

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

**INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE NINE MONTH PERIOD
ENDED SEPTEMBER 30, 2015**

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

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INDEPENDENT AUDITOR'S REVIEW REPORT

**TO THE BOARD OF DIRECTORS
QATAR CINEMA AND FILM DISTRIBUTION COMPANY - Q.S.C
DOHA - STATE OF QATAR**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of QATAR CINEMA AND FILM DISTRIBUTION COMPANY - Q.S.C (the "Company"), Doha - state of Qatar as of September 30, 2015 and the related interim condensed statement of "profit or loss", Profit or Loss and other comprehensive income items, changes in Shareholders' equity and cash flows for the nine month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with international Accounting Standard No. 34 - Interim Financial Reporting". Our responsibility is to express a conclusion on these Interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No. 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 International Accounting Standard - 34, "Interim Financial Reporting".

Other matters

The financial statements of the Company for the year ended December 31, 2014 were audited and reviewed by other independent auditors whose reports dated February 2, 2015, expressed an unqualified opinion on those statements.

**Rödl & Partner
Middle East
Certified Public Accountants**



**Magdy Aboelkhier
(License No. 321)**

**Doha - State of Qatar
October 18, 2015**

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2015

	Note	September 30, 2015 (Reviewed) QR.	December 31, 2014 (Audited) QR.
ASSETS			
current assets:			
Cash and bank balances	5	17,860,429	23,168,818
Accounts receivable	6	3,196,825	1,965,374
Inventory and spare parts		282,669	141,001
Prepayments and other debit balances	7	1,344,287	1,292,204
Total Current Assets		22,684,210	26,567,397
Non-Current Assets :			
Available-for-sale investments	8	46,542,789	48,216,121
Investment properties	9	94,372,620	97,259,775
Property and equipment	10	5,377,737	6,033,039
Total Non-Current Assets		146,293,146	151,508,935
Total Assets		168,977,356	178,076,332
LIABILITIES AND SHAREHOLDERS' EQUITY:			
Current Liabilities:			
Accounts payable		2,470,508	1,037,121
Borrowings		15,000,000	20,000,000
Advance rent received		1,113,491	1,129,119
Dividends payable		7,394,591	7,024,406
Accruals and other credit balances		1,142,664	3,021,724
Total Current Liabilities		27,121,254	32,212,370
Non –Current Liabilities:			
Employees' end of service benefits		2,118,029	2,046,316
Total Non-Current Liabilities		2,118,029	2,046,316
Shareholders' Equity:			
Share capital	11	62,807,950	57,098,140
Legal reserve		37,992,630	37,992,630
General reserve		2,663,152	2,663,152
Fair value reserve		19,260,376	26,537,871
Retained earnings		17,013,965	8,106,225
Proposed dividend		--	11,419,628
Total shareholders' Equity		139,738,073	143,817,646
Total Liabilities and Shareholders' Equity		168,977,356	178,076,332

These interim Condensed Financial statements were approved on behalf of the Board of directors on October 18, 2015 by:


Ahmed Nasser Al-Obaidan
Chairman


Ali Ishaq Hussain Al Ishaq
Chief Executive Officer

The accompanying notes form an integral part of these Condensed financial statements.

 

QATAR CINEMA AND FILM DISTRIBUTION COMPANY (Q.S.C.)
DOHA - QATAR
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015

	Note	For the nine month period Ended September 30,	
		2015	2014
		(Reviewed)	(Un-audited)
		QR.	QR.
Operating income		11,651,313	9,822,475
Direct Cost		<u>(10,678,464)</u>	<u>(10,183,831)</u>
Gross Operating profit (Loss)		972,849	(361,356)
General & Administrative expenses		(2,668,806)	(3,342,708)
Depreciation of property, Equipment and investment properties	9/10	(3,735,000)	(3,763,070)
Finance costs		(691,434)	(859,462)
Dividends income		2,246,197	2,576,509
Rental income		12,545,580	12,568,060
Other income		238,354	807,190
Net profit for the period		<u>8,907,740</u>	<u>7,625,163</u>
Basic / diluted earnings per share		<u>1.42</u>	<u>1.21</u>

The accompanying notes form an integral part of these Condensed financial statements

QATAR CINEMA AND FILM DISTRIBUTION COMPANY (Q.S.C.)
DOHA - QATAR
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015

