

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.

CONDENSED INTERIM FINANCIAL STATEMENTS

30 JUNE 2023

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF QATAR CINEMA AND FILM DISTRIBUTION COMPANY
Q.P.S.C.

Introduction

We have reviewed the accompanying condensed statement of financial position of Qatar Cinema and Film Distribution Company Q.P.S.C. (the "Company") as at 30 June 2023, and the related condensed statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "condensed interim financial statements"). The Board of Directors of the Company is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim 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 condensed interim financial statements 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 condensed interim financial statements as at and for the six - month period ended 30 June 2023 are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Emphasis of matter

We draw attention to note 14 which states that board sitting fees has been paid to board members in advance during the year which has been recognized as receivable from board of directors in compliance with Qatar Financial market authorities decision dated 11th of June 2023 which requires that board sitting fees to be considered as part of board remuneration which is subject of maximum 5% of profit after legal deductions. The amount has been reversed as due from board of directors until remuneration is calculated according to applicable law at year end.

Other matter

The condensed interim financial statements as at and for the six months period ended 30 June 2022 were reviewed and the financial statements as at and for the year ended 31 December 2022 were audited by another auditor whose review and audit reports dated 1 August 2022 and 6 February 2023 respectively, expressed unmodified review conclusion and audit opinion respectively.


Ahmed Tawfik Nassim
Auditor's Registration No. 66
QFMA Registration No. 1201911
13 August 2023
Doha, State of Qatar



QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

(All amounts expressed in Qatari Riyal unless otherwise stated)

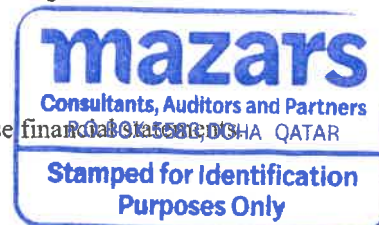
	Note	30 June 2023 (Reviewed)	31 December 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	16,286,663	16,910,331
Investment properties	6	76,191,394	77,675,422
Right-of-use asset	7	5,315,818	5,727,350
Financial asset at fair value through other comprehensive income	8	28,582,224	32,627,010
Total non-current asset		126,376,099	132,940,113
Current assets			
Inventories		362,773	338,913
Trade and other receivables	9	2,826,560	2,594,248
Due from related parties	14	396,000	-
Cash and bank balances	10	18,868,557	17,789,246
Total current assets		22,453,890	20,722,407
TOTAL ASSETS		148,829,989	153,662,520
EQUITY AND LIABILITIES			
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	11	4,521,353	8,566,139
Retained earnings		20,588,443	21,115,989
TOTAL EQUITY		128,573,528	133,145,860
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits		1,245,113	1,203,160
Lease liability	12	6,374,452	8,662,734
Total non-current liabilities		7,619,565	9,865,894
Current liabilities			
Trade and other payables	13	2,053,687	2,445,163
Tenants' advances		809,951	809,951
Dividends payable		6,434,333	6,541,969
Lease liabilities	12	3,338,925	853,683
Total current liabilities		12,636,896	10,650,766
TOTAL LIABILITIES		20,256,461	20,516,660
TOTAL EQUITY AND LIABILITIES		148,829,989	153,662,520

These condensed interim financial statements were approved by the Board of Directors on 13 August 2023


Mr. Ali Ishaq Alishaq
Executive & Managing Director


Mr. Abdularahman Abdelraziq Najdi
General Manager

The accompanying notes are an integral part of these financial statements.



QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 20223

(All amounts expressed in Qatari Riyal unless otherwise stated)

	<u>Note</u>	<u>30 June 2023</u> <i>(Reviewed)</i>	<u>30 June 2023</u> <i>(Reviewed)</i>
Revenue	15	10,583,388	9,676,366
Cost of revenue	16	<u>(5,935,970)</u>	<u>(5,436,827)</u>
Gross profit		4,647,418	4,239,539
Other income		35,160	535,772
General and administrative expenses	17	<u>(1,468,514)</u>	<u>(2,687,974)</u>
Operating profit		3,214,064	2,087,337
Finance cost, net	18	<u>(54,185)</u>	<u>(267,518)</u>
Profit for the period		<u>3,159,879</u>	<u>1,819,819</u>
Basic and diluted earning per share	19	<u>0.050</u>	<u>0.029</u>



The accompanying notes are an integral part of these financial statements.

