

Medicare Group Q.P.S.C.

**INTERIM CONDENSED
FINANCIAL STATEMENTS**

**FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2023**

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF MEDICARE GROUP Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed financial statements of Medicare Group Q.P.S.C. (the "Company"), as at 30 June 2023, which comprises of the interim statement of financial position as at 30 June 2023, and the related interim statement of profit or loss and other comprehensive income, the interim statement of changes in equity and the interim statement of cash flows for the six month period then ended, and the explanatory notes.

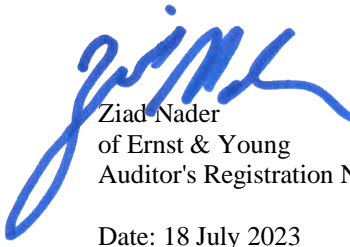
The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.



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

Date: 18 July 2023
Doha

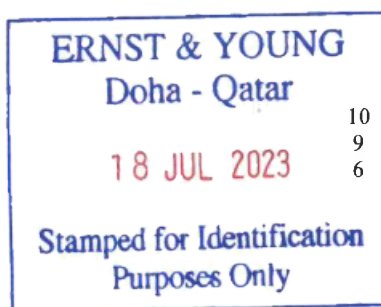


Medicare Group Q.P.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	Notes	30 June 2023 (Reviewed) QR	31 December 2022 (Audited) QR
ASSETS			
Non-current assets			
Property and equipment	5	1,042,044,455	1,032,712,543
Investment properties		26,233,810	26,233,810
Right-of-use assets	6	36,417,303	37,592,055
Investments at fair value through other comprehensive income		67,038,997	69,730,395
		<u>1,171,734,565</u>	<u>1,166,268,803</u>
Current assets			
Inventories		28,561,397	30,586,104
Accounts receivable and prepayments	7	133,921,246	118,063,533
Cash and bank balances	8	12,244,893	42,150,235
		<u>174,727,536</u>	<u>190,799,872</u>
Total assets		<u>1,346,462,101</u>	<u>1,357,068,675</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		281,441,000	281,441,000
Legal reserve		116,010,669	116,010,669
Fair value reserve		15,674,053	18,365,451
Revaluation reserve		547,284,371	549,025,726
Retained earnings		39,563,213	75,356,136
Total equity		<u>999,973,306</u>	<u>1,040,198,982</u>
Non-current liabilities			
Bank facilities	9	81,090,583	54,396,528
Lease liabilities	6	40,319,960	40,692,837
Employees' end of service benefits		78,484,327	77,292,252
		<u>199,894,870</u>	<u>172,381,617</u>
Current liabilities			
Accounts payable and accruals	10	117,036,516	118,503,116
Bank facilities	9	27,600,858	24,043,006
Lease liabilities	6	1,956,551	1,941,954
		<u>146,593,925</u>	<u>144,488,076</u>
Total liabilities		<u>346,488,795</u>	<u>316,869,693</u>
Total equity and liabilities		<u>1,346,462,101</u>	<u>1,357,068,675</u>



The interim condensed financial statements of the Company for the six months ended 30 June 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 18 July 2023.

Ali Ibrahim Al-Abdulghani
Board Member

Khalid Mohammed Al-Emadi
Chief Executive Officer

The attached notes 1 to 20 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

For the six-month period ended 30 June 2023

	Notes	<i>For the six-month period ended 30 June</i>	
		2023	2022
		<i>(Reviewed) QR</i>	<i>(Reviewed) QR</i>
Operating income	12	246,989,133	245,555,838
Operating costs	13	(156,870,279)	(155,280,720)
Gross profit		90,118,854	90,275,118
Income from deposit with Islamic banks		422,709	244,700
Other income	14	4,448,600	4,773,289
General and administrative expenses	15	(48,379,060)	(49,208,126)
Depreciation of property and equipment		(8,238,301)	(7,983,687)
Amortisation of right-of-use assets		(1,174,752)	(1,443,258)
Finance costs		(854,065)	(1,203,417)
Net profit for the period		36,343,985	35,454,619
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Net gain from investments at fair value through other comprehensive (loss) /income		(2,691,398)	10,425,174
Other comprehensive (loss)/income for the period		(2,691,398)	10,425,174
Total comprehensive income for the period		33,652,587	45,879,793
Basic and diluted earnings per share (expressed in Qatari Riyals per share)	16	0.129	0.126