	For the nine month period Ended September 30,	
Note	2015 (Reviewed)	2014 (Un-audited)
	QR.	QR.
Net profit for the period	8,907,740	7,625,163
Other comprehensive income		
Net Movement in Fair value of available for sale investments	(7,277,495)	6,372,371
Total comprehensive (loss) income for the period	1,630,245	13,997,534

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

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015

	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, 2014	57,098,140	37,992,630	2,663,152	26,026,102	7,501,445	11,419,628	142,701,097
Total comprehensive income for the period (Reviewed)	--	--	--	6,372,371	7,625,163	--	13,997,534
Dividends paid	--	--	--	--	--	(11,419,628)	(11,419,628)
Balance as at September 30, 2014 (Un-audited)	57,098,140	37,992,630	2,663,152	32,398,473	15,126,608	--	145,279,003
Balance as at January 1, 2015	57,098,140	37,992,630	2,663,152	26,537,871	8,106,225	11,419,628	143,817,646
Total comprehensive income for the period (Reviewed)	--	--	--	(7,277,495)	8,907,740	--	1,630,245
Increase in Share Capital	5,709,810	--	--	--	--	(5,709,810)	--
Paid dividends	--	--	--	--	--	(5,709,818)	(5,709,818)
Balance as at September 30, 2015 (Reviewed)	62,807,950	37,992,630	2,663,152	19,260,376	17,013,965	--	139,738,073

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

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

**INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015**

	<u>Note</u>	For the nine month period ended September 30,	
		2015	2014
		(Reviewed) QR.	(Un-audited) QR.
<u>Cash Flows From Operating Activities</u>			
Net Profit for the year		8,907,740	
Adjustments for:			
Depreciation of property, equipment and investment property	9,10	3,735,000	3,763,070
Finance costs		691,434	859,462
Employees' end of service benefits		71,713	200,000
Net cash from operating activities before changes in working capital		13,405,887	12,447,695
Accounts receivable		(1,231,451)	(638,420)
Inventory and spare parts		(141,668)	(53,470)
Prepayments and other debit balances		(52,083)	87,800
Accounts payable		1,433,387	(403,900)
Accruals and other credit balances		(1,879,060)	(1,567,727)
Advanced rent received		(15,627)	--
Employees' End of service benefits		--	(526,374)
Net Cash generated From Operating Activities		11,519,385	9,345,604
<u>Cash Flows From Investing Activities</u>			
Acquisition of Available for sale investments		(5,604,163)	--
Additions of property and equipments	10	(192,544)	(9,193)
Net Cash Used In Investing Activities		(5,796,707)	(9,193)
<u>Cash Flows From Financing Activities</u>			
Dividend paid		(5,339,633)	(10,773,212)
Loan payment during the period		(5,000,000)	--
Finance Cost paid		(691,434)	(859,462)
Net Cash used in Financing Activities		(11,031,067)	(11,632,674)
Net Decrease in cash and cash equivalents		(5,308,389)	(2,296,263)
Cash and cash equivalents - beginning of period	5	23,168,818	15,771,307
Cash and Cash equivalents -end of period	5	17,860,429	13,475,044

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

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015**

1. Status and Activities

Qatar Cinema and Film Distribution Company Q.S.C., (the "Company"), is a public shareholding company incorporated in the State of Qatar in 1970 under commercial registration number 30.

The Company is engaged in the business of importing and distributing cinema movies, sale and rent of movies recorded on CD's, manage cinemas and theaters,. Also the Company produces and distributes various commercial advertisements and invests in quoted shares and real estate.

2. Basis of preparation

These interim condensed financial statements for the three months ended 30 SEPTEMBER 2015 have been prepared in accordance with IAS 34 "Interim Financial Reporting" under the historical cost convention except for available for sale investments, which are measured at fair value. The interim condensed financial statements are prepared in Qatar Riyals, which is the Company's presentational and functional currency.

These interim condensed financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements as at 31 December 2014. In addition, results for the NINE month period ended 30 September 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

3. New Standards and Interpretations

3.1 New standards and amendments to the standards.

The Following amendments to standards have been applied by the company in preparation of these interim condensed financial statements. The amendments to the below standards did not have any material impact to the company, but they may result in additional disclosures at year end:

Amendments to Standards

Defined benefit plans : employee contributions (Amendment to IAS 19)
Annual improvements 2010-2012 cycle
Annual improvements 2011-2013 cycle

The adoption of the above did not result in any changes to previously reported net profit or equity of the company.

