

Medicare Group Q.P.S.C.

**INTERIM CONDENSED
FINANCIAL STATEMENTS**

**FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2021**

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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 2021, which comprises of the interim statement of financial position as at 30 June 2021, and the related interim statement of profit or loss and other comprehensive income, the interim statements of changes in equity and the interim statement of cash flows for the six month period then ended, and the explanatory notes.

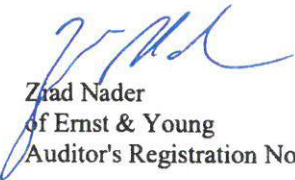
The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based 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: 15 July 2021
Doha



Medicare Group Q.P.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	Notes	30 June 2021 (Reviewed) QR	31 December 2020 (Audited) QR
ASSETS			
Non-current assets			
Property and equipment	5	1,001,230,637	978,037,744
Investment properties		25,868,933	25,868,933
Right-of-use assets	6	59,911,689	61,763,744
Investments at fair value through other comprehensive income		66,128,733	66,034,304
		<u>1,153,139,992</u>	<u>1,131,704,725</u>
Current assets			
Inventories		27,129,293	23,490,236
Accounts receivable and prepayments	7	99,089,927	97,449,719
Cash and bank balances	8	13,084,419	64,154,634
		<u>139,303,639</u>	<u>185,094,589</u>
Total assets		<u>1,292,443,631</u>	<u>1,316,799,314</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		281,441,000	281,441,000
Legal reserve		100,188,074	100,188,074
Fair value reserve		14,763,788	11,639,360
Revaluation surplus		554,249,792	555,991,147
Retained earnings		33,648,994	78,972,970
Total equity		<u>984,291,648</u>	<u>1,028,232,551</u>
Non-current liabilities			
Bank facilities	9	35,424,002	22,761,260
Lease liabilities	6	60,841,885	62,014,922
Employees' end of service benefits		72,558,840	70,672,752
		<u>168,824,727</u>	<u>155,448,934</u>
Current liabilities			
Accounts payable and accruals	10	122,635,001	117,264,310
Bank facilities	9	14,242,370	13,362,931
Lease liabilities	6	2,317,170	2,357,873
Retention payable		132,715	132,715
		<u>139,327,256</u>	<u>133,117,829</u>
Total liabilities		<u>308,151,983</u>	<u>288,566,763</u>
Total equity and liabilities		<u>1,292,443,631</u>	<u>1,316,799,314</u>



These interim condensed financial statements were approved and signed on behalf of the Board of Directors by the following on 15 July 2021:

Khalifa Bin Thani Bin Abdulla Al-Thani
Chairman

Khalid Mohammed Al-Emadi
Chief Executive Officer

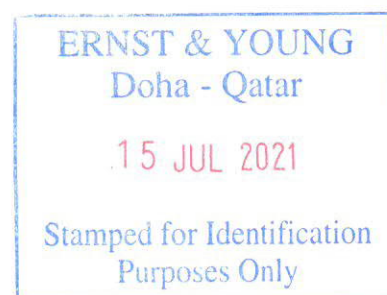
The attached notes 1 to 21 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

For the six-month period ended 30 June 2021

		<i>For the six-month period ended 30 June</i>	
		<i>2021</i>	<i>2020</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>
<i>Notes</i>		<i>QR</i>	<i>QR</i>
	Operating income	232,074,407	214,635,300
	Operating costs	(148,268,225)	(134,943,619)
	Gross profit	83,806,182	79,691,681
	Income from deposit with an Islamic Bank	174,329	180,532
	Other income	4,136,867	6,068,773
	General and administrative expenses	(45,629,168)	(44,272,004)
	Depreciation of property and equipment	(7,600,897)	(7,470,946)
	Amortisation of right-of-use assets	(1,852,055)	(2,316,907)
	Reversal of expected credit losses on receivables	153,375	-
	Reversal of expected credit losses on due from banks	-	45,395
	Finance costs	(1,584,260)	(1,703,788)
	Net profit for the period	31,604,373	30,222,736
	<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
	Net gain (loss) from investments at fair value through other comprehensive income	3,258,204	(5,410,681)
	Other comprehensive income (loss) for the period	3,258,204	(5,410,681)
	Total comprehensive income for the period	34,862,577	24,812,055
	Basic and diluted earnings per share (expressed in Qatari Riyals per share)	0.112	0.107