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 20223
 (All amounts expressed in Qatari Riyal unless otherwise stated)

	<u>Note</u>	<u>30 June 2023</u> <i>(Reviewed)</i>	<u>30 June 2023</u> <i>(Reviewed)</i>
Net profit for the period		3,159,879	1,819,819
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Net charges in financial assets at fair value through other comprehensive income	11	(4,044,786)	(1,534,264)
Total comprehensive loss for the period		<u>(884,907)</u>	<u>285,555</u>



The accompanying notes are an integral part of these financial statements.

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts expressed in Qatari Riyal unless otherwise stated)

	Share capital	Legal reserve	General reserve	Fair value reserve	Retained earnings	Total
At 1 January 2022 (Audited)	62,807,950	37,992,630	2,663,152	15,345,606	22,177,016	140,986,354
Profit for the period	-	-	-	-	1,819,819	1,819,819
Other comprehensive loss for the period	-	-	-	(1,534,264)	-	(1,534,264)
Total comprehensive income for the period	-	-	-	(1,534,264)	1,819,819	285,555
Dividends distribution	-	-	-	-	(3,768,477)	(3,768,477)
At 30 June 2022 (Reviewed)	62,807,950	37,992,630	2,663,152	13,811,342	20,228,358	137,503,432
At 1 January 2023 (Audited)	62,807,950	37,992,630	2,663,152	8,566,139	21,115,989	133,145,860
Profit for the period	-	-	-	-	3,159,879	3,159,879
Other comprehensive loss for the period	-	-	-	(4,044,786)	-	(4,044,786)
Total comprehensive loss for the period	-	-	-	(4,044,786)	3,159,879	(884,907)
Dividends distribution	-	-	-	-	(3,687,425)	(3,687,425)
At 30 June 2023 (Reviewed)	62,807,950	37,992,630	2,663,152	4,521,353	20,588,443	128,573,528



accompanying notes are an integral part of these financial statements.

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts expressed in Qatari Riyal unless otherwise stated)

	<u>Note</u>	<u>30 June 2023</u> <i>(Reviewed)</i>	<u>30 June 2022</u> <i>(Reviewed)</i>
OPERATING ACTIVITIES			
Profit for the period		3,159,879	1,819,819
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	16	2,617,222	2,388,156
Provision for employees' end of service benefits		72,659	55,943
Finance charges	18	236,011	297,161
Dividend income	15	(1,352,753)	(1,207,146)
Operating profit before changes in working capital		4,733,018	3,353,933
<i>Working capital changes:</i>			
Inventories		(23,860)	(29,659)
Accounts and other receivables		(232,312)	263,207
Due from related parties		(396,000)	-
Tenants' advances		-	(81,000)
Accounts and other payables		(391,476)	(903,194)
Cash generated from operating activities		3,689,370	2,603,287
Employees' end of service benefits paid		(30,706)	(39,163)
Finance cost paid		(39,051)	(79,068)
Net cash generated from operating activities		3,619,613	2,485,056
INVESTING ACTIVITY			
Purchase of property, plant and equipment	5	(49,879)	(226,204)
Investment properties	6	(48,115)	(1,549)
Dividend income received	15	1,352,753	1,207,146
Net cash generated from an investing activity		1,254,759	979,393
FINANCING ACTIVITIES			
Dividend paid		(3,795,061)	(3,504,869)
Loans paid		-	(3,500,000)
Payment of lease installments		-	(293,087)
Net cash used in financing activities		(3,795,061)	(7,297,956)
Net decrease in cash and cash equivalents		1,079,311	(3,833,507)
Cash and cash equivalents at 1 January		17,789,246	18,138,824
Cash and cash equivalents at 30 June	10	18,868,557	14,305,317



The accompanying notes are an integral part of these financial statements.

