

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

**INTERIM CONDENSED  
FINANCIAL STATEMENTS**

**FOR THE SIX-MONTH PERIOD ENDED  
30 JUNE 2022**

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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 2022, which comprises of the interim statement of financial position as at 30 June 2022, 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.

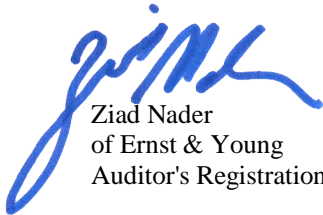
The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based 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: 19 July 2022  
Doha

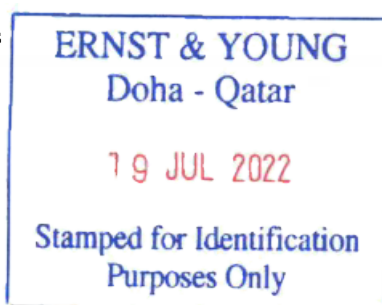


Medicare Group Q.P.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	Notes	30 June 2022 (Reviewed) QR	31 December 2021 (Audited) QR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	1,017,565,744	1,013,292,628
Investment properties		25,881,077	25,881,077
Right-of-use assets	6	38,766,807	58,199,927
Investments at fair value through other comprehensive income		76,735,085	66,309,911
		<u>1,158,948,713</u>	<u>1,163,683,543</u>
<b>Current assets</b>			
Inventories		29,470,346	30,167,226
Accounts receivable and prepayments	7	115,101,340	91,413,565
Cash and bank balances	8	19,922,216	52,247,073
		<u>164,493,902</u>	<u>173,827,864</u>
<b>Total assets</b>		<u>1,323,442,615</u>	<u>1,337,511,407</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		281,441,000	281,441,000
Legal reserve		108,094,188	108,094,188
Fair value reserve		25,370,141	14,944,967
Revaluation reserve		550,767,081	552,508,436
Retained earnings		39,800,196	72,964,472
<b>Total equity</b>		<u>1,005,472,606</u>	<u>1,029,953,063</u>
<b>Non-current liabilities</b>			
Bank facilities	9	65,293,680	39,718,752
Lease liabilities	6	41,673,507	59,639,215
Employees' end of service benefits		77,951,983	75,518,914
		<u>184,919,170</u>	<u>174,876,881</u>
<b>Current liabilities</b>			
Accounts payable and accruals	10	104,944,890	109,980,186
Bank facilities	9	26,202,385	20,325,571
Lease liabilities	6	1,903,564	2,375,706
		<u>133,050,839</u>	<u>132,681,463</u>
<b>Total liabilities</b>		<u>317,970,009</u>	<u>307,558,344</u>
<b>Total equity and liabilities</b>		<u>1,323,442,615</u>	<u>1,337,511,407</u>



These interim condensed financial statements were approved and signed on behalf of the Board of Directors by the following on 19 July 2022:

Abdul Basit Ahmed Al Shaibei  
Vice Chairman & Managing Director

Khalid Mohammed Al-Emadi  
Chief Executive Officer

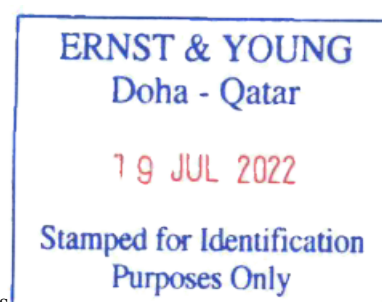
The attached notes 1 to 21 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME

