

شركة قطر السينما 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 NINE MONTHS PERIOD
ENDED SEPTEMBER 30, 2019**

Table of Contents

	Page
Interim Statement of Financial Position	1
Interim Statement of Profit or Loss	2
Interim Statement of profit or loss and other comprehensive income items	3
Interim Statement of Changes in Shareholders' Equity	4
Interim Statement of Cash Flows	5
Notes to the Interim Financial Statements	6-10

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
ASSETS			
current assets:			
Cash and bank balances	(1)	34,596,038	40,159,775
Accounts receivable	(2)	1,360,125	4,299,552
Inventory and spare parts		296,685	290,584
Prepayments and other debit balances	(3)	1,195,950	1,892,277
Total Current Assets		37,448,798	46,642,188
Non-Current Assets :			
Available-for-sale investments	(4)	35,100,892	33,993,839
Investment properties	(5)	85,541,070	88,102,622
Property and equipment	(6)	8,854,835	4,542,800
Right-of-use assets		8,428,458	--
Total Non-Current Assets		137,925,255	126,639,261
Total Assets		175,374,053	173,281,449
LIABILITIES AND SHAREHOLDERS' EQUITY:			
Current Liabilities:			
Accounts payable		565,455	811,264
Borrowings		15,000,000	15,000,000
Advance rent received		1,113,491	2,729,216
Dividends payable		6,632,871	7,245,390
Accruals and other credit balances	(7)	251,011	1,022,342
Total Current Liabilities		23,562,828	26,808,212
Non -Current Liabilities:			
Employees' end of service benefits		971,706	2,076,912
Lease liabilities		9,159,342	--
Total Non-Current Liabilities		10,131,048	2,076,912
Total Liabilities		33,693,876	28,885,124
Shareholders' Equity:			
Share capital	(8)	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		11,040,021	9,932,968
Retained earnings		27,176,424	30,999,625
Total shareholders' Equity		141,680,177	144,396,325
Total Liabilities and Shareholders' Equity		175,374,053	173,281,449

These interim Condensed Financial statements were approved on October 26, 2019 and signed by:



Mr. Abdul Rahman Najdi
General Manager



Mr. Ali Ishaq Al Ishaq
Managing Director

INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	For The Nine Months Period Ended September 30,	
		2019	2018
		(Reviewed)	(Reviewed)
		QR.	QR.
Operating income	(9)	5,169,231	4,702,450
Direct Cost	(10)	(6,079,114)	(6,211,530)
Gross Operating Profit		(909,883)	(1,509,080)
General & Administrative expenses	(11)	(3,209,282)	(2,894,174)
Depreciation of property, Equipment and investment properties		(3,210,483)	(3,273,132)
Dividends income		1,211,793	2,031,593
Rental income		12,209,696	12,591,457
Finance costs		(1,023,397)	(763,375)
Other income	(12)	1,150,258	161,859
Depreciation of right-of-use assets		(620,710)	--
Net profit for the period		5,597,992	6,345,148
Basic / diluted earnings per share	(13)	0.09	0.11

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	For The Nine Months Period Ended September 30,	
		2019 (Reviewed) QR.	2018 (Reviewed) QR.
Net profit for the period		5,597,992	6,345,148
Other comprehensive income items			
Net changes in Fair value of Available for sale investments		1,107,053	6,984,246
Total comprehensive (loss) income for the period		6,705,045	13,329,394

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

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	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, 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	--	--	--	--	6,345,148	--	6,345,148
Net movement in Fair value reserve	--	--	--	6,984,246	--	--	6,984,246
Board of Directors Remuneration	--	--	--	--	(224,015)	--	(224,015)
Transfer to dividends payable	--	--	--	--	--	(6,280,795)	(6,280,795)
Balance as at Sep 30, 2018 (Reviewed)	62,807,950	37,992,630	2,663,152	17,754,429	18,031,191	--	139,249,352
Balance as at January 1, 2019 (Audited)	62,807,950	37,992,630	2,663,152	9,932,968	30,999,625	--	144,396,325
Net income for the period	--	--	--	--	5,597,992	--	5,597,992
Net movement in Fair value reserve	--	--	--	1,107,053	--	--	1,107,053
Dividends payable	--	--	--	--	(9,421,193)	--	(9,421,193)
Transfer to dividends payable	--	--	--	--	--	--	--
Balance as at Sep 30, 2019 (Reviewed)	62,807,950	37,992,630	2,663,152	11,040,021	27,176,424	--	141,680,177

INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	For The Nine Months Period Ended	
	Sep 30,	Sep30,
	2019 (Reviewed) QR.	2018 (Reviewed) QR.
Cash Flows From Operating Activities		
Net Profit for the period	5,597,992	6,345,148
Adjustments for:		
Depreciation of property and equipment and investment properties	3,210,483	3,273,132
Finance costs paid	628,673	763,375
Employees' end of service benefits	105,224	177,100
Net cash flows from operating activities before changes in working capital	9,542,372	10,558,755
Accounts receivable	2,939,427	1,476,227
Inventory and spare parts	(6,101)	(190,716)
Prepayments and other debit balances	696,327	(115,123)
Accounts payable	(245,809)	(577,148)
Dividends payable	---	--
Advance rent received	(1,615,725)	(1,692,347)
Accruals and other credit balances	(771,331)	(1,069,601)
	10,539,160	8,390,047
Employees' end of service benefits Paid	(289,420)	(6,090)
Net cash generated by operating activities	10,249,740	8,383,957
Cash Flows From Investing Activities		
Additions of property and equipments	(4,939,705)	(855,926)
Acquisition of available-for sale investments	---	---
Net Cash Used in Investing Activities	(4,939,705)	(855,926)
FINANCING ACTIVITIES		
Finance costs paid	(628,673)	(763,375)
Dividends paid	(10,245,099)	(6,207,516)
Net cash used in financing activities	(10,873,772)	(6,970,891)
Net increase in cash and cash equivalents	(5,563,737)	557,140
cash and cash equivalents - beginning of period	40,159,775	26,879,707
Cash and Cash equivalents -end of period	34,596,038	27,436,847

