

Medicare Group Q.P.S.C.

**INTERIM CONDENSED FINANCIAL
STATEMENTS**

**FOR THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2021**

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	<i>Notes</i>	30 September 2021 (Unaudited) QR	31 December 2020 (Audited) QR
ASSETS			
Non-current assets			
Property and equipment	4	1,007,310,529	978,037,744
Investment properties		25,868,933	25,868,933
Right-of-use assets		59,055,808	61,763,744
Investments at fair value through other comprehensive income		69,030,855	66,034,304
		<u>1,161,266,125</u>	<u>1,131,704,725</u>
Current assets			
Inventories		27,559,060	23,490,236
Accounts receivable and prepayments	5	96,609,091	97,449,719
Cash and bank balances	6	30,537,495	64,154,634
		<u>154,705,646</u>	<u>185,094,589</u>
Total assets		<u>1,315,971,771</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		17,665,911	11,639,360
Revaluation surplus		553,379,114	555,991,147
Retained earnings		56,500,811	78,972,970
Total equity		<u>1,009,174,910</u>	<u>1,028,232,551</u>
Non-current liabilities			
Bank facilities		44,027,664	22,761,260
Lease liabilities		60,244,300	62,014,922
Employees' end of service benefits		73,866,367	70,672,752
		<u>178,138,331</u>	<u>155,448,934</u>
Current liabilities			
Accounts payable and accruals		109,041,696	117,264,310
Bank facilities		17,137,863	13,362,931
Lease liabilities		2,346,256	2,357,873
Retention payable		132,715	132,715
		<u>128,658,530</u>	<u>133,117,829</u>
Total liabilities		<u>306,796,861</u>	<u>288,566,763</u>
Total equity and liabilities		<u>1,315,971,771</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 19 October 2021:



Khalifa Bin Thani Bin Abdulla Al-Thani
Chairman



Khalid Mohammed Al-Emadi
Chief Executive Officer

The attached notes 1 to 8 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 nine-month period ended 30 September 2021

	Notes	<i>For the nine-month period ended 30 September</i>	
		<i>2021</i>	<i>2020</i>
		<i>(Unaudited) QR</i>	<i>(Unaudited) QR</i>
Operating income		354,045,631	347,183,629
Operating costs	7	(221,462,708)	(219,204,503)
Gross profit		132,582,923	127,979,126
Income from deposit with an Islamic Bank		210,843	251,739
Other income		5,444,234	7,906,239
General and administrative expenses	8	(68,215,638)	(69,361,611)
Depreciation of property and equipment		(11,419,815)	(11,221,957)
Amortisation of right-of-use assets		(2,707,936)	(3,433,818)
Reversal of expected credit losses on receivables		56,662	-
Reversal of expected credit losses on due from banks		-	45,395
Finance costs		(2,365,761)	(2,518,050)
Net profit for the period		53,585,512	49,647,063
<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		6,160,327	(1,743,695)
Other comprehensive income (loss) for the period		6,160,327	(1,743,695)
Total comprehensive income for the period		59,745,839	47,903,368
Basic and diluted earnings per share (expressed in Qatari Riyals per share)		0.19	0.18

The attached notes 1 to 8 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2021

	<i>Share capital QR</i>	<i>Legal reserve QR</i>	<i>Fair value reserve QR</i>	<i>Revaluation surplus QR</i>	<i>Retained earnings QR</i>	<i>Total equity QR</i>
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
Net profit for the period	-	-	-	-	49,647,063	49,647,063
Other comprehensive income	-	-	(1,743,695)	-	-	(1,743,695)
Total comprehensive income	-	-	(1,743,695)	-	49,647,063	47,903,368
Dividends	-	-	-	-	(78,803,480)	(78,803,480)
Transfer of depreciation of revalued assets	-	-	-	(2,619,580)	2,619,580	-
Balance at 30 September 2020 (Unaudited)	281,441,000	91,637,240	7,300,404	556,848,120	52,943,265	990,170,029
Balance at 1 January 2021 (Audited)	281,441,000	100,188,074	11,639,360	555,991,147	78,972,970	1,028,232,551
Net profit for the period	-	-	-	-	53,585,512	53,585,512
Other comprehensive income	-	-	6,160,327	-	-	6,160,327
Total comprehensive income	-	-	6,160,327	-	53,585,512	59,745,839
Dividends	-	-	-	-	(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	-	-	-	(2,612,033)	2,612,033	-
Balance at 30 September 2021 (Unaudited)	281,441,000	100,188,074	17,665,911	553,379,114	56,500,811	1,009,174,910

The attached notes 1 to 8 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2021