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts expressed in Qatari Riyal unless otherwise stated)

1. COMPANY INFORMATION AND PRINCIPAL ACTIVITIES

Qatar Cinema and Film Distribution Company Q.P.S.C. (the “Company”) is a Qatari Public Shareholding Company registered in the State of Qatar under the Commercial Registration Number 30. The Company was incorporated as a Qatari Public Shareholding Company by virtue of Emiri Decree No.3 of 1970. The company shares is listed in Qatar stock market

The Company is primarily engaged in the distribution of cinema films and videos, trading of television films and programs, commercial advertisements, trading of tools for the operation of cinema and projectors, operating movie theaters and cafeterias for cinemas. Also the Company is engaged in investment in shares, bonds, funds and real-estate investment.

The Company commercial registration consist of certain active branches which operates cinema theaters in different locations in the state of Qatar. The above branches’ assets, liabilities and results of operations are integral part of this interim condensed financial statements.

2. BASIS OF ACCOUNTING

These condensed interim financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and should be read in conjunction with the Company’s latest annual financial statements as at and for the year ended 31 December 2022 (the “last annual financial statements”). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s condensed interim statement of financial position and performance since the last annual financial statements.

These condensed interim financial statements were authorized for issue by the Company’s Board of Directors on 13 August 2022.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed interim financial statements, management has made judgments, estimates and assumptions 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 judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual financial statements.

Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team who has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports significant valuation issues directly to the Company’s Chief Financial Officer and audit committee.

The Company’s Chief Financial Officer and audit committee together with the valuation team regularly reviews valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts expressed in Qatari Riyal unless otherwise stated)

3. USE OF JUDGEMENTS AND ESTIMATES (Continued)

Measurement of fair values (Continued)

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is insignificant to the entire measurement.

The Company recognises the transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

The Company has considered potential impacts of the current economic volatility in determination of the reported amounts of the financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

For investment property, the management has valued it as at 31 December 2022 and believes that there will be no significant changes in its fair valuation at the interim reporting date.

Distinction between trading properties, property and equipment and investment properties

The Company determines whether a property qualifies as property and equipment or investment property. In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by an entity. Property and equipment or owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process. The Company considers whether the property is held for sale in the ordinary course of business (trading properties), or which is held primarily to earn rental and capital appreciation and is not substantially for use by, or in the operations of the Company (investment property).

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed interim financial statements are the same as those that were applied in the financial statements of the Company as at and for the year ended 31 December 2022.

A number of new amendments to standards are effective from 1 January 2023, however those amendments did not have a significant impact on these condensed interim financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Company has not early adopted any of the forthcoming new or amended standards in preparing these condensed interim financial statements.

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
 (All amounts expressed in Qatari Riyal unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly effective standard and amendments to standards

During the current period, the below new and amended to International Financial Reporting Standards (“IFRSs” or “standards”) became effective for the first time for financial years beginning on 1 January 2023:

<i>Effective for year beginning 1 January 2023</i>	<ul style="list-style-type: none"> • <i>IFRS 17 Insurance Contracts</i> • <i>Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</i> • <i>Definition of Accounting Estimates (Amendments to IAS 8)</i> • <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)</i>
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The adoption of the above new and amendments to standards had no significant impact on the Company’s condensed interim financial statements.

Amendments to standards not yet effective, but available for early adoption

The below amended IFRSs or standards that are available for early adoption for financial years beginning after 1 January 2023 are not effective until a later period, and they have not been applied in preparing these condensed interim financial statements.

<i>Effective for year beginning 1 January 2024</i>	<ul style="list-style-type: none"> • <i>Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</i> • <i>Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</i>
<i>Effective date deferred indefinitely / available for optional adoption</i>	<ul style="list-style-type: none"> • <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i>

Management does not expect that the adoption in future years of the above amended standards will have a significant impact on the Company’s condensed interim financial statements.