The attached notes 1 to 21 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 2021

	Share capital QR	Legal reserve QR	Fair value reserve QR	Revaluation surplus QR	Retained earnings QR	Total equity QR
Balance at 1 January 2020	281,441,000	91,637,240	9,044,099	559,467,700	79,480,102	1,021,070,141
Net profit for the period	-	-	-	-	30,222,736	30,222,736
Other comprehensive income	-	-	(5,410,681)	-	-	(5,410,681)
Total comprehensive income	-	-	(5,410,681)	-	30,222,736	24,812,055
Dividends (Note 11)	-	-	-	-	(78,803,480)	(78,803,480)
Transfer of depreciation of revalued assets	-	-	-	(1,745,400)	1,745,400	-
Balance at 30 June 2020 (Reviewed)	281,441,000	91,637,240	3,633,418	557,722,300	32,644,758	967,078,716
Balance at 1 January 2021	281,441,000	100,188,074	11,639,360	555,991,147	78,972,970	1,028,232,551
Net profit for the period	-	-	-	-	31,604,373	31,604,373
Other comprehensive income	-	-	3,258,204	-	-	3,258,204
Total comprehensive income	-	-	3,258,204	-	31,604,373	34,862,577
Dividends (Note 11)	-	-	-	-	(78,803,480)	(78,803,480)
Realised gain on investment at fair value through other comprehensive income recycled to retained earnings	-	-	(133,776)	-	133,776	-
Transfer of depreciation of revalued assets	-	-	-	(1,741,355)	1,741,355	-
Balance at 30 June 2021 (Reviewed)	281,441,000	100,188,074	14,763,788	554,249,792	33,648,994	984,291,648

ERNST & YOUNG
Doha - Qatar

15 JUL 2021

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Medicare Group Q.P.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2021

	Notes	For the six-month period ended 30 June	
		2021	2020
		(Reviewed) QR	(Reviewed) QR
OPERATING ACTIVITIES			
Net profit for the period		31,604,373	30,222,736
<i>Adjustments for:</i>			
Depreciation of property and equipment	5	12,034,026	11,214,983
Amortisation of right-of-use assets	6	1,852,055	2,316,907
Reversal of provision for expected credit losses on receivables	7	(153,375)	-
Reversal of provision for obsolete and slow-moving inventories		(720,926)	-
Provision for employees' end of service benefits		4,456,116	4,267,533
Finance costs		1,584,260	1,703,788
Income from deposit with an Islamic bank		(174,329)	(180,532)
Dividend income	13	(2,008,695)	(2,563,807)
Gain from rent concession	13	-	(1,350,000)
Loss on derecognition of lease liability		-	2,667
Operating profit before working capital changes		48,473,505	45,634,275
<i>Working capital changes:</i>			
Inventories		(2,918,131)	(3,967,299)
Accounts receivable and prepayments		(1,486,833)	(3,465,051)
Accounts payable and accruals		5,766,501	11,200,289
Retention payable		-	(407,296)
Cash generated from operations		49,835,042	48,994,918
Employees' end of service benefits paid		(2,570,028)	(938,351)
Contribution paid to the social and sports fund		(2,137,708)	(1,954,969)
Finance costs paid		-	(40,966)
Net cash flow from operating activities		45,127,306	46,060,632
INVESTING ACTIVITIES			
Additions to property and equipment	5	(35,226,919)	(20,919,755)
Proceeds from the disposal of investment at fair value through other comprehensive income		3,163,776	-
Income received from deposit with an Islamic bank		174,329	441,141
Dividend income received		2,008,695	2,563,807
Net movement in deposits with maturity of more than 90 days		-	35,000,000
Additional investments at fair value through other comprehensive income		-	(105,318)
Net cash flow (used in) from investing activities		(29,880,119)	16,979,875
FINANCING ACTIVITIES			
Cash dividends paid		(77,061,583)	(77,395,392)
Additional bank facilities obtained during the period		23,000,000	21,299,338
Payment of lease liabilities		(2,798,000)	(1,947,000)
Repayment of bank facilities		(9,457,819)	(9,579,609)
Net cash flow used in financing activities		(66,317,402)	(67,622,663)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(51,070,215)	(4,582,156)
Cash and cash equivalents at the beginning of the period		64,154,634	40,319,680
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8	13,084,419	35,737,524

The attached notes 1 to 21 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.

