

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

**INTEREM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD  
ENDED SEPTEMBER 30, 2020**

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INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 (Reviewed)	December 31, 2019 (Audited)
<b>ASSETS</b>			
<b>current assets:</b>			
Cash and bank balances	(1)	22,705,704	32,852,340
Accounts receivable	(2)	1,736,606	3,078,361
Inventory and spare parts		279,785	287,027
Prepayments and other debit balances	(3)	1,052,866	1,802,727
<b>Total Current Assets</b>		<b>25,774,961</b>	<b>38,020,455</b>
<b>Non-Current Assets :</b>			
Available-for-sale investments	(4)	32,449,230	36,409,529
Investment properties	(5)	82,115,293	84,684,543
Property and equipment	(6)	16,048,956	13,558,485
Right-of-use assets		7,596,299	8,219,282
<b>Total Non-Current Assets</b>		<b>138,209,778</b>	<b>142,871,839</b>
<b>Total Assets</b>		<b>163,984,739</b>	<b>180,892,294</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>			
<b>Current Liabilities:</b>			
Accounts payable		895,236	897,805
Borrowings		7,000,000	15,000,000
Advance rent received		1,113,491	2,789,655
Dividends payable		6,842,719	6,631,996
Accruals and other credit balances	(7)	212,500	1,691,235
<b>Total Current Liabilities</b>		<b>16,063,946</b>	<b>27,010,691</b>
<b>Non -Current Liabilities:</b>			
Employees' end of service benefits		1,081,866	973,933
Lease liabilities		9,661,693	9,286,928
<b>Total Non-Current Liabilities</b>		<b>10,743,559</b>	<b>10,260,861</b>
<b>Total Liabilities</b>		<b>26,807,505</b>	<b>37,271,552</b>
<b>Shareholders' Equity:</b>			
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		8,388,359	12,348,658
Retained earnings		25,325,143	27,808,352
<b>Total shareholders' Equity</b>		<b>137,177,234</b>	<b>143,620,742</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>163,984,739</b>	<b>180,892,294</b>

These interim Condensed Financial statements were approved on October 25, 2020 and signed by:



Mr. Ali Ishaq Al Ishaq  
Managing Director



Mr. Ahmed A. Rahman N Fakhroo  
Chairman

INTERIM STATEMENT OF PROFIT OR LOSS  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Note	For The Nine Months Period Ended September 30,	
		2020 (Reviewed) QR.	2019 (Reviewed) QR.
Operating income	(9)	1,295,720	5,169,231
Direct Cost	(10)	(2,888,186)	(6,079,114)
<b>Gross Operating Profit</b>		<b>(1,592,466)</b>	<b>(909,883)</b>
General & Administrative expenses	(11)	(2,982,061)	(3,209,282)
Depreciation of property, Equipment and investment properties		(3,095,198)	(3,210,483)
Dividends income		951,791	1,211,793
Rental income		11,975,305	12,209,696
Finance costs		(968,489)	(1,023,397)
Other income	(12)	131,687	1,150,258
Depreciation of right-of-use assets		(622,983)	(620,710)
<b>Net profit for the period</b>		<b>3,797,586</b>	<b>5,597,992</b>
<b>Basic / diluted earnings per share</b>	(13)	<b>0.06</b>	<b>0.09</b>

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	For The Nine Months Period Ended September 30,	
	2020	2019
	(Reviewed) QR.	(Reviewed) QR.
<b>Net profit for the period</b>	3,797,586	5,597,992
<b>Other comprehensive income items</b>		
Net changes in Fair value of Available for sale investments	(3,960,299)	1,107,053
<b>Total comprehensive (loss) income for the period</b>	<b>(162,713)</b>	<b>6,705,045</b>