3-2 Standards Issued but not yet Effective

IFRS 9 – Financial Instruments (Effective 1 January 2018)
IFRS 14 – Regulatory Deferral Accounts (Effective 1 January 2016)
IFRS 15 – Revenue from Contracts with Customers (Effective 1 January 2017)
Amendments to IFRS 11 Joint Agreements: According for Acquisition of Interest (Effective 1 January 2016)
Amendments to IAS 16 and IAS 28: Clarification of Acceptable Methods of Depreciation and Amortization (Effective 1 January 2016)
Amendments to IAS 27: Equity Method in Separate Financial Statements (Effective 1 January 2016)

The management anticipates that the adaption of these new standards and interpretation in future periods will have no material financial impact on the financial statements of the company in the period of initial application, other than certain presentation and disclosure changes.

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015**

4. Segmental reporting

The Company operates in two major business segments are as follows:

- 1- Movies (playing and distributing cinema films)
- 2- Investments

Figures in respect of the above two segments are separately presented in the interim condensed financial statements.

The Company operates in one geographical area that in the state of Qatar.

5. Cash and bank balances:

	September 30, 2015 (Reviewed)	December 31, 2014 (Audited)
	QR.	QR.
Cash in hand	32,252	65,259
Cash at banks – current accounts	17,689,567	22,965,081
Cash and cash equivalents	17,721,819	23,030,340
Term and call deposits	138,610	138,478
Cash and bank balances	17,860,429	23,168,818

Term and call deposits earn an average annual profit rate of 0.25% to 0.75 (2014: 0.25% to 0.75) with original maturity of 90 days.

6. Accounts Receivable

	September 30, 2015 (Reviewed)	December 31, 2014 (Audited)
	QR.	QR.
Accounts receivable	4,294,125	3,062,674
Provision for doubtful debts	(1,097,300)	(1,097,300)
	3,196,825	1,965,374

7. Prepayments and other debit Balances

	September 30, 2015 (Reviewed)	December 31, 2014 (Audited)
	QR.	QR.
Due From Staff	339,559	313,645
Deposits and letters of guarantee margin	686,644	686,144
Prepayment and other debit balances	318,084	292,415
	1,344,287	1,292,204

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015**

8. Available for Sale investments

	September 30, 2015 (Reviewed)	December 31, 2014 (Audited)
	QR.	QR.
Fair value at the beginning of the year	48,216,121	48,834,752
Additions during the period/year	5,604,163	--
Disposals during the period/year	--	(1,130,400)
Net Movement in Fair value	<u>(7,277,495)</u>	<u>511,769</u>
	<u>46,542,789</u>	<u>48,216,121</u>

9. Investment properties

	September 30, 2015 (Reviewed)	December 31, 2014 (Audited)
	QR.	QR.
Net Book Value, beginning balance	97,259,775	100,857,691
Depreciation Charge for the period	<u>(2,887,155)</u>	<u>(3,597,916)</u>
Net Book value, ending balance	<u>94,372,620</u>	<u>97,259,775</u>

Based on Management's opinion the fair value of investments properties as of September 30, 2015 exceeds the carrying amount.

Included in investment properties is a property with total cost amount of QR 97,495,867 which has been pledged as security collateral against bank facilities.

10. Property and equipment

	September 30, 2015 (Reviewed)	December 31, 2014 (Audited)
	QR.	QR.
Net Book Value, beginning balance	6,033,039	7,612,651
Additions during the year / Period	192,543	34,449
Depreciation Charge for the year / Period	(847,845)	(1,366,098)
Impairment During the year / Period	--	(247,963)
Net Book value, ending balance	<u>5,377,737</u>	<u>6,033,039</u>

11. Share Capital

Based on the Company's General Assembly meeting held on March 31, 2015 to confirm General assembly suggestion on the amendment of Article No. (6) Of the company's statute to increase the company's share capital from QR 57,098,140 to QR 62,807,950 which will be distributed to 6,280,795 shares. Qatar Central securities Depository Company have completed the financial operation of increasing the share capital at 1st of April 2015.

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015**

12. Earnings per share

	For the nine Month period Ended	
	September 30, 2015 (Reviewed)	September 30, 2014 (Reviewed)
	QR.	QR.
Net profit for the period	8,907,740	7,625,163
Weighted Average number of shares	6,280,795	6,280,795
Basic / diluted earnings per share (QR)	1.42	1.21

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 shown above.

13. Compensation of Key Management personnel

The remuneration of key management personnel during the period was as Follows:

	For the nine Month period Ended	
	September 30, 2015 (Reviewed)	September 30, 2014 (Reviewed)
Short term benefits	276,000	372,000