For the six-month period ended 30 June 2022

	Notes	<i>For the six-month period ended 30 June</i>	
		2022	2021
		(Reviewed) QR	(Reviewed) QR
Operating income		245,555,838	232,865,696
Operating costs	12	(155,280,720)	(148,765,317)
<b>Gross profit</b>		<b>90,275,118</b>	<b>84,100,379</b>
Income from deposit with an Islamic Bank		244,700	174,329
Other income	13	4,773,289	3,842,670
General and administrative expenses	14	(49,208,126)	(45,629,168)
Depreciation of property and equipment		(7,983,687)	(7,600,897)
Amortisation of right-of-use assets		(1,443,258)	(1,852,055)
Reversal of expected credit losses on receivables		-	153,375
Finance costs		(1,203,417)	(1,584,260)
<b>Net profit for the period</b>		<b>35,454,619</b>	<b>31,604,373</b>
<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 income		10,425,174	3,258,204
<b>Other comprehensive income for the period</b>		<b>10,425,174</b>	<b>3,258,204</b>
<b>Total comprehensive income for the period</b>		<b>45,879,793</b>	<b>34,862,577</b>
<b>Basic and diluted earnings per share (expressed in Qatari Riyals per share)</b>	15	<b>0.126</b>	0.112



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 2022

	<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 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)	<u>281,441,000</u>	<u>100,188,074</u>	<u>14,763,788</u>	<u>554,249,792</u>	<u>33,648,994</u>	<u>984,291,648</u>
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	-
<b>Balance at 30 June 2022 (Reviewed)</b>	<u><b>281,441,000</b></u>	<u><b>108,094,188</b></u>	<u><b>25,370,141</b></u>	<u><b>550,767,081</b></u>	<u><b>39,800,196</b></u>	<u><b>1,005,472,606</b></u>

ERNST & YOUNG  
Doha - Qatar

19 JUL 2022

Stamped for Identification  
Purposes Only

The attached notes 1 to 21 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 2022

	<i>For the six-month period ended 30 June</i>	
	2022	2021
	<i>(Reviewed) QR</i>	<i>(Reviewed) QR</i>
<i>Notes</i>		
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	<b>35,454,619</b>	31,604,373
<i>Adjustments for:</i>		
Depreciation of property and equipment	<b>12,666,274</b>	12,034,026
Amortisation of right-of-use assets	<b>1,443,258</b>	1,852,055
Reversal of provision for expected credit losses on receivables	-	(153,375)
Provision (Reversal) for obsolete and slow-moving inventories	<b>567,646</b>	(720,926)
Provision for employees' end of service benefits	<b>4,920,273</b>	4,456,116
Finance costs	<b>1,203,417</b>	1,584,260
Gain on sale of property and equipment	<b>(10,950)</b>	-
Income from deposit with an Islamic bank	<b>(244,700)</b>	(174,329)
Dividend income	<b>(2,558,783)</b>	(2,008,695)
	<b>53,441,054</b>	48,473,505
Operating profit before working capital changes		
<i>Working capital changes:</i>		
Inventories	<b>129,234</b>	(2,918,131)
Accounts receivable and prepayments	<b>(23,687,775)</b>	(1,486,833)
Accounts payable and accruals	<b>(5,276,249)</b>	5,766,501
	<b>24,606,264</b>	49,835,042
Cash generated from operations		
Employees' end of service benefits paid	<b>(2,487,204)</b>	(2,570,028)
Contribution paid to the social and sports fund	<b>(1,976,528)</b>	(2,137,708)
Finance costs paid	<b>(1,410)</b>	-
<b>Net cash flows from operating activities</b>	<b>20,141,122</b>	45,127,306
<b>INVESTING ACTIVITIES</b>		
Additions to property and equipment	<b>(16,939,390)</b>	(35,226,919)
Proceeds from sale of equipment	<b>10,950</b>	-
Proceeds from the disposal of investment at fair value through other comprehensive income	-	3,163,776
Income received from deposit with an Islamic bank	<b>244,700</b>	174,329
Dividend income received	<b>2,558,783</b>	2,008,695
<b>Net cash flows used in investing activities</b>	<b>(14,124,957)</b>	(29,880,119)
<b>FINANCING ACTIVITIES</b>		
Cash dividends paid	<b>(68,142,770)</b>	(77,061,583)
Additional bank facilities obtained during the period	<b>45,000,000</b>	23,000,000
Payment of lease liabilities	<b>(1,650,000)</b>	(2,798,000)
Repayment of bank facilities	<b>(13,548,252)</b>	(9,457,819)
<b>Net cash flows used in financing activities</b>	<b>(38,341,022)</b>	(66,317,402)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(32,324,857)</b>	(51,070,215)
Cash and cash equivalents at the beginning of the period	<b>52,247,073</b>	64,154,634
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>19,922,216</b>	13,084,419

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

# Medicare Group Q.P.S.C.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2022

### 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 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 19 July 2022.