**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, 2020**

	Share Capital	Legal Reserve	General Reserve	Fair Value Reserve	Retained Earnings	Proposed Dividends	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
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
Dividend paid	--	--	--	--	(9,421,193)	--	(9,421,193)
Transfer to dividends payable	--	--	--	--	--	--	--
<b>Balance as at Sep 30, 2019 (Reviewed)</b>	<b>62,807,950</b>	<b>37,992,630</b>	<b>2,663,152</b>	<b>11,040,021</b>	<b>27,176,424</b>	<b>--</b>	<b>141,680,177</b>
Balance as at January 1, 2020 (Audited)	62,807,950	37,992,630	2,663,152	12,348,658	21,578,432	6,389,662	143,780,484
Net income for the period	--	--	--	--	3,797,586	--	3,797,586
Net movement in Fair value reserve	--	--	--	(3,960,299)	--	--	(3,960,299)
Dividends payable	--	--	--	--	--	(6,229,920)	(6,229,920)
Provision of social contribution	--	--	--	--	--	(159,742)	(159,742)
Transfer to dividends payable	--	--	--	--	(50,875)	--	(50,875)
<b>Balance as at Sep 30, 2020 (Reviewed)</b>	<b>62,807,950</b>	<b>37,992,630</b>	<b>2,663,152</b>	<b>8,388,359</b>	<b>25,325,143</b>	<b>--</b>	<b>137,177,234</b>

INTERIM STATEMENT OF CASH FLOWS  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

Note	For The Nine Months Period Ended	
	Sep 30,	Sep30,
	2020 (Reviewed) QR.	2019 (Reviewed) QR.
<b>Cash Flows From Operating Activities</b>		
Net Profit for the period	3,797,586	5,597,992
<b>Adjustments for:</b>		
Depreciation of property and equipment and investment properties	3,718,181	3,210,483
Finance costs paid	968,489	628,673
Employees' end of service benefits	107,933	105,224
<b>Net cash flows from operating activities before changes in working capital</b>	<b>8,592,189</b>	<b>9,542,372</b>
Accounts receivable	1,341,755	2,939,427
Inventory and spare parts	7,242	(6,101)
Prepayments and other debit balances	749,861	696,327
Accounts payable	(2,569)	(245,809)
Advance rent received	(1,676,164)	(1,615,725)
Accruals and other credit balances	(1,478,735)	(771,331)
	<b>7,533,579</b>	<b>10,539,160</b>
Employees' end of service benefits Paid	--	(289,420)
<b>Net cash generated by operating activities</b>	<b>7,533,579</b>	<b>10,249,740</b>
<b>Cash Flows From Investing Activities</b>		
Additions of property and equipments	(3,016,419)	(4,939,705)
Acquisition of available-for sale investments	---	---
<b>Net Cash Used in Investing Activities</b>	<b>(3,016,419)</b>	<b>(4,939,705)</b>
<b>FINANCING ACTIVITIES</b>		
Finance costs	(593,725)	(628,673)
Net movement in loan	(8,000,000)	--
Dividends paid	(6,070,071)	(10,245,099)
<b>Net cash used in financing activities</b>	<b>(14,663,796)</b>	<b>(10,873,772)</b>
Net increase in cash and cash equivalents	(10,146,636)	(5,563,737)
cash and cash equivalents - beginning of period	32,852,340	40,159,775
<b>Cash and Cash equivalents -end of period</b>	<b>22,705,704</b>	<b>34,596,038</b>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

**1. Cash and bank balances:**

	Sep 30, 2020 (Reviewed) QR.	December 31, 2019 (Audited) QR.
Cash on hand	3,342	6,540
Cash at banks – current accounts	22,557,773	32,701,331
Short term fixed deposits	144,589	144,469
	<b>22,705,704</b>	<b>32,852,340</b>

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

**2. Accounts Receivable**

	Sep 30, 2020 (Reviewed) QR.	December 31, 2019 (Audited) QR.
Accounts receivable	(691,324)	2,069,452
Notes receivable	3,289,230	1,870,209
Provision for doubtful debts	(861,300)	(861,300)
	<b>1,736,606</b>	<b>3,078,361</b>