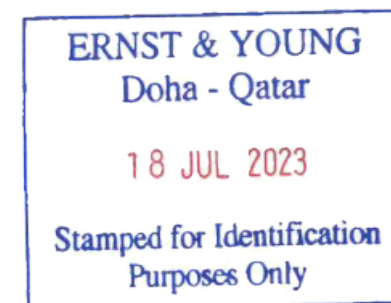
The attached notes 1 to 20 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2023

	<i>Share capital QR</i>	<i>Legal reserve QR</i>	<i>Fair value reserve QR</i>	<i>Revaluation reserve QR</i>	<i>Retained earnings QR</i>	<i>Total equity QR</i>
Balance at 1 January 2022	281,441,000	108,094,188	14,944,967	552,508,436	72,964,472	1,029,953,063
Net profit for the period	-	-	-	-	35,454,619	35,454,619
Other comprehensive income	-	-	10,425,174	-	-	10,425,174
Total comprehensive income	-	-	10,425,174	-	35,454,619	45,879,793
Dividends (Note 11)	-	-	-	-	(70,360,250)	(70,360,250)
Transfer of depreciation of revalued assets	-	-	-	(1,741,355)	1,741,355	-
Balance at 30 June 2022 (Reviewed)	<u>281,441,000</u>	<u>108,094,188</u>	<u>25,370,141</u>	<u>550,767,081</u>	<u>39,800,196</u>	<u>1,005,472,606</u>
Balance at 1 January 2023	281,441,000	116,010,669	18,365,451	549,025,726	75,356,136	1,040,198,982
Net profit for the period	-	-	-	-	36,343,985	36,343,985
Other comprehensive loss	-	-	(2,691,398)	-	-	(2,691,398)
Total comprehensive income	-	-	(2,691,398)	-	36,343,985	33,652,587
Dividends (Note 11)	-	-	-	-	(73,878,263)	(73,878,263)
Transfer of depreciation of revalued assets	-	-	-	(1,741,355)	1,741,355	-
Balance at 30 June 2023 (Reviewed)	<u>281,441,000</u>	<u>116,010,669</u>	<u>15,674,053</u>	<u>547,284,371</u>	<u>39,563,213</u>	<u>999,973,306</u>



The attached notes 1 to 20 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2023

	<i>For the six-month period ended 30 June</i>	
	2023	2022
	<i>(Reviewed) QR</i>	<i>(Reviewed) QR</i>
<i>Notes</i>		
OPERATING ACTIVITIES		
Net profit for the period	36,343,985	35,454,619
<i>Adjustments for:</i>		
Depreciation of property and equipment	12,747,106	12,666,274
Amortisation of right-of-use assets	1,174,752	1,443,258
Provision for obsolete and slow-moving inventories	-	567,646
Provision for employees' end of service benefits	4,482,906	4,920,273
Finance costs	854,065	1,203,417
Gain on sale of property and equipment	-	(10,950)
Income from deposit with Islamic banks	(422,709)	(244,700)
Dividend income	14 (2,704,852)	(2,558,783)
Operating profit before working capital changes	52,475,253	53,441,054
<i>Working capital changes:</i>		
Inventories	2,024,707	129,234
Accounts receivable and prepayments	(11,252,165)	(11,708,688)
Accounts payable and accruals	(761,034)	(5,276,249)
Cash generated from operations	42,486,761	36,585,351
Employees' end of service benefits paid	(3,290,831)	(2,487,204)
Contribution paid to the social and sports fund	(1,979,120)	(1,976,528)
Finance costs paid	(12,345)	(1,410)
Net cash flows from operating activities	37,204,465	32,120,209
INVESTING ACTIVITIES		
Additions to property and equipment	(22,079,018)	(16,939,390)
Proceeds from sale of property and equipment	-	10,950
Advance payments towards capital projects	(4,605,548)	(11,979,087)
Profit received from deposit with Islamic bank	422,709	244,700
Dividend income received	14 2,704,852	2,558,783
Net cash flows used in investing activities	(23,557,005)	(26,104,044)
FINANCING ACTIVITIES		
Cash dividends paid	(72,604,709)	(68,142,770)
Additional bank facilities obtained during the period	44,936,779	45,000,000
Payment of lease liabilities	(1,200,000)	(1,650,000)
Repayment of bank facilities	(14,684,872)	(13,548,252)
Net cash flows used in financing activities	(43,552,802)	(38,341,022)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(29,905,342)	(32,324,857)
Cash and cash equivalents at the beginning of the period	42,150,235	52,247,073
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12,244,893	19,922,216