### 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 Riyals (“QR”), which is the Company’s functional and presentation currency. 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 2021. In addition, results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

### 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 2021.

### 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 2021, except for the adoption of new standards and interpretations effective as of 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### **New and amended standards and interpretations adopted by the Company**

The following amendments to the existing standards have been applied by the Company in preparation of these interim condensed financial statements. The adoption of the below amendments to existing standards did not result in changes to previously reported net profit or equity of the Company, but they may result in additional disclosures at year end:

<i>Description</i>	<i>Effective from</i>
Annual Improvements to IFRS Standards 2018 – 2020	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022
IFRS 9 Financial Instruments: Fees in the ‘10 per cent’ test for derecognition of financial liabilities	1 January 2022
IAS 41 Agriculture: Taxation in fair value measurements	1 January 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1 January 2022

These amendments had no impact on the interim condensed financial statements of the Company.



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2022

**4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023

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 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
Net book value at 1 January	<b>1,013,292,628</b>	978,037,744
Additions	<b>16,939,390</b>	59,849,979
Depreciation charge for the period/year	<b>(12,666,274)</b>	(24,595,095)
Disposal	<b>(233,291)</b>	(299,918)
Accumulated depreciation relating to disposal	<b>233,291</b>	299,918
Net book value at end of the period/year	<b><u>1,017,565,744</u></b>	<u>1,013,292,628</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 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
At 1 January	<b>58,199,927</b>	61,763,744
Amortisation charge for the period/year	<b>(1,443,258)</b>	(3,563,817)
Lease modifications	<b>(17,989,862)</b>	-
Balance at end of the period/year	<b><u>38,766,807</u></b>	<u>58,199,927</u>

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

	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
At 1 January	<b>62,014,921</b>	64,372,795
Finance costs for the period/year	<b>1,202,012</b>	3,140,126
Payments made during the period/year	<b>(1,650,000)</b>	(5,498,000)
Lease modifications	<b>(17,989,862)</b>	-
Balance at end of the period/year	<b><u>43,577,071</u></b>	<u>62,014,921</u>

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2022

**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 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
Current portion	<b>1,903,564</b>	2,375,706
Non-current portion	<b>41,673,507</b>	59,639,215
	<b><u>43,577,071</u></b>	<b><u>62,014,921</u></b>

**7 ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
Trade receivables	<b>145,494,686</b>	137,795,942
Advances to suppliers	<b>24,701,265</b>	11,671,743
Staff receivables	<b>7,789,090</b>	5,748,681
Due from investment securities broker	<b>7,056,121</b>	7,056,121
Prepaid expenses	<b>4,764,510</b>	3,267,908
Refundable deposits	<b>880,368</b>	882,286
Others	<b>852,470</b>	1,428,917
	<b>191,538,510</b>	167,851,598
Provision for expected credit losses on trade receivables	<b>(76,437,170)</b>	(76,438,033)
	<b><u>115,101,340</u></b>	<b><u>91,413,565</u></b>

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

	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
At 1 January	<b>76,438,033</b>	76,431,553
Provision during the period/year	-	15,993
Write-offs	<b>(863)</b>	(9,513)
	<b><u>76,437,170</u></b>	<b><u>76,438,033</u></b>

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2022

**8 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise of the following:

	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
Cash in hand	<b>190,881</b>	184,244
Cash at bank - current accounts	<b>19,731,335</b>	22,062,829
Cash at bank - short-term deposits (Note i)	<b>-</b>	30,000,000
	<b><u>19,922,216</u></b>	<b><u>52,247,073</u></b>

*Note i:*

Deposit held carried a profit rate of 2.1% at 31 December 2021.