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
 (All amounts expressed in Qatari Riyal unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

Cost	Building	Motor vehicles	Furniture and fixture	Plant and Equipment	Capital work in progress	Total
At 1 January 2022	-	379,698	2,136,248	8,684,384	16,189,736	27,390,066
Additions for the year	-	-	36,590	5,210	1,192,140	1,233,940
Transferred during the year *	12,555,254	-	1,824,860	2,174,885	(16,554,999)	-
Transferred to investment properties	-	-	-	-	(500,833)	(500,833)
At 31 December 2022 (Audited)	12,555,254	379,698	3,997,698	10,864,479	326,044	28,123,173
Additions for the year	37,080	-	3,299	9,500	-	49,879
At 30 June 2023 (Reviewed)	12,592,334	379,698	4,000,997	10,873,979	326,044	28,173,052
Accumulated depreciation						
At 1 January 2022	-	263,013	1,900,331	8,572,787	-	10,736,131
Charge for the year	156,941	35,030	165,809	118,931	-	476,711
At 31 December 2022	156,941	298,043	2,066,140	8,691,718	-	11,212,842
Charge for the period	313,881	17,514	221,065	121,087	-	673,547
At 30 June 2023	470,822	315,557	2,287,205	8,812,805	-	11,886,389
Carrying amounts						
At 30 June 2023 (Reviewed)	12,121,512	64,141	1,713,792	2,061,174	326,044	16,286,663
At 31 December 2022 (Audited)	12,398,313	81,655	1,931,558	2,172,761	326,044	16,910,331

*During the year ended 31 December 2022, the capital work in progress amounted to QR 16,554,999 related to the leasehold improvements of Cinema Katar leasehold improvements

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
 (All amounts expressed in Qatari Riyal unless otherwise stated)

6. INVESTMENT PROPERTIES

	Land	Building	Furniture and fixture	Building improvements	Capital work in progress	Total
Cost						
At 1 January 2022	508,735	107,357,204	3,722,742	18,130,677	-	129,719,358
Additions during the year	-	-	-	40,701	-	40,701
Transfer from property and equipment	-	-	-	298,431	202,402	500,833
At 31 December 2022	508,735	107,357,204	3,722,742	18,469,809	202,402	130,260,892
Additions during the period	-	-	-	-	48,115	48,115
At 30 June 2023	508,735	107,357,204	3,722,742	18,469,809	250,517	130,309,007
Accumulated depreciation						
At 1 January 2022	-	30,636,749	3,105,458	15,202,342	-	48,944,549
Charge for the year	-	2,683,930	604,655	352,336	-	3,640,921
At 31 December 2022	-	33,320,679	3,710,113	15,554,678	-	52,585,470
Charge for the period	-	1,341,965	2,404	187,774	-	1,532,143
At 30 June 2023	-	34,662,644	3,712,517	15,742,452	-	54,117,613
Carrying amounts						
At 30 June 2023 (Reviewed)	508,735	72,694,560	10,225	2,727,357	250,517	76,191,394
At 31 December 2022 (Audited)	508,735	74,036,525	12,629	2,915,131	202,402	77,675,422

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts expressed in Qatari Riyal unless otherwise stated)

7. RIGHTS-OF-USE ASSETS

	Buildings	Total
Cost		
At 31 December 2022	9,049,168	9,049,168
At 30 June 2023	9,049,168	9,049,168
Accumulated depreciation		
At 31 December 2022	3,321,818	3,321,818
Charge for the year	411,532	411,532
At 30 June 2023	3,733,350	3,733,350
Net carrying amounts		
At 30 June 2023	5,315,818	5,315,818
At 31 December 2022	5,727,350	5,727,350

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2023	31 December 2022
	<i>(Reviewed)</i>	<i>(Audited)</i>
At 1 January	32,627,010	39,406,477
Changes in the fair value	(4,044,786)	(6,779,467)
At 30 June / 31 December	28,582,224	32,627,010