The attached notes 1 to 20 form part of these interim condensed financial statements.



1 REPORTING ENTITY

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

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

2 BASIS OF PREPARATION

The interim condensed financial statements of the Company are prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting”. The financial statements are presented in Qatari Riyal (“QR”), which is the Company’s functional and presentation currency.

The interim condensed financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, investment properties, and land and buildings which are carried at fair value.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2022. In addition, results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

3 USES OF JUDGEMENTS AND ESTIMATES

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

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements as at and for the year ended 31 December 2022.

4 SIGNIFICANT ACCOUNTING POLICIES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) effective as of 1 January 2022 as noted below:

<u>Standards and Interpretations</u>	<u>Effective date</u>
• Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
• Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
• IFRS 17: Insurance contracts	1 January 2023
• Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	1 January 2023

The adoption of the new and amended standards and interpretations do not have a material impact on the financial statements of the Company.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2023

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and amended standards and interpretations (continued)

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

<u>Standards and Interpretations</u>	<u>Effective date</u>
• Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to IAS 1: Non-current Liabilities with Covenants	1 January 2024
• Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024

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

5 PROPERTY AND EQUIPMENT

	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
Net book value at the beginning of the period	1,032,712,543	1,013,292,628
Additions	22,079,018	45,247,907
Depreciation charge for the period/year	(12,747,106)	(25,827,992)
Disposal	-	(279,291)
Accumulated depreciation relating to disposal	-	279,291
Net book value at end of the period/year	<u>1,042,044,455</u>	<u>1,032,712,543</u>

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period/year:

	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
At 1 January	37,592,055	58,199,927
Amortisation charge for the period/year	(1,174,752)	(2,618,011)
Lease modifications	-	(17,989,861)
Balance at end of the period/year	<u>36,417,303</u>	<u>37,592,055</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2023

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Set out below are the carrying amounts of lease liabilities and the movements during the period/year:

	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
At 1 January	42,634,791	62,014,921
Finance costs for the period/year	841,720	2,059,731
Payments made during the period/year	(1,200,000)	(3,450,000)
Lease modifications	-	(17,989,861)
	<u>42,276,511</u>	<u>42,634,791</u>

Lease liabilities are presented in the interim statement of financial position as follows:

	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
Current portion	1,956,551	1,941,954
Non-current portion	<u>40,319,960</u>	<u>40,692,837</u>
	<u>42,276,511</u>	<u>42,634,791</u>

7 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
Trade receivables	156,757,257	147,084,649
Advances to suppliers	36,055,457	31,645,555
Staff receivables	9,256,408	8,618,322
Prepaid expenses	4,552,177	3,386,993
Refundable deposits	1,712,400	1,714,000
Others	<u>2,022,986</u>	<u>2,049,453</u>
	210,356,685	194,498,972
Provision for expected credit losses on trade receivables	<u>(76,435,439)</u>	<u>(76,435,439)</u>
	<u>133,921,246</u>	<u>118,063,533</u>

The movement in the provision for expected credit losses on trade receivables are as follows:

	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
At 1 January	76,435,439	76,438,033
Write-offs	<u>-</u>	<u>(2,594)</u>
	<u>76,435,439</u>	<u>76,435,439</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2023

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
Cash in hand	489,396	283,984
Cash at bank - current accounts	11,755,497	21,866,251
Cash at bank - short-term deposits (Note i)	-	20,000,000
	<u>12,244,893</u>	<u>42,150,235</u>

Note i:

Deposit held carried a profit rate of 5% at 31 December 2022.