		<i>For the nine-month period ended 30 September</i>	
		<i>2021</i>	<i>2020</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Notes</i>		<i>QR</i>	<i>QR</i>
	OPERATING ACTIVITIES		
	Net profit for the period	53,585,512	49,647,063
	<i>Adjustments for:</i>		
	Depreciation of property and equipment	18,204,886	16,997,650
	Amortisation of right-of-use assets	2,707,936	3,433,818
	Reversal of provision for expected credit losses on receivables	(56,662)	-
	Reversal of provision for obsolete and slow-moving inventories	(436,466)	-
	Provision for employees' end of service benefits	6,741,697	6,854,932
	Finance costs	2,365,761	2,518,050
	Income from deposit with an Islamic bank	(210,843)	(251,739)
	Dividend income	(2,008,695)	(2,563,807)
	Gain on sale of equipment	-	(22,105)
	Gain from rent concession	-	(2,250,000)
	Loss on derecognition of lease liability	-	2,667
	Operating profit before working capital changes	<u>80,893,126</u>	<u>74,366,529</u>
	<i>Working capital changes:</i>		
	Inventories	(3,632,358)	(1,377,473)
	Accounts receivable and prepayments	897,290	1,648,757
	Accounts payable and accruals	(7,127,764)	4,396,725
	Retention payable	-	(407,296)
	Cash generated from operations	<u>71,030,294</u>	<u>78,627,242</u>
	Employees' end of service benefits paid	(3,548,082)	(2,273,565)
	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	<u>65,344,504</u>	<u>74,357,742</u>
	INVESTING ACTIVITIES		
	Additions to property and equipment	(47,477,671)	(34,830,858)
	Proceeds from the disposal of investment at fair value through other comprehensive income	3,163,776	-
	Income received from deposit with an Islamic bank	210,843	512,348
	Dividend income received	2,008,695	2,563,807
	Net movement in deposits with maturity of more than 90 days	-	35,000,000
	Proceeds from sale of equipment	-	22,105
	Additional investments at fair value through other comprehensive income	-	(105,318)
	Net cash flow (used in) from investing activities	<u>(42,094,357)</u>	<u>3,162,084</u>
	FINANCING ACTIVITIES		
	Cash dividends paid	(77,760,622)	(78,376,999)
	Additional bank facilities obtained during the period	38,000,000	21,299,338
	Payment of lease liabilities	(4,148,000)	(2,721,000)
	Repayment of bank facilities	(12,958,664)	(11,930,628)
	Net cash flow used in financing activities	<u>(56,867,286)</u>	<u>(71,729,289)</u>
	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(33,617,139)</u>	<u>5,790,537</u>
	Cash and cash equivalents at the beginning of the period	<u>64,154,634</u>	<u>40,319,680</u>
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>6</u> <u>30,537,495</u>	<u>46,110,217</u>

The attached notes 1 to 8 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2021

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 nine months ended 30 September 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 19 October 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 nine month period ended 30 September 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 PROPERTY AND EQUIPMENT

	<i>30 September 2021 (Unaudited) QR</i>	<i>31 December 2020 (Audited) QR</i>
Net book value at 1 January	978,037,744	949,218,568
Additions	47,477,671	51,693,914
Depreciation charge for the period/year	<u>(18,204,886)</u>	<u>(22,874,738)</u>
Net book value at end of the period/year	<u>1,007,310,529</u>	<u>978,037,744</u>

Medicare Group Q.P.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2021

5 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<i>30 September 2021 (Unaudited) QR</i>	<i>31 December 2020 (Audited) QR</i>
Trade receivables	139,865,721	144,949,468
Advances to suppliers	12,133,632	15,705,356
Due from investment securities broker	7,056,121	3,891,346
Prepaid expenses	6,310,791	2,266,327
Staff receivables	5,681,132	5,292,179
Refundable deposits	882,286	888,033
Others	1,045,230	888,563
	<u>172,974,913</u>	<u>173,881,272</u>
Provision for expected credit losses on trade receivables	<u>(76,365,822)</u>	<u>(76,431,553)</u>
	<u>96,609,091</u>	<u>97,449,719</u>

6 CASH AND BANK BALANCES

Cash and bank balances comprise of the following:

	<i>30 September 2021 (Unaudited) QR</i>	<i>31 December 2020 (Audited) QR</i>
Cash in hand	199,720	175,659
Cash at bank	30,337,775	63,978,975
	<u>30,537,495</u>	<u>64,154,634</u>

7 OPERATING COSTS

	<i>For the nine-month period ended 30 September</i>	
	<i>2021 (Unaudited) QR</i>	<i>2020 (Unaudited) QR</i>
Staff costs	122,928,995	128,474,333
Medication and surgical costs	69,641,370	61,147,789
Doctors' charges	18,290,898	18,189,547
Depreciation of medical equipment	6,785,071	5,775,693
Food costs	1,860,889	1,803,945
Utilities	1,819,676	2,922,432
Fuel costs	572,275	890,764
Reversal of provision for slow moving inventories	(436,466)	-
	<u>221,462,708</u>	<u>219,204,503</u>

Medicare Group Q.P.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2021

8 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the nine-month period ended 30 September</i>	
	<i>2021</i>	<i>2020</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR</i>	<i>QR</i>
Staff costs	42,733,061	41,966,369
Maintenance and repairs	5,210,949	6,942,804
Outsourced staff costs	3,780,626	4,321,642
IT development	3,425,492	1,432,612
Security and cleaning	2,437,948	2,565,700
Insurance	2,430,192	2,201,124
Board of Directors' remuneration	1,858,743	2,128,016
Telephone and fax	1,641,984	1,545,327
Advertisement and promotions	1,184,903	1,843,390
Bank charges	1,075,748	841,533
Printing and stationery	524,379	518,802
Legal and professional fees	523,530	1,291,612
Government expenses	393,888	403,028
Medical waste	271,945	396,250
Committee remuneration	258,000	241,500
Charity	115,591	285,304
Others	348,659	436,598
	68,215,638	69,361,611