.

27 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 18,581,867 (2015: QR 18,937,827) with an impairment loss of QR 478,154 (2015: QR 3,461,329). 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.

28 COMPARATIVE INFORMATION

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