9. TRADE AND OTHER RECEIVABLES

	30 June 2023	31 December 2022
	<i>(Reviewed)</i>	<i>(Audited)</i>
Tenants' receivables	2,237,882	1,692,927
Trade receivables	848,851	841,581
Account receivables, gross	3,086,733	2,534,508
Provision for doubtful debts	(1,292,753)	(1,292,753)
Account receivables, net	1,793,980	1,241,755
Guarantee cheques	-	114,000
Notes receivables	142,460	177,000
Bank margin	120,000	120,000
Advance to suppliers	4,081	-
Staff receivables	215,466	201,201
Prepaid expenses	17,500	201,219
Refundable deposits	518,073	518,073
Prepaid expenses	-	21,000
Other receivables	15,000	-
	2,826,560	2,594,248

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts expressed in Qatari Riyal unless otherwise stated)

10. CASH AND BANK BALANCES

	30 June 2023	31 December 2022
	<i>(Reviewed)</i>	<i>(Audited)</i>
Bank current accounts	15,879,148	14,785,672
Restricted bank accounts	2,862,749	2,883,549
Deposits	120,025	120,025
Petty cash	6,635	-
	<u>18,868,557</u>	<u>17,789,246</u>

11. FAIR VALUE RESERVE

	30 June 2023	31 December 2022
	<i>(Reviewed)</i>	<i>(Audited)</i>
At 1 January	8,566,139	15,345,606
Changes in fair value	<u>(4,044,786)</u>	<u>(6,779,467)</u>
	<u>4,521,353</u>	<u>8,566,139</u>

12. LEASE LIABILITY

	30 June 2023	31 December 2022
	<i>(Reviewed)</i>	<i>(Audited)</i>
At 1 January	9,516,417	9,381,302
interest during the year	196,960	428,202
lease payments	-	(293,087)
At 30 June / 31 December	<u>9,713,377</u>	<u>9,516,417</u>

The lease liability is presented in the statement of financial position as mentioned below;

	30 June 2023	31 December 2022
	<i>(Reviewed)</i>	<i>(Audited)</i>
Current liability	3,338,925	853,683
Non-current liability	6,374,452	8,662,734
At 30 June / 31 December	<u>9,713,377</u>	<u>9,516,417</u>

QATAR CINEMA AND FILM DISTRIBUTION COMPANY Q.P.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts expressed in Qatari Riyal unless otherwise stated)

13. TRADE AND OTHER PAYABLES

	30 June 2023	31 December 2022
	<i>(Reviewed)</i>	<i>(Audited)</i>
Trade payables	1,426,082	1,594,116
Retention payable	551,769	551,769
Accrued expenses	13,020	167,040
provision for social and sports contribution	-	69,422
Other payables	62,816	62,816
	2,053,687	2,445,163

14. RELATED PARTY DISCLOSURES

(a) Related party transactions

Transactions with key management personnel:

	30 June 2023	30 June 2022
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Salaries and other short-term benefits	-	135,450
Payment on account of board remuneration	396,000	-
Long-term benefits	5,221	5,221

(b) Related party balances

Due from related parties

	30 June 2023	30 June 2022
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Board members (1)	396,000	-
	396,000	-

(1) Amounts represents the board sittings fees paid in advance to board member till the board remuneration is calculated at the year end in accordance with law

15. REVENUE

	30 June 2023	30 June 2022
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Real estate rental income	6,553,590	6,676,672
Movies income	2,034,770	1,741,245
Dividends income	1,352,753	1,207,146
Cafeteria income	642,275	51,303
	10,583,388	9,676,366

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16. COST OF REVENUE

	30 June 2023	30 June 2022
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Depreciation of investment properties	1,532,143	1,708,026
Depreciation of property, plant and equipment	673,547	268,598
Depreciation of Right-of-use-assets	411,532	411,532
Share of film distributors	1,020,395	861,525
Salaries and employee benefits	720,691	698,310
Short term lease expenses	480,078	655,225
Maintenance and cleaning expenses	574,807	543,274
Other operating expenses	522,777	290,337
	5,935,970	5,436,827

