

**Medicare Group (Q.P.S.C.)**  
**Condensed interim financial statements**  
**31 March 2020**

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

**Condensed Interim Financial Statements  
For the three month period ended 31 March 2020**

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<b>Contents</b>	<b>Page(s)</b>
<b>Condensed interim financial statements:</b>	
Condensed interim statement of financial position	1
Condensed interim statement of profit or loss and other comprehensive income	2
Condensed interim statement of changes in equity	3
Condensed interim statement of cash flows	4
Notes to the condensed interim financial statements	5-8

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

**Condensed interim statement of financial position  
As at 31 March 2020**

In Qatari Riyals

	Note	31 March 2020 (Unaudited)	31 December 2019 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	4	959,014,647	947,945,348
Right-of-use assets		65,297,263	66,464,025
Investment properties		27,087,875	27,087,875
Financial investments at fair value through other comprehensive income		50,467,593	63,333,725
		<u>1,101,867,378</u>	<u>1,104,830,973</u>
<b>Current assets</b>			
Inventories		23,877,479	21,508,672
Accounts receivable and prepayments	5	90,936,974	93,163,340
Cash and bank balances	6	37,915,193	75,319,680
		<u>152,729,646</u>	<u>189,991,692</u>
<b>Total assets</b>		<u>1,254,597,024</u>	<u>1,294,822,665</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		281,441,000	281,441,000
Legal reserve		91,637,240	91,637,240
Fair value reserve		(3,927,352)	9,044,099
Revaluation surplus		558,595,000	559,467,700
Retained earnings		22,242,308	79,480,102
<b>Total equity</b>		<u>949,988,196</u>	<u>1,021,070,141</u>
<b>Non-current liabilities</b>			
Bank facilities			
Lease liabilities		28,459,478	19,083,163
Employees' end of service benefits		63,535,657	64,372,788
		67,014,712	65,654,308
		<u>159,009,847</u>	<u>149,110,259</u>
<b>Current liabilities</b>			
Accounts payable and accruals		128,880,600	108,367,966
Bank facilities		12,303,701	11,448,630
Lease liabilities		3,349,808	3,404,108
Retention payable		1,064,872	1,421,561
		<u>145,598,981</u>	<u>124,642,265</u>
<b>Total liabilities</b>		<u>304,608,828</u>	<u>273,752,524</u>
<b>Total equity and liabilities</b>		<u>1,254,597,024</u>	<u>1,294,822,665</u>



**Abdulla Bin Thani Bin Abdulla Al-Thani**  
Chairman



**Khalid Mohammed Al-Emadi**  
Chief Executive Officer

The notes from pages 5 to 8 form an integral part of these condensed interim financial statements.

**Medicare Group (Q.P.S.C.)****Condensed interim statement of profit or loss and other comprehensive income  
For the three month period ended 31 March 2020**

In Qatari Riyals

		<b>31 March 2020 (Unaudited)</b>	<b>31 March 2019 (Unaudited)</b>
	<b>Note</b>		
Operating income		130,343,304	128,160,519
Operating costs	7	<u>(76,709,407)</u>	<u>(75,239,128)</u>
<b>Gross profit</b>		<b>53,633,897</b>	52,921,391
Other income	8	3,538,979	3,509,696
Income from deposits with an Islamic Bank		111,458	350,330
General and administrative expenses	9	(24,573,714)	(23,868,424)
Depreciation of property and equipment	4	(5,494,360)	(7,944,027)
Depreciation of right-of-use assets		(1,166,762)	-
Provision for impairment of receivables		(4,483,130)	(4,413,915)
Provision for impairment of due from banks		-	(17,040)
Finance cost		<u>(873,382)</u>	<u>(177,931)</u>
<b>Profit for the period</b>		<b><u>20,692,986</u></b>	<b><u>20,360,080</u></b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss:			
Fair value changes relating to financial investments at fair value through other comprehensive income		<u>(12,971,451)</u>	<u>1,940,545</u>
Other comprehensive income for the period		<u>(12,971,451)</u>	<u>1,940,545</u>
<b>Total comprehensive income for the period</b>		<b><u>7,721,535</u></b>	<b><u>22,300,625</u></b>
<b>Basic and diluted earnings per share (expressed in Qatari Riyals per share)</b>		<b><u>0.07</u></b>	<b><u>0.07</u></b>

The notes from pages 5 to 8 form an integral part of these condensed interim financial statements.