9 BANK FACILITIES

	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
Bank facility - 1 (i)	20,664,422	28,122,218
Bank facility - 2 (ii)	83,090,240	50,317,316
Bank facility - 3 (iii)	4,936,779	-
	<u>108,691,441</u>	<u>78,439,534</u>

Presented in the interim statement of financial position as follows:

	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
Current portion	27,600,858	24,043,006
Non-current portion	81,090,583	54,396,528
	<u>108,691,441</u>	<u>78,439,534</u>

Notes:

- (i) The bank facility -1 represents an Islamic Finance (Musawama) facility obtained from a bank in the State of Qatar to finance the extension and renovations of Al Ahli Hospital buildings. In 2018, the Company has drawn down QR 12 million from the facility which is repayable in 60 monthly instalments of QR 224,094 each and matures on 15 August 2023. In 2019, an amount of QR 19 million was drawn down, to be repayable in 52 monthly installments of QR 402,922 each and matures on 15 August 2023. In 2020, QR 16 million was drawn down from the facility, to be repayable in 60 monthly instalments of QR 233,448 each and matures on 27 February 2025. In 2021, the Company has drawn down QR 23 million from the facility, to be repayable in 60 monthly instalments of QR 431,245 each and matures on 17 March 2026. The bank facility carries an annual profit rate of 5%.
- (ii) The bank facility -2 represents an Islamic finance (Murahaba commodity) facility of QR 15 million obtained from a bank in the State of Qatar for renovations of Al Ahli Hospital buildings. The bank facility is repayable in 60 monthly instalments of QR 285,361 each commencing on 8 October 2021 and matures on 8 September 2026. In 2022, the Company has drawn down QR 45 million from the facility, to be repayable in 60 monthly instalments of QR 860,532 each commencing on 20 April 2022 and matures on 20 March 2027. In March 2023, QR 40 million was drawn down from facility to be repayable in 60 monthly instalments of QR 774,951 each and matures on 27 March 2028. The bank facility carries annual profit rate of 6%.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2023

9 BANK FACILITIES (CONTINUED)*Notes: (continued)*

(iii) The bank facility -3 represents an Islamic cash line facility of QR 60 million obtained from a bank in the State of Qatar for working capital purposes, out of which the Company has withdrawn an amount of QR 4,936,779. The bank facility carries annual profit rate of 6%.

10 ACCOUNTS PAYABLE AND ACCRUALS

	30 June 2023 (Reviewed) QR	31 December 2022 (Audited) QR
Trade payables	40,873,835	36,017,257
Accrued expenses	46,355,241	51,450,019
Dividends payable	28,577,119	27,303,565
Payable to Retirement and Pension Authority	650,468	861,557
Advances from customers	88,942	460,986
Payable to staff	336,622	229,460
Retention payable	132,715	132,715
Credit card payable	21,574	68,437
Provision for contribution to social and sports fund	-	1,979,120
	<u>117,036,516</u>	<u>118,503,116</u>

11 DIVIDENDS

At the Annual General Meeting held on 29 March 2023, the shareholders of the Company approved a cash dividend of QR 0.2625 per share totaling QR 73,878,263, relating to the year 2022 (30 June 2022: QR 70,360,250).

12 OPERATING INCOME

	<i>For the six-month period ended 30 June</i>	
	30 June 2023 (Reviewed) QR	30 June 2022 (Reviewed) QR
<i>Type of revenue</i>		
Revenue from patient services	212,113,868	212,818,962
Sale of medications	34,875,265	32,736,876
	<u>246,989,133</u>	<u>245,555,838</u>

Revenue from outpatient services, sale of medications and other operating income are recognized at point in time. Revenue from inpatient services are recognized over time

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2023

13 OPERATING COSTS

	<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed) QR</i>	<i>(Reviewed) QR</i>
Staff costs	85,799,052	85,374,199
Medication and surgical costs	44,465,734	44,060,010
Doctors' charges	18,041,572	16,892,959
Depreciation of medical equipment	4,508,805	4,682,587
Food costs	1,705,201	1,682,892
Utilities	1,526,211	1,370,379
Fuel costs	823,704	650,048
Provision for slow moving inventories	-	567,646
	<u>156,870,279</u>	<u>155,280,720</u>