17. GENERAL AND ADMINISTRATIVE EXPENSES

	30 June 2023	30 June 2022
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Staff cost	917,799	870,838
Board of directors' remuneration	-	333,000
Legal and professional fees	191,981	228,010
Employees' end of service benefits	72,659	55,943
Traveling and transportation	54,652	55,030
Advertisement expenses	42,780	33,347
Pre-operating expenses – Katara branch	-	321,885
Provision for bad debts	-	431,453
Other expenses	188,643	358,468
	1,468,514	2,687,974

18. FINANCE COST, NET

	30 June 2023	30 June 2022
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Finance cost on lease liabilities	196,960	218,093
Interest expense on short term loan	-	58,239
other finance charges	39,051	20,829
Finance income	(181,826)	(29,643)
	54,185	267,518

19. EARNING PER SHARE

	30 June 2023	30 June 2022
Net profit for the period	3,159,879	1,819,819
Weighted average number of shares	62,807,950	62,807,950
Basic earnings per share	0.050	0.029

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20. FAIR VALUE MEASUREMENT

FINANCIAL INSTRUMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<i>Carrying amount</i>			<i>Fair Values</i>		
	<i>FVOCI – equity investment</i>	<i>Amortized cost</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>As at 30 June 2023 (Reviewed)</i>						
Financial assets measured at fair value						
Financial asset at fair value through OCI	28,582,224	-	28,582,224	-	-	28,582,224
Financial assets not measured at fair value						
Cash and bank balances	-	18,868,557	-	-	-	18,868,557
Trade and other receivables	-	2,826,560	-	-	-	2,826,560
Financial liabilities not measured at fair value and amortized cost						
Accounts and other payables	-	2,053,687	-	-	-	2,053,687
<i>As at 31 December 2022 (Audited)</i>						
Financial assets at fair value through OCI	32,627,010	-	32,627,010	-	-	32,627,010
Accounts and other receivables	-	2,594,248	-	-	-	2,594,248
Cash and bank balances	-	17,789,246	-	-	-	17,789,246
Financial liabilities not measured at fair value and amortized cost						
Accounts and other payables	-	2,445,163	-	-	-	2,445,163

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21. COMPARATIVE INFORMATION

Certain changes in the classification of accounts and accordingly, to the supporting note disclosures have been made to the previous year (31 December 2022), financial statements to confirm to the current period's financial statements' presentation.

The reclassification did not materially affect previously reported profit.

Statement of financial position	As previously reported 31 December 2022	Reclassification	As reclassified 31 December 2022
<i>Property, plant and equipment:</i>			
Capital work-in-progress	528,446	(202,402)	326,044
<i>Investment properties:</i>			
Capital work-in-progress	-	202,402	202,402
Statement of profit or loss			
<i>Revenue</i>			
Revenue	1,792,548	7,883,818	9,676,366
Real estate rental income	6,676,672	(6,676,672)	-
Dividends income	1,207,146	(1,207,146)	-
<i>Cost of revenue</i>			
Cost of revenue	2,505,397	2,931,430	5,436,827
<i>General and administration expenses</i>			
Depreciation	-	(2,388,156)	-
Maintenance and cleaning expenses	-	(543,274)	-

The presentation and classification of items in the financial statements shall be retained from one period to the next unless a change in presentation including the reclassification of comparative figures provides more reliable and relevant information to the users of the financial statements. The reclassifications of comparative figures did not affect the previously reported results of operations and equity.

22. EFFECT OF COVID 19

The coronavirus (COVID-19) pandemic has posed significant challenges to business activities and introduced uncertainty in the conduct of most businesses in the State of Qatar and globally and, as a result, a significant risk of material adjustment to the carrying amounts of assets and liabilities may have arisen. COVID-19 pandemic continues to progress and evolve, therefore, it is challenging now, to predict the full extent and duration of its business and economic impact.

The Company's management continues to closely monitor as the situation progresses to manage any associated risk that may arise impacting business operations and financial performance in 2022. In view of the situation, the Company considered whether any adjustments and changes in judgments, estimates, and risk management are required to be considered and reported in the condensed interim financial statements.

23. SUBSEQUENT EVENTS

There were no significant subsequent events which have a bearing on the understanding of this condensed interim financial statements.