The interim condensed financial statements of the Company for the six months ended 30 June 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 15 July 2021.

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 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 2020. In addition, results for the six month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

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 2020.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2020, except for the adoption of new standards and interpretations effective as of 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed financial statements of the Company.

New and amended standards and interpretations adopted by the Company

During the current period, the Company adopted the below amendments and improvements to the International Financial Reporting Standards that are effective for annual periods beginning on 1 January 2021:

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**New and amended standards and interpretations adopted by the Company (continued)**

These amendments had no impact on the interim condensed financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

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 interim condensed financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

<i>Topics</i>	<i>Effective date</i>
IFRS 17 Insurance Contracts	1 January 2023

5 PROPERTY AND EQUIPMENT

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
Net book value at 1 January	978,037,744	949,218,568
Additions	35,226,919	51,693,914
Depreciation charge for the period/year	<u>(12,034,026)</u>	<u>(22,874,738)</u>
Net book value at end of the period/year	<u>1,001,230,637</u>	<u>978,037,744</u>

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
At 1 January	61,763,744	66,464,025
Amortisation charge for the period/year	(1,852,055)	(4,550,729)
Lease modifications	<u>-</u>	<u>(149,552)</u>
Balance at end of the period/year	<u>59,911,689</u>	<u>61,763,744</u>

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

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
At 1 January	64,372,795	67,776,896
Finance costs for the period/year	1,584,260	3,282,784
Payments made during the period/year	(2,798,000)	(4,290,000)
Rent concession	-	(2,250,000)
Lease modifications	<u>-</u>	<u>(146,885)</u>
Balance at end of the period/year	<u>63,159,055</u>	<u>64,372,795</u>

At 30 June 2021

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

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

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
Current portion	2,317,170	2,357,873
Non-current portion	<u>60,841,885</u>	<u>62,014,922</u>
	<u>63,159,055</u>	<u>64,372,795</u>

7 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
Trade receivables	141,499,760	144,949,468
Advances to suppliers	13,345,533	15,705,356
Due from investment securities broker	7,056,121	3,891,346
Prepaid expenses	5,824,019	2,266,327
Staff receivables	5,518,795	5,292,179
Refundable deposits	885,502	888,033
Others	<u>1,238,375</u>	<u>888,563</u>
	175,368,105	173,881,272
Provision for expected credit losses on trade receivables	<u>(76,278,178)</u>	<u>(76,431,553)</u>
	<u>99,089,927</u>	<u>97,449,719</u>

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

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
At 1 January	76,431,553	76,226,921
Provision during the period/year	-	219,792
Reversals	(153,375)	-
Write-off	<u>-</u>	<u>(15,160)</u>
	<u>76,278,178</u>	<u>76,431,553</u>

At 30 June 2021

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
Cash in hand	255,859	175,659
Cash at bank	<u>12,828,560</u>	<u>63,978,975</u>
	<u>13,084,419</u>	<u>64,154,634</u>

9 BANK FACILITIES

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
Bank facility -1 (i)	49,666,372	32,564,987
Bank facility -2 (ii)	<u>-</u>	<u>3,559,204</u>
	<u>49,666,372</u>	<u>36,124,191</u>

Presented in the interim statement of financial position as follows:

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
Current portion	14,242,370	13,362,931
Non-current portion	<u>35,424,002</u>	<u>22,761,260</u>
	<u>49,666,372</u>	<u>36,124,191</u>

Notes:

- (i) The bank facility -1 represents a 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 292,295 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 429,520 each and matures on 17 March 2026. The bank facility carries an annual profit rate of 4.5%.
- (ii) The bank facility -2 represents a facility of QR 5,299,338 obtained from a bank in the State of Qatar for working capital purposes. The bank facility is repayable in 6 monthly instalments of QR 889,859 each commencing on 11 November 2020 and matures on 11 April 2021. The bank facility carries annual profit rate of 2.5%. The bank facility was fully settled in April 2021.