14 OTHER INCOME

	<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed) QR</i>	<i>(Reviewed) QR</i>
Dividend income	2,704,852	2,558,783
Rental income	1,303,889	1,450,582
Miscellaneous income	439,859	763,924
	<u>4,448,600</u>	<u>4,773,289</u>

15 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed) QR</i>	<i>(Reviewed) QR</i>
Staff costs	28,077,621	30,894,512
Maintenance and repairs	4,858,546	4,017,412
Outsourced staff costs	2,880,208	3,014,424
IT development	2,209,270	1,958,800
Security and cleaning	1,979,685	1,740,904
Insurance	1,756,407	1,657,121
Legal and professional fees	1,300,827	931,483
Telephone and fax	1,216,981	1,241,426
Advertisement and promotions	846,574	721,110
Board of Directors' remuneration	1,199,344	1,263,362
Bank charges	536,720	555,610
Printing and stationery	302,893	299,340
Government expenses	257,515	348,332
Others	956,469	564,290
	<u>48,379,060</u>	<u>49,208,126</u>

16 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR</i>	<i>QR</i>
Net profit for the period	<u>36,343,985</u>	<u>35,454,619</u>
Weighted average number of ordinary shares outstanding during the period	<u>281,441,000</u>	<u>281,441,000</u>
Basic and diluted earnings per share	<u>0.129</u>	<u>0.126</u>

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

17 CONTINGENCIES AND COMMITMENTS**a) Contingent liabilities**

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

	<i>30 June</i>	<i>31 December</i>
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR</i>	<i>QR</i>
Bank guarantees	<u>201,400</u>	<u>203,000</u>

b) Legal claims

As at 30 June 2023, 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. The Company's management exercises its judgement in assessing whether it would be made liable to settle any malpractice cases based on its understanding of the specifics of the case. Moreover, the Company has a malpractice insurance policy in place to cover all malpractice claims made as part of which the Company would be liable to settle the deductible amount (as per the insurance policy) whereas the remaining claim is covered by the insurance Company. The liability to settle the deductible amounts of the claim is expected to be insignificant.

c) Capital commitments

The capital commitments of the Company as at 30 June 2023 amounted to QR 63,343,277 (31 December 2022: QR 75,902,576). This relates primarily to contracts entered for the development of buildings and acquisition of medical equipment.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2023

18 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties included in the interim statement of profit or loss are as follows:

	<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR</i>	<i>QR</i>
Rental income	<u>120,000</u>	<u>120,000</u>
Finance income	<u>53,033</u>	<u>244,700</u>
Bank charges	<u>(17,604)</u>	<u>(13,691)</u>
Finance costs (including borrowing costs)	<u>(581,524)</u>	<u>(896,738)</u>
Insurance expenses	<u>(5,889,972)</u>	<u>(6,354,242)</u>

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

	<i>30 June</i>	<i>31 December</i>
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR</i>	<i>QR</i>
Bank balances	<u>7,670,874</u>	<u>16,039,463</u>
Receivables	<u>2,210,865</u>	<u>2,710,170</u>
Profit receivable from deposits with an Islamic Bank	<u>194,479</u>	<u>194,479</u>
Bank facilities	<u>(25,601,201)</u>	<u>(28,122,218)</u>
Trade payables	<u>(2,296)</u>	<u>(2,296)</u>
Credit card payable	<u>(9,338)</u>	<u>(52,033)</u>

Compensation of directors and other key management personnel

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

	<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR</i>	<i>QR</i>
Board of Directors' remuneration	<u>1,199,344</u>	<u>1,263,362</u>
Total key management personnel benefits	<u>2,341,868</u>	<u>2,602,475</u>
	<u>3,541,212</u>	<u>3,865,837</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2023

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison of the carrying amounts and fair value of the Company's financial instruments as at 30 June 2023 and 31 December 2022:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
Financial assets				
Bank balances	11,755,497	41,866,251	11,755,497	41,866,251
Trade and other receivables	93,313,612	83,030,985	93,313,612	83,030,985
Investments at fair value through other comprehensive income	67,038,997	69,730,395	67,038,997	69,730,395
	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>	<i>30 June 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
Financial liabilities				
Trade and other payables	70,548,560	66,920,382	70,548,560	66,920,382
Retention payable	132,715	132,715	132,715	132,715
Bank facilities	108,691,441	78,439,534	108,691,441	78,439,534

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.

