

شركة قطر للسينما و توزيع الأفلام (ش.م.ق)

QATAR CINEMA & FILM DISTRIBUTION CO. S.A.Q.



**QATAR CINEMA AND FILM
DISTRIBUTION COMPANY – Q.S.C
DOHA – QATAR**

**INTEREM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD
ENDED MARCH 31, 2018**


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INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

| | Note | March 31, 2018 (Reviewed) | December 31, 2017 (Audited) |
|---|------|---------------------------------|-----------------------------------|
| ASSETS | | | |
| current assets: | | | |
| Cash and bank balances | (1) | 29,190,317 | 26,879,707 |
| Accounts receivable | (2) | 1,244,059 | 3,269,213 |
| Inventory and spare parts | | 203,638 | 139,964 |
| Prepayments and other debit balances | (3) | 1,268,993 | 1,039,908 |
| Total Current Assets | | 31,907,007 | 31,328,792 |
| Non-Current Assets : | | | |
| Available-for-sale investments | (4) | 34,090,376 | 34,027,485 |
| Investment properties | (5) | 90,159,630 | 91,015,628 |
| Property and equipment | (6) | 5,276,876 | 5,083,434 |
| Total Non-Current Assets | | 129,526,882 | 130,126,548 |
| Total Assets | | 161,433,889 | 161,455,340 |
| LIABILITIES AND SHAREHOLDERS' EQUITY: | | | |
| Current Liabilities: | | | |
| Accounts payable | | 530,353 | 975,074 |
| Borrowings | | 15,000,000 | 15,000,000 |
| Advance rent received | | 1,113,491 | 2,805,838 |
| Dividends payable | | 7,049,128 | 7,051,476 |
| Accruals and other credit balances | (7) | 605,380 | 1,293,078 |
| Total Current Liabilities | | 24,298,352 | 27,125,466 |
| Non -Current Liabilities: | | | |
| Employees' end of service benefits | | 1,929,218 | 1,905,106 |
| Total Non-Current Liabilities | | 1,929,218 | 1,905,106 |
| Total Liabilities | | 26,227,570 | 29,030,572 |
| Shareholders' Equity: | | | |
| Share capital | | 62,807,950 | 62,807,950 |
| Legal reserve | | 37,992,630 | 37,992,630 |
| General reserve | | 2,663,152 | 2,663,152 |
| Fair value reserve | | 10,833,074 | 10,770,183 |
| Retained earnings | | 14,628,718 | 11,910,058 |
| Proposed dividend | | 6,280,795 | 6,280,795 |
| Total shareholders' Equity | | 135,206,319 | 132,424,768 |
| Total Liabilities and Shareholders' Equity | | 161,433,889 | 161,455,340 |

These interim Condensed Financial statements were approved on April 26, 2018 and signed by:


Ali Ishaq Hussein Al Ishaq
Managing Director


Ahmed Abdul Rahman Fakhroo
Chairman

INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31,2018

| | Note | For The Three Months Period Ended March 31, | |
|--|------|--|---------------------------|
| | | 2018 (Reviewed) QR. | 2017 (Reviewed) QR. |
| Operating income | (9) | 1,306,951 | 2,284,440 |
| Direct Cost | (10) | (1,810,642) | (2,573,234) |
| Gross Operating Profit | | (503,691) | (288,794) |
| General & Administrative expenses | (11) | (934,503) | (868,547) |
| Depreciation of property, Equipment and investment properties | | (1,097,058) | (913,792) |
| Dividends income | | 1,134,464 | 684,406 |
| Rental income | | 4,256,316 | 4,487,109 |
| Finance costs | | (187,837) | (189,700) |
| Other income | (12) | 50,969 | 41,647 |
| Net profit for the period | | 2,718,660 | 2,952,329 |
| Basic / diluted earnings per share | (13) | 0.44 | 0.47 |

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31,2018

| | For The Three Months Period Ended March 31, | |
|--|--|-------------------|
| | 2018 | 2017 |
| | (Reviewed) QR. | (Reviewed) QR. |
| Net profit for the period | 2,718,660 | 2,952,329 |
| Other comprehensive income items | | |
| Net changes in Fair value of Available for sale investments | 62,891 | (1,414,377) |
| Total comprehensive (loss) income for the period | 2,718,551 | 1,537,952 |