Medicare Group Q.P.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2021

10 ACCOUNTS PAYABLE AND ACCRUALS

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
Trade payables	52,033,548	43,097,817
Accrued expenses	43,786,616	47,089,249
Dividends payable	26,206,954	24,465,057
Payable to staff	363,220	228,248
Payable to Retirement and Pension Authority	160,998	156,684
Credit card payable	58,665	57,894
Advances from customers	25,000	31,653
Provision for contribution to social and sports fund	-	2,137,708
	<u>122,635,001</u>	<u>117,264,310</u>

11 DIVIDENDS

At the Annual General Meeting held on 22 March 2021, the shareholders of the Company approved a cash dividend of QR 0.28 per share totaling QR 78,803,480, relating to the year 2020 (30 June 2020: QR 78,803,480).

12 OPERATING COSTS

	<i>For the six-month period ended 30 June</i>	
	<i>2021 (Reviewed) QR</i>	<i>2020 (Reviewed) QR</i>
Staff costs	82,964,643	80,439,126
Medication and surgical costs	46,677,197	36,408,207
Doctors' charges	12,383,578	10,942,845
Depreciation of medical equipment	4,433,129	3,744,037
Food costs	1,328,816	1,051,746
Utilities	845,938	1,707,699
Fuel costs	355,850	649,959
Reversal of provision for slow moving inventories	(720,926)	-
	<u>148,268,225</u>	<u>134,943,619</u>

13 OTHER INCOME

	<i>For the six-month period ended 30 June</i>	
	<i>2021 (Reviewed) QR</i>	<i>2020 (Reviewed) QR</i>
Dividend income	2,008,695	2,563,807
Rental income	1,299,310	1,260,972
Catering income	294,197	415,717
Gain from rent concession	-	1,350,000
Miscellaneous income	534,665	478,277
	<u>4,136,867</u>	<u>6,068,773</u>

14 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the six-month period ended 30 June</i>	
	<i>2021 (Reviewed) QR</i>	<i>2020 (Reviewed) QR</i>
Staff costs	28,733,025	25,736,838
Maintenance and repairs	3,446,151	4,677,733
Outsourced staff costs	2,704,097	2,992,878
IT development	2,067,883	904,486
Insurance	1,704,615	1,728,383
Security and cleaning	1,599,119	1,785,762
Telephone and fax	1,091,998	1,015,853
Board of Directors' remuneration	1,037,376	1,021,712
Advertisement and promotions	920,207	1,211,160
Bank charges	722,038	546,008
Printing and stationery	358,475	361,855
Legal and professional fees	315,030	1,083,512
Government expenses	264,573	238,324
Committee remuneration	168,000	165,000
Others	496,581	802,500
	45,629,168	44,272,004

15 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>2021 (Reviewed) QR</i>	<i>2020 (Reviewed) QR</i>
Net profit for the period	31,604,373	30,222,736
Weighted average number of ordinary shares outstanding during the period	281,441,000	281,441,000
Basic and diluted earnings per share	0.112	0.107

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.

At 30 June 2021

16 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 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
Bank guarantees	<u>203,000</u>	<u>203,000</u>

b) Legal claims

As at 30 June 2021, 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 immaterial.

c) Capital commitments

The capital commitments of the company as at 30 June 2021 amounted to QR 73,357,348 (31 December 2020: QR 57,196,226). This relates primarily to contracts entered for the development of buildings and acquisition of medical equipment.