Fair value hierarchy

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 that use inputs that have a significant effect on the recorded fair values are not based on observable market data.

As at 30 June 2023 and 31 December 2022, the Company held the following classes of financial instruments measured at fair value:

	<i>30 June 2023 (Reviewed) QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
Financial assets				
Financial assets at fair value through other comprehensive income	67,038,997	67,038,997	-	-
	<u>67,038,997</u>	<u>67,038,997</u>	<u>-</u>	<u>-</u>
Non-financial assets				
Revalued land and building	737,261,656	-	-	737,261,656
Investment properties	26,233,810	-	-	26,233,810
	<u>763,495,466</u>	<u>-</u>	<u>-</u>	<u>763,495,466</u>

19 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**Fair value hierarchy (continued)**

	<i>31 December 2022 (Audited) QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
Financial assets				
Financial assets at fair value through other comprehensive income	69,730,395	69,730,395	-	-
	<u>69,730,395</u>	<u>69,730,395</u>	<u>-</u>	<u>-</u>
Non-financial assets				
Revalued land and building	742,135,268	-	-	742,135,268
Investment properties	26,233,810	-	-	26,233,810
	<u>768,369,078</u>	<u>-</u>	<u>-</u>	<u>768,369,078</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six-month period ended 30 June 2023.

Revaluation of land and buildings

The Company measures land and buildings at revalued amounts with gains in fair value being recognised in other comprehensive income and losses in the statement of profit or loss. As at 30 June 2023, the land and buildings are stated at revalued amount categorized under Level 3 based on the appraisal report carried out on 31 December 2018 by an independent valuation specialist.

Management believes that there are no events or changes in circumstances indicating a significant change in fair value of the land from the last appraisal made. Land was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. Whereas the buildings were valued using the depreciable replacement cost method. The depreciable replacement cost represents the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The value of the property is adjusted to reflect obsolescence factors such as the physical condition, the remaining economic life, the comparative running costs and the comparative efficiency and functionality of the actual asset. The revalued land and buildings consist of Hospital premises and employee accommodations. The fair valuation of properties falls under level 3 of the fair value hierarchy.

The key valuation assumptions used are as follows:

<i>Type</i>	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Range used</i>	<i>The estimated value of the property would increase (decrease) if</i>
Land	Market comparison approach	Price per square foot in QR	QR 425 – QR 2,000 per SQFT	If the price per SQFT increased (decreased)
Building	Depreciable replacement cost approach	Depreciable replacement cost per square meter	QR 2,470 – QR 6,988 per SQM	If the price per SQM increased (decreased)

19 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Valuation of investment properties

Fair value of the investment properties is determined using a discounted cash flow (DCF) method and the market comparable approach. Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market derived discount rate is applied to establish the present value of the income stream associated with the asset.

As at 31 December 2022, the estimated fair value using both methods are within a similar range and the management eventually decided to use the DCF method. As at 30 June 2023, the valuation of investment properties is equal to the carrying value.

The fair value measurement for all of the investment properties has been categorised as level 3 fair value based on the inputs to the valuation technique used.

20 SEGMENT INFORMATION

a) Segment information

Segment reporting prescribes the "management approach" to segment reporting which requires the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. The Company has only one line of business which is providing health care services and operates only in the State of Qatar. At present, the Company's revenue is reviewed by one line of business and the expenses and results are reviewed and therefore no operating segment disclosure is provided in these interim condensed financial statements.

b) Seasonality of results

No significant income of seasonal nature was recorded in the interim condensed statement of comprehensive income for the six months period ended 30 June 2023 and 30 June 2022.