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

**Condensed interim statement of changes in equity  
For the three-month period ended 31 March 2020**

In Qatari Riyals

	Share Capital	Legal Reserve	Fair value Reserve	Revaluation Surplus	Retained Earnings	Total Equity
Balance at 1 January 2020 (Audited)	281,441,000	91,637,240	9,044,099	559,467,700	79,480,102	1,021,070,141
Profit for the period	-	-	-	-	20,692,986	20,692,986
Other comprehensive income	-	-	(12,971,451)	-	-	(12,971,451)
Total comprehensive income	-	-	(12,971,451)	-	20,692,986	7,721,535
Cash dividends to shareholders	-	-	-	-	(78,803,480)	(78,803,480)
Transfer of depreciation of revalued assets	-	-	-	(872,700)	872,700	-
<b>Balance at 31 March 2020 (Unaudited)</b>	<b>281,441,000</b>	<b>91,637,240</b>	<b>(3,927,352)</b>	<b>558,595,000</b>	<b>22,242,308</b>	<b>949,988,196</b>
	Share Capital	Legal Reserve	Fair value Reserve	Revaluation Surplus	Retained Earnings	Total Equity
Balance at 1 January 2019 (Audited)	281,441,000	83,817,363	(2,230,652)	563,478,921	91,477,253	1,017,983,885
Profit for the period	-	-	-	-	20,360,080	20,360,080
Other comprehensive income	-	-	1,940,545	-	-	1,940,545
Total comprehensive income	-	-	1,940,545	-	20,360,080	22,300,625
Cash dividends to shareholders	-	-	-	-	(84,432,300)	(84,432,300)
Transfer of depreciation of revalued assets	-	-	-	-	-	-
<b>Balance at 31 March 2019 (Unaudited)</b>	<b>281,441,000</b>	<b>83,817,363</b>	<b>(290,107)</b>	<b>563,478,921</b>	<b>27,405,033</b>	<b>955,852,210</b>

The notes from pages 5 to 8 form an integral part of these condensed interim financial statements.

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

**Condensed interim statement of cash flows  
For the three month period ended 31 March 2020**

In Qatari Riyals

	Note	31 March 2020 (Unaudited)	31 March 2019 (Unaudited)
<b>Operating activities</b>		20,692,986	20,360,080
Profit for the period			
Adjustments for:			
Depreciation of property and equipment	4	5,494,360	7,944,027
Depreciation of right-of-use assets		1,166,762	-
Provision for employees' end of service benefits		2,285,527	2,251,010
Provision for obsolete and slow moving inventories		-	49,350
Finance cost		873,382	177,931
Provision for impairment of receivables		4,483,130	4,413,915
Income from deposits with an Islamic bank		(111,458)	(350,330)
Dividend income	8	<u>(2,344,634)</u>	<u>(2,015,074)</u>
Operating profit before working capital changes		32,540,055	32,830,909
Working capital changes:			
Inventories		(2,368,807)	(1,552,984)
Accounts receivable and prepayments		(2,618,402)	(6,801,603)
Accounts payable and accruals		13,684,757	(747,755)
Retention payable		<u>(356,689)</u>	<u>-</u>
Cash from operating activities		40,880,914	23,728,567
Net movement in term deposits		35,000,000	10,000,000
Employees' end of service benefits paid		(925,123)	(1,388,104)
Contribution paid to the social and sports fund		(1,954,969)	-
Finance cost paid		(36,813)	(177,931)
Income from deposits with an Islamic bank		473,096	350,330
Dividend income received	8	<u>2,344,634</u>	<u>2,015,074</u>
<b>Net cash flows from operating activities</b>		<u><b>75,781,739</b></u>	<u><b>34,527,936</b></u>
<b>Investing activities</b>			
Acquisition of property and equipment	4	(16,563,659)	(10,942,788)
Purchase of financial investments		<u>(105,319)</u>	<u>-</u>
<b>Net cash flows used in investing activities</b>		<u><b>(16,668,978)</b></u>	<u><b>(10,942,788)</b></u>
<b>Financing activities</b>			
Dividends paid		(70,857,203)	(40,368)
New bank facilities taken during the period		16,000,000	19,000,000
Repayment of bank facilities during the period		(5,768,614)	(4,206,966)
Payment of lease liabilities		<u>(891,431)</u>	<u>-</u>
<b>Net cash flows (used in)/ from financing activities</b>		<u><b>(61,517,248)</b></u>	<u><b>14,752,666</b></u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2,404,487)</b>	38,337,814
Cash and cash equivalents at 1 January		<u>40,319,680</u>	<u>53,638,410</u>
<b>Cash and cash equivalents at 31 March</b>	6	<u><b>37,915,193</b></u>	<u><b>91,976,224</b></u>

The notes from pages 5 to 8 form an integral part of these condensed interim financial statements.

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

### Notes to the condensed interim financial statements For the three month period ended 31 March 2020

In Qatari Riyals

#### 1. Reporting entity

Medicare Group Q.P.S.C. (formerly known as Al Ahli Specialized 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 the operation of a specialized hospital and promote medical services in the State of Qatar. The Company's registered office address is Ahmed Bin Ali Street, Wadi Al Sail, Doha, State of Qatar, P.O. Box 6401. The Company is listed on the Qatar Stock Exchange.