**9 BANK FACILITIES**

	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
Bank facility - 1 (i)	<b>35,644,103</b>	42,840,362
Bank facility - 2 (ii)	<b>55,851,962</b>	14,311,069
Bank facility - 3 (iii)	<b>-</b>	2,892,892
	<b><u>91,496,065</u></b>	<b><u>60,044,323</u></b>

Presented in the interim statement of financial position as follows:

	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
Current portion	<b>26,202,385</b>	20,325,571
Non-current portion	<b>65,293,680</b>	39,718,752
	<b><u>91,496,065</u></b>	<b><u>60,044,323</u></b>

*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 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 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 273,203 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 819,738 each commencing on 20 April 2022 and matures on 20 March 2027. The bank facility carries annual profit rate of 3.5%.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2022

**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 2,889,792. The bank facility carries annual profit rate of 3.5%. The facility was fully settled in January 2022.

**10 ACCOUNTS PAYABLE AND ACCRUALS**

	<b>30 June 2022 (Reviewed) QR</b>	<b>31 December 2021 (Audited) QR</b>
Trade payables	33,408,645	40,076,039
Accrued expenses	42,198,851	42,043,216
Dividends payable	27,409,979	25,192,498
Payable to Retirement and Pension Authority	848,358	203,183
Advances from customers	606,154	192,500
Payable to staff	296,350	137,046
Retention payable	132,715	132,715
Credit card payable	43,838	26,461
Provision for contribution to social and sports fund	-	1,976,528
	<b>104,944,890</b>	<b>109,980,186</b>

**11 DIVIDENDS**

At the Annual General Meeting held on 21 March 2022, the shareholders of the Company approved a cash dividend of QR 0.25 per share totaling QR 70,360,250, relating to the year 2021 (30 June 2021: QR 78,803,480).

**12 OPERATING COSTS**

	<b>For the six-month period ended 30 June</b>	
	<b>2022 (Reviewed) QR</b>	<b>2021 (Reviewed) QR</b>
Staff costs	85,374,199	82,964,643
Medication and surgical costs	44,060,010	46,677,197
Doctors' charges	16,892,959	12,383,578
Depreciation of medical equipment	4,682,587	4,433,129
Food costs	1,682,892	1,825,908
Utilities	1,370,379	845,938
Fuel costs	650,048	355,850
Provision for/(reversal of) slow moving inventories	567,646	(720,926)
	<b>155,280,720</b>	<b>148,765,317</b>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2022

**13 OTHER INCOME**

	<i>For the six-month period ended 30 June</i>	
	<i>2022</i>	<i>2021</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR</i>	<i>QR</i>
Dividend income	<b>2,558,783</b>	2,008,695
Rental income	<b>1,450,582</b>	1,299,310
Miscellaneous income	<b>763,924</b>	534,665
	<b><u>4,773,289</u></b>	<u>3,842,670</u>

**14 GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>For the six-month period ended 30 June</i>	
	<i>2022</i>	<i>2021</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR</i>	<i>QR</i>
Staff costs	<b>30,894,512</b>	28,733,025
Maintenance and repairs	<b>4,017,412</b>	3,446,151
Outsourced staff costs	<b>3,014,424</b>	2,704,097
IT development	<b>1,958,800</b>	2,067,883
Security and cleaning	<b>1,740,904</b>	1,599,119
Insurance	<b>1,657,121</b>	1,704,615
Board of Directors' remuneration	<b>1,263,362</b>	1,037,376
Telephone and fax	<b>1,241,426</b>	1,091,998
Legal and professional fees	<b>931,483</b>	315,030
Advertisement and promotions	<b>721,110</b>	920,207
Bank charges	<b>555,610</b>	722,038
Government expenses	<b>348,332</b>	264,573
Printing and stationery	<b>299,340</b>	358,475
Committee remuneration	<b>188,000</b>	168,000
Others	<b>376,290</b>	496,581
	<b><u>49,208,126</u></b>	<u>45,629,168</u>

**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>2022</i>	<i>2021</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR</i>	<i>QR</i>
Net profit for the period	<b><u>35,454,619</u></b>	<u>31,604,373</u>
Weighted average number of ordinary shares outstanding during the period	<b><u>281,441,000</u></b>	<u>281,441,000</u>
Basic and diluted earnings per share	<b><u>0.126</u></b>	<u>0.112</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.