QATAR CINEMA AND FILM DISTRIBUTION COMPANY (Q.S.C.)
DOHA - QATAR

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

| | Share Capital QR. | Legal Reserve QR. | General Reserve QR. | Fair Value Reserve QR. | Retained Earnings QR. | Proposed Dividends QR. | Total QR. |
|--|-------------------------|-------------------------|---------------------------|------------------------------|-----------------------------|------------------------------|--------------------|
| Balance as at January 1, 2017 (Audited) | 62,807,950 | 37,992,630 | 2,663,152 | 15,487,882 | 10,570,148 | 6,280,795 | 135,802,557 |
| Net income for the period | -- | -- | -- | -- | 2,952,329 | -- | 2,952,329 |
| Net movement in Fair value reserve | -- | -- | -- | (1,414,377) | -- | -- | (1,414,377) |
| Dividends payable | -- | -- | -- | -- | (5,099,680) | -- | (5,099,680) |
| Transfer to dividends payable | -- | -- | -- | -- | (1,181,115) | -- | (1,181,115) |
| Balance as at March 31, 2017 (Reviewed) | 62,807,950 | 37,992,630 | 2,663,152 | 14,073,505 | 13,522,477 | -- | 131,059,714 |
| Balance as at January 1, 2018 (Audited) | 62,807,950 | 37,992,630 | 2,663,152 | 10,770,183 | 11,910,058 | 6,280,795 | 132,424,768 |
| Net income for the period | -- | -- | -- | -- | 2,718,660 | -- | 2,718,660 |
| Net movement in Fair value reserve | -- | -- | -- | 62,891 | -- | -- | 62,891 |
| Dividends payable | -- | -- | -- | -- | -- | -- | -- |
| Transfer to dividends payable | -- | -- | -- | -- | -- | -- | -- |
| Balance as at March 31, 2018 (Reviewed) | 62,807,950 | 37,992,630 | 2,663,152 | 10,833,074 | 14,628,718 | 6,280,795 | 135,206,319 |

INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

| Note | For The Three Months Period Ended | |
|---|--|--|
| | March 31, 2018 (Reviewed) QR. | March 31, 2017 (Reviewed) QR. |
| Cash Flows From Operating Activities | | |
| Net Profit for the period | 2,718,660 | 2,952,329 |
| Adjustments for: | | |
| Depreciation of property and equipment and investment properties | 1,097,058 | 913,792 |
| Finance costs paid | 189,700 | 189,700 |
| Employees' end of service benefits | 30,202 | 40,361 |
| Net cash flows from operating activities before changes in working capital | 4,033,757 | 4,096,182 |
| Accounts receivable | 2,025,154 | 510,347 |
| Inventory and spare parts | (63,674) | --- |
| Prepayments and other debit balances | (229,085) | (1,755,798) |
| Accounts payable | (444,721) | (31,099) |
| Dividends payable | --- | --- |
| Advance rent received | (1,692,347) | (276,033) |
| Accruals and other credit balances | (687,698) | (512,015) |
| | 2,941,386 | 2,031,584 |
| Employees' end of service benefits Paid | (6,090) | (16,762) |
| Net cash generated by operating activities | 2,935,296 | 2,014,822 |
| Cash Flows From Investing Activities | | |
| Additions of property and equipments | (434,502) | (420,693) |
| Acquisition of available-for sale investments | --- | (149,864) |
| Net Cash Used in Investing Activities | (434,502) | (570,557) |
| FINANCING ACTIVITIES | | |
| Finance costs paid | (187,837) | (189,700) |
| Dividends paid | (2,347) | (5,144,317) |
| Net cash used in financing activities | (190,184) | (5,334,017) |
| Net increase in cash and cash equivalents | 2,310,610 | (3,889,752) |
| cash and cash equivalents - beginning of period | 26,879,707 | 25,610,903 |
| Cash and Cash equivalents -end of period | 29,190,317 | 21,721,151 |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

1. Cash and bank balances:

| | March 31, 2018 (Reviewed) | December 31, 2017 (Audited) |
|----------------------------------|---------------------------------|-----------------------------------|
| | QR. | QR. |
| Cash on hand | 28,242 | 24,154 |
| Cash at banks - current accounts | 29,104,722 | 26,798,246 |
| Short term fixed deposits | 57,353 | 57,307 |
| | <u>29,190,317</u> | <u>26,879,707</u> |

Term and call deposits earn an average annual profit rate of 0.25% to 0.75 (2015: 0.25% to 0.75) with original maturity of 90 days.