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

1. Cash and bank balances:

	Sep 30, 2019 (Reviewed) QR.	December 31, 2018 (Audited) QR.
Cash on hand	10,550	7,806
Cash at banks – current accounts	34,441,112	39,974,411
Short term fixed deposits	144,376	177,558
	34,596,038	40,159,775

Term and call deposits earn annual profit rate 0.75 with original maturity of 90 days.

2. Accounts Receivable

	Sep 30, 2019 (Reviewed) QR.	December 31, 2018 (Audited) QR.
Accounts receivable	(636,505)	3,437,808
Notes receivable	2,857,930	1,723,044
Provision for doubtful debts	(861,300)	(861,300)
	1,360,125	4,299,552

3. Prepayments and other debit Balances

	Sep 30, 2019 (Reviewed) QR.	December 31, 2018 (Audited) QR.
Due From Staff	182,534	324,505
Letters of guarantee margin	830,873	447,800
Prepayment and other debit balances	182,543	1,119,972
	1,195,950	1,892,277

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

4. Available for Sale investments

	Sep 30, 2019 (Reviewed) QR.	December 31, 2018 (Audited) QR.
Fair value at the beginning of the Period/Year	33,993,839	34,027,485
Acquisition during the Period/Year	---	---
Disposals during the Period/Year	---	(10,041,854)
Net changes in Fair value	1,107,053	10,008,208
	35,100,892	33,993,839

5. Investment properties

	Sep 30, 2019 (Reviewed) QR.	December 31, 2018 (Audited) QR.
Net Book Value, beginning balance	88,102,622	91,525,045
Additions during the Period/Year	7,428	1,750
Depreciation Charge for the Period/Year	(2,568,980)	(3,424,173)
Net Book value, ending balance	85,541,070	88,102,622

6. Property and equipment

	Sep 30, 2019 (Reviewed) QR.	December 31, 2018 (Audited) QR.
Net Book Value, beginning balance	4,542,800	4,574,018
Additions during the year / Period	4,953,539	887,379
Depreciation Charge for the year / Period	(641,504)	(918,597)
Impairment During the year / Period	--	--
Net Book value, ending balance	8,854,835	4,542,800

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

7. ACCRUALS AND OTHER CREDIT BALANCES

	Sep 30, 2019 (Reviewed) QR.	December 31, 2018 (Audited) QR.
Accrued expenses	251,011	1,022,342
Provision for social contribution	--	---
	<u>251,011</u>	<u>1,022,342</u>

8. SHARE CAPITAL

	Sep 30, 2019 (Reviewed) QR.	December 31, 2018 (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 Nine Months Period Ended	
	Sep 30, 2019 (Reviewed) QR.	Sep 30, 2018 (Reviewed) QR.
Movies income	4,729,990	4,320,835
Films rent income	289,167	236,800
Advertising income	---	---
Cafeterias income	150,074	144,815
	<u>5,169,231</u>	<u>4,702,450</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

10. Direct Costs

	For The Nine Months Period Ended	
	Sep 30, 2019 (Reviewed) QR.	Sep 30, 2018 (Reviewed) QR.
Share of distributors and films expenses	2,627,733	2,420,550
Cinema expenses	3,451,381	3,790,980
	<u>6,079,114</u>	<u>6,211,530</u>

11. GENERAL AND ADMINISTRATIVE EXPENSES

	For The Nine Months Period Ended	
	Sep 30, 2019 (Reviewed) QR.	Sep 30, 2018 (Reviewed) QR.
Salaries, wages and staff compensation	1,470,039	1,629,914
Telephone and fax	107,683	108,368
Maintenance	149,725	63,621
Professional and governmental fees	306,570	165,914
Board meeting allowance	459,000	459,000
Advertise expenses	33,000	60,677
Audit Fees	48,000	47,500
End of service benefits	105,224	177,100
Board of directors' remuneration	255,185	--
Stationery	15,774	13,170
Miscellaneous	259,082	168,910
	<u>3,209,282</u>	<u>2,894,174</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

12. OTHER INCOME

	For The Nine Months Period Ended	
	Sep 30, 2019 (Reviewed) QR.	Sep 30, 2018 (Reviewed) QR.
Bank interest	8,772	673
Miscellaneous income	1,141,486	161,186
	<u>1,150,258</u>	<u>161,859</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 Nine Months Period Ended	
	Sep 30, 2019 (Reviewed) QR.	Sep 30, 2018 (Reviewed) QR.
Net profit for the period (QR.)	5,597,992	6,345,148
Weighted Average number of shares	6,280,795	62,807,950
Basic / diluted earnings per share (QR)	<u>0.09</u>	<u>0.11</u>