**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 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
Bank guarantees	<u>203,000</u>	<u>203,000</u>

**b) Legal claims**

As at 30 June 2022, 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 2022 amounted to QR 71,600,701 (31 December 2021: QR 52,098,418). 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>2022 (Reviewed) QR</i>	<i>2021 (Reviewed) QR</i>
Rental income	<u>120,000</u>	<u>120,000</u>
Finance income	<u>244,700</u>	<u>174,329</u>
Bank charges	<u>(13,691)</u>	<u>(38,271)</u>
Finance costs (including borrowing costs)	<u>(896,738)</u>	<u>(905,820)</u>
Insurance expenses	<u>(6,354,242)</u>	<u>(6,477,143)</u>

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2022

**17 RELATED PARTY TRANSACTIONS (CONTINUED)**

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

	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
Bank balances	<u>16,355,074</u>	<u>14,058,704</u>
Short term deposits	<u>-</u>	<u>30,000,000</u>
Receivables	<u>1,210,359</u>	<u>980,567</u>
Profit receivable from deposits with an Islamic Bank	<u>194,479</u>	<u>194,479</u>
Bank facilities	<u>35,644,104</u>	<u>42,840,362</u>
Trade payables	<u>168,167</u>	<u>2,284,915</u>
Credit card payable	<u>38,648</u>	<u>26,461</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>2022 (Reviewed) QR</i>	<i>2021 (Reviewed) QR</i>
Board of Directors' remuneration	1,263,362	1,037,376
Committee remuneration	188,000	168,000
Total key management personnel benefits	<u>2,414,475</u>	<u>2,323,175</u>
	<u>3,865,837</u>	<u>3,528,551</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 2022 and 31 December 2021:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
<b>Financial assets</b>				
Bank balances	19,731,335	52,062,829	19,731,335	52,062,829
Trade and other receivables	85,635,565	76,473,914	85,635,565	76,473,914
Investments at fair value through other comprehensive income	76,735,085	66,309,911	76,735,085	66,309,911

**18 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair values (continued)**

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>	<i>30 June 2022 (Reviewed) QR</i>	<i>31 December 2021 (Audited) QR</i>
<b>Financial liabilities</b>				
Trade and other payables	<b>62,613,324</b>	67,804,255	<b>62,613,324</b>	67,804,255
Retention payable	<b>132,715</b>	132,715	132,715	132,715
Bank facilities	<b>91,496,065</b>	60,044,323	<b>91,496,065</b>	60,044,323

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 2022 and 31 December 2021, the Company held the following classes of financial instruments measured at fair value:

	<i>30 June 2022 (Reviewed) QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	<b>76,735,085</b>	<b>76,735,085</b>	-	-
	<b>76,735,085</b>	<b>76,735,085</b>	-	-
<b>Non-financial assets</b>				
Revalued land and building	<b>747,066,225</b>	-	-	<b>747,066,225</b>
Investment properties	<b>25,881,077</b>	-	-	<b>25,881,077</b>
	<b>772,947,302</b>	-	-	<b>772,947,302</b>



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

	<i>31 December 2021 (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	66,309,911	66,309,911	-	-
	<u>66,309,911</u>	<u>66,309,911</u>	<u>-</u>	<u>-</u>
Non-financial assets				
Revalued land and building	751,963,270	-	-	751,963,270
Investment properties	25,881,077	-	-	25,881,077
	<u>777,844,347</u>	<u>-</u>	<u>-</u>	<u>777,844,347</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 2022.

*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 2022, 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 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)

## 18 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 2021, 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 2022, 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.

## 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 2021 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 2021, the catering revenue and the related expenses amounted to QR 791,289 and QR 497,092 respectively were reclassified from other income to operating income and operating costs. 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, causing disruption to business and economic activity. During the year, there has been macro-economic uncertainty with regards to prices and demand for commodities. However, the scale and duration of these developments remain uncertain but could impact our earnings, cash flow and financial condition. The Company is monitoring the evolution of the COVID 19 pandemic and will continue to assess further impacts going forward.

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.