2. Accounts Receivable

| | March 31, 2018 (Reviewed) | December 31, 2017 (Audited) |
|------------------------------|---------------------------------|-----------------------------------|
| | QR. | QR. |
| Accounts receivable | 484,527 | 2,278,891 |
| Notes receivable | 1,620,832 | 1,851,622 |
| Provision for doubtful debts | (861,300) | (861,300) |
| | <u>1,244,059</u> | <u>3,269,213</u> |

3. Prepayments and other debit Balances

| | March 31, 2018 (Reviewed) | December 31, 2017 (Audited) |
|-------------------------------------|---------------------------------|-----------------------------------|
| | QR. | QR. |
| Due From Staff | 280,163 | 300,162 |
| Letters of guarantee margin | 832,874 | 548,323 |
| Prepayment and other debit balances | 155,956 | 191,423 |
| | <u>1,268,993</u> | <u>1,039,908</u> |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

4. Available for Sale investments

| | March 31, 2018 (Reviewed) | December 31, 2017 (Audited) |
|--|---------------------------------|-----------------------------------|
| | QR. | QR. |
| Fair value at the beginning of the Period/Year | 34,027,485 | 39,250,796 |
| Acquisition during the Period/Year | --- | 1,190,489 |
| Disposals during the Period/Year | --- | (1,696,101) |
| Net changes in Fair value | 62,891 | (4,717,699) |
| | 34,090,376 | 34,027,485 |

5. Investment properties

| | March 31, 2018 (Reviewed) | December 31, 2017 (Audited) |
|---|---------------------------------|-----------------------------------|
| | QR. | QR. |
| Net Book Value, beginning balance | 91,015,628 | 90,141,744 |
| Additions during the Period/Year | -- | 3,698,245 |
| Depreciation Charge for the Period/Year | (855,998) | (2,824,361) |
| Net Book value, ending balance | 90,159,630 | 91,015,628 |

6. Property and equipment

| | March 31, 2018 (Reviewed) | December 31, 2017 (Audited) |
|---|---------------------------------|-----------------------------------|
| | QR. | QR. |
| Net Book Value, beginning balance | 5,083,434 | 5,643,507 |
| Additions during the year / Period | 434,502 | 398,244 |
| Depreciation Charge for the year / Period | (241,060) | (958,317) |
| Impairment During the year / Period | -- | -- |
| Net Book value, ending balance | 5,276,876 | 5,083,434 |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

7. ACCRUALS AND OTHER CREDIT BALANCES

| | March 31, 2018 (Reviewed) QR. | December 31, 2017 (Audited) QR. |
|-----------------------------------|--|---|
| Accrued expenses | 605,380 | 1,097,675 |
| Provision for social contribution | --- | 195,403 |
| | <u>605,380</u> | <u>1,293,078</u> |

8. SHARE CAPITAL

| | March 31, 2018 (Reviewed) QR. | December 31, 2017 (Audited) QR. |
|--|--|---|
| Capital -authorized, issued and fully paid: 6,280,795 shares par value QR. 10 per share | <u>62,807,950</u> | <u>62,807,950</u> |

9. OPERATING INCOME

| | For The Three Months Period Ended | |
|--------------------|--|--|
| | March 31, 2018 (Reviewed) QR. | March 31, 2017 (Reviewed) QR. |
| Movies income | 1,173,895 | 2,089,645 |
| Films rent income | 83,200 | 83,200 |
| Advertising income | --- | --- |
| Cafeterias income | 49,856 | 111,595 |
| | <u>1,306,951</u> | <u>2,284,440</u> |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

10. Direct Costs

| | For The Three Months Period Ended | |
|--|--|--|
| | March 31, 2018 (Reviewed) QR. | March 31, 2017 (Reviewed) QR. |
| Share of distributors and films expenses | 657,216 | 1,264,964 |
| Cinema expenses | 1,153,426 | 1,308,270 |
| | 1,810,642 | 2,573,234 |

11. GENERAL AND ADMINISTRATIVE EXPENSES

| | For The Three Months Period Ended | |
|--|--|--|
| | March 31, 2018 (Reviewed) QR. | March 31, 2017 (Reviewed) QR. |
| Salaries, wages and staff compensation | 477,166 | 514,459 |
| Telephone and fax | 11,883 | 9,067 |
| Maintenance | 22,620 | 21,471 |
| Professional and governmental fees | 113,245 | 68,593 |
| Board meeting allowance | 153,000 | 159,000 |
| Travel expenses | 2,145 | 17,375 |
| End of service benefits | 30,202 | 40,361 |
| Miscellaneous | 103,127 | 38,221 |
| | 934,503 | 868,547 |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

12. OTHER INCOME

| | For The Three Months Period Ended | |
|----------------------|--|--|
| | March 31, 2018 (Reviewed) QR. | March 31, 2017 (Reviewed) QR. |
| Bank interest | 199 | 250 |
| Miscellaneous income | 50,770 | 41,397 |
| | <u>50,969</u> | <u>41,647</u> |

13. EARNING PER SHARE

Earning per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the year.

| | For The Three Months Period Ended | |
|---|--|--|
| | March 31, 2018 (Reviewed) QR. | March 31, 2017 (Reviewed) QR. |
| Net profit for the period (QR.) | 2,718,660 | 2,952,329 |
| Weighted Average number of shares | 6,280,795 | 6,280,795 |
| Basic / diluted earnings per share (QR) | <u>0.44</u> | <u>0.47</u> |