17 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>2021 (Reviewed) QR</i>	<i>2020 (Reviewed) QR</i>
Rental income	<u>120,000</u>	<u>242,256</u>
Finance income	<u>174,329</u>	<u>180,532</u>
Bank charges	<u>(38,271)</u>	<u>(24,826)</u>
Finance costs (including borrowing costs)	<u>(905,820)</u>	<u>(856,237)</u>
Insurance expenses	<u>(6,477,143)</u>	<u>(6,468,507)</u>
Other expenses	<u>-</u>	<u>(21,000)</u>

17 RELATED PARTY TRANSACTIONS (CONTINUED)

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

	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
Bank balances	<u>11,129,481</u>	<u>63,555,209</u>
Receivables	<u>336,334</u>	<u>110,380</u>
Receivable income from deposits with an Islamic Bank	<u>194,479</u>	<u>194,479</u>
Bank facilities	<u>49,666,372</u>	<u>36,124,191</u>
Trade payable	<u>2,618,285</u>	<u>25,340</u>
Credit card payable	<u>49,288</u>	<u>41,331</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>2021 (Reviewed) QR</i>	<i>2020 (Reviewed) QR</i>
Board of Directors' remuneration	1,037,376	1,021,712
Committee remuneration	168,000	165,000
Total key management personnel benefits	<u>2,323,175</u>	<u>2,140,575</u>
	<u>3,528,551</u>	<u>3,327,287</u>

18 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 2021 and 31 December 2020:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>	<i>30 June 2021 (Reviewed) QR</i>	<i>31 December 2020 (Audited) QR</i>
Financial assets				
Bank balances	12,828,560	63,978,975	12,828,560	63,978,975
Trade and other receivables	79,920,375	79,478,036	79,920,375	79,478,036
Investments at fair value through other comprehensive income	66,128,733	66,034,304	66,128,733	66,034,304
Financial liabilities				
Trade and other payables	78,848,385	70,175,061	78,848,385	70,175,061
Retention payable	132,715	132,715	132,715	132,715
Bank facilities	49,666,372	36,124,191	49,666,372	36,124,191

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.

At 30 June 2021

18 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**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 2021 and 31 December 2020, the Company held the following classes of financial instruments measured at fair value:

	<i>30 June 2021 (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	<u>66,128,733</u>	<u>66,128,733</u>	-	-
	<u>66,128,733</u>	<u>66,128,733</u>	-	-
Non-financial assets				
Revalued land and building	756,860,316	-	-	756,860,316
Investment properties	<u>25,868,933</u>	-	-	<u>25,868,933</u>
	<u>782,729,249</u>	-	-	<u>782,729,249</u>
	<i>31 December 2020 (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	<u>66,034,304</u>	<u>66,034,304</u>	-	-
	<u>66,034,304</u>	<u>66,034,304</u>	-	-
Non-financial assets				
Revalued land and building	760,847,314	-	-	760,847,314
Investment properties	<u>25,868,933</u>	-	-	<u>25,868,933</u>
	<u>786,716,247</u>	-	-	<u>786,716,247</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 2021.

18 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**Fair value hierarchy (continued)***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 2021, 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:

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

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 2020, 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 2021, the Company had not carried out a valuation of its investment properties and the management is of the view that there are no material changes in the fair value of the investment properties as of 30 June 2021 as compared to the values existed as of 31 December 2020, based on the observable market information.

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.

19 SEGMENT INFORMATION

The Company is engaged in providing health care services and operates only in the State of Qatar, hence segmental disclosures based on business and geographical segments are not applicable.

20 COMPARATIVE FIGURES

Certain comparative information for 2020 have been reclassified in order to conform to the presentation of the current period and improve the quality of the information presented. For the six-month period ended 30 June 2020, the depreciation of medical equipment amounting to QR 3,744,037 was reclassified from depreciation of property and equipment to the operating costs to correspond with the current presentation. In addition, the security expenses amounting to QR 367,206 was reclassified from operating costs to the general and administrative expenses. Such reclassifications do not affect the previously reported profit or equity.

21 EFFECT OF COVID 19

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is still challenging to predict the full extent and duration of its business and economic impact. The outbreak of COVID 19 may have an impact on the demand for healthcare. The Company has been closely monitoring the latest developments in the current evolving situation and has carried out an assessment based on the observable information as at 30 June 2021.

The Company considered the potential impairment impact of the outbreak on its financial and non-financial assets due to the current economic volatility. Based on management's assessment, the Company does not expect a significant impact on the recoverable value of its non-financial assets and the ECL of financial assets. Management believes that the market remains volatile and the recorded amounts remain sensitive to market fluctuations. The Company will continuously monitor the ongoing situation and continue to provide conservatively for any downside risks.