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

The interim condensed financial statements of the Company for the three months ended 31 March 2020 were authorized for issue in accordance with a resolution of the Board of Directors on 22 April 2020.

#### 2. Basis of accounting

##### Statement of compliance

These interim condensed financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with Company's last annual financial statements as at and for the year ended 31 December 2019 (last annual financial statements). These financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the company's financial position and performance since the last annual financial statements.

#### 3. Uses of judgements and estimates

In preparing these condensed interim 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 last annual financial statements as at and for the year ended 31 December 2019.

#### 4. Property and equipment

	<b>31 March 2020 (Unaudited)</b>	31 December 2019 (Audited)
Net book value at the beginning of the period / year	947,945,348	942,705,452
Additions	16,563,659	55,100,304
Reclassification to investment properties	-	(31,905,681)
Depreciation charge for the period / year	(5,494,360)	(22,772,533)
Accumulated depreciation relating to reclassification to investment properties	-	4,817,806
Net book value at the end of the period / year	<u><b>959,014,647</b></u>	<u>947,945,348</u>

**Medicare Group (Q.P.S.C.)****Notes to the condensed interim financial statements  
For the three month period ended 31 March 2020**

In Qatari Riyals

**5. Accounts receivable and prepayments**

	<b>31 March 2020 (Unaudited)</b>	31 December 2019 (Audited)
Gross trade receivables	143,831,932	143,235,476
Advances to suppliers	14,834,345	12,470,148
Due from investment securities broker	3,891,346	3,996,665
Refundable deposits	1,251,647	1,234,647
Prepaid expenses	1,652,239	2,367,456
Staff Receivables	4,889,675	4,533,214
Others	1,295,644	1,552,655
	<b>171,646,828</b>	169,390,261
Less: Allowance for impairment of trade receivables	<b>(80,709,854)</b>	<b>(76,226,921)</b>
	<b>90,936,974</b>	<b>93,163,340</b>

**6. Cash and cash equivalents**

Cash and cash equivalents comprise of the following:

	<b>31 March 2020 (Unaudited)</b>	31 December 2019 (Audited)
Cash in hand	185,019	70,547
Bank balances	37,775,569	40,294,528
Short term deposits	-	35,000,000
Less provision for impairment on due from banks	<b>(45,395)</b>	<b>(45,395)</b>
<b>Total cash and bank balances</b>	<b>37,915,193</b>	75,319,680
Less: Deposits with original maturities of more than 90 days	-	<b>(35,000,000)</b>
Cash and cash equivalents	<b>37,915,193</b>	<b>40,319,680</b>



**Medicare Group (Q.P.S.C.)****Notes to the condensed interim financial statements  
For the three month period ended 31 March 2020**

In Qatari Riyals

**7. Operating costs**

	<b>31 March 2020 (Unaudited)</b>	31 March 2019 (Unaudited)
Staff costs	46,201,363	46,036,231
Medication and surgical costs	21,832,358	20,492,408
Doctors charges	6,334,431	4,660,021
Food costs	980,558	1,017,995
Utilities	845,060	1,124,528
Fuel expenses	328,947	282,235
Other direct costs	186,690	226,360
Provision for obsolete and slow-moving inventories	-	49,350
Rent expenses	-	1,350,000
	<b><u>76,709,407</u></b>	<b><u>75,239,128</u></b>

**8. Other income**

	<b>31 March 2020 (Unaudited)</b>	31 March 2019 (Unaudited)
Dividend income	2,344,634	2,015,074
Rental income	815,844	806,906
Catering Income	86,355	164,587
Gain on foreign currency exchange	26,318	33,454
Miscellaneous income	265,828	489,675
	<b><u>3,538,979</u></b>	<b><u>3,509,696</u></b>

**Medicare Group (Q.P.S.C.)****Notes to the condensed interim financial statements  
For the three month period ended 31 March 2020**

In Qatari Riyals

**9. General and administrative expenses**

	<b>31 March 2020 (Unaudited)</b>	<b>31 March 2019 (Unaudited)</b>
Staff costs	14,834,832	14,884,498
Maintenance and repairs	2,546,880	1,592,975
Outsourced staff costs	1,551,108	1,450,900
Insurance	883,444	885,117
Legal and professional fees	746,660	260,345
Security and cleaning	700,018	811,962
Advertisement and promotions	647,666	886,624
Telephone and fax	550,638	884,719
Board of Directors' remuneration	509,902	486,351
IT development	432,578	349,414
Bank charges	309,366	321,212
Printing and stationery	247,525	330,262
Government expenses	155,799	388,399
Others	457,298	335,646
	<b><u>24,573,714</u></b>	<b><u>23,868,424</u></b>