**3. Prepayments and other debit Balances**

	Sep 30, 2020 (Reviewed) QR.	December 31, 2019 (Audited) QR.
Due From Staff	199,045	200,828
Letters of guarantee margin	827,880	830,874
Prepayment and other debit balances	25,941	771,025
	<b>1,052,866</b>	<b>1,802,727</b>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

4. Available for Sale investments

	Sep 30, 2020 (Reviewed) QR.	December 31, 2019 (Audited) QR.
Fair value at the beginning of the Period/Year	36,409,529	33,993,839
Acquisition during the Period/Year	3,938,579	5,296,272
Disposals during the Period/Year	(7,898,878)	(2,880,582)
Net changes in Fair value	(3,960,299)	2,415,690
	<b>32,449,230</b>	<b>36,409,529</b>

5. Investment properties

	Sep 30, 2020 (Reviewed) QR.	December 31, 2019 (Audited) QR.
Net Book Value, beginning balance	84,684,543	88,102,622
Additions during the Period/Year	1,500	7,428
Depreciation Charge for the Period/Year	(2,570,750)	(3,425,507)
<b>Net Book value, ending balance</b>	<b>82,115,293</b>	<b>84,684,543</b>

6. Property and equipment

	Sep 30, 2020 (Reviewed) QR.	December 31, 2019 (Audited) QR.
Net Book Value, beginning balance	13,558,485	4,542,800
Additions during the year / Period	3,014,919	9,834,831
Depreciation Charge for the year / Period	(524,448)	(819,146)
Impairment During the year / Period	--	--
<b>Net Book value, ending balance</b>	<b>16,048,956</b>	<b>13,558,485</b>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

7. ACCRUALS AND OTHER CREDIT BALANCES

	Sep 30, 2020 (Reviewed) QR.	December 31, 2019 (Audited) QR.
Accrued expenses	212,500	1,531,493
Provision for social contribution	--	159,742
	<u>212,500</u>	<u>1,691,235</u>

8. SHARE CAPITAL

	Sep 30, 2020 (Reviewed) QR.	December 31, 2019 (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, 2020 (Reviewed) QR.	Sep 30, 2019 (Reviewed) QR.
Movies income	1,164,235	4,729,990
Films rent income	75,172	289,167
Advertising income	---	---
Cafeterias income	56,313	150,074
	<u>1,295,720</u>	<u>5,169,231</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

10. Direct Costs

	For The Nine Months Period Ended	
	Sep 30, 2020 (Reviewed) QR.	Sep 30, 2019 (Reviewed) QR.
Share of distributors and films expenses	625,808	2,627,733
Cinema expenses	2,262,378	3,451,381
	<b>2,888,186</b>	<b>6,079,114</b>

11. GENERAL AND ADMINISTRATIVE EXPENSES

	For The Nine Months Period Ended	
	Sep 30, 2020 (Reviewed) QR.	Sep 30, 2019 (Reviewed) QR.
Salaries, wages and staff compensation	1,305,183	1,470,039
Telephone and fax	77,882	107,683
Maintenance	97,216	149,725
Professional and governmental fees	263,455	306,570
Board meeting allowance	459,000	459,000
Advertise expenses	49,500	33,000
Audit Fees	27,500	48,000
End of service benefits	107,933	105,224
Board of directors' remuneration	154,476	255,185
Stationery	11,619	15,774
Miscellaneous	428,297	259,082
	<b>2,982,061</b>	<b>3,209,282</b>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

12. OTHER INCOME

	For The Nine Months Period Ended	
	Sep 30, 2020 (Reviewed) QR.	Sep 30, 2019 (Reviewed) QR.
Bank interest	20,605	8,772
Miscellaneous income	111,082	1,141,486
	<b>131,687</b>	<b>1,150,258</b>

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, 2020 (Reviewed) QR.	Sep 30, 2019 (Reviewed) QR.
Net profit for the period (QR.)	3,797,586	5,597,992
Weighted Average number of shares	62,807,950	62,807,950
Basic / diluted earnings per share (QR)	0.06	0.09