

Gulf Medical Projects Company PJSC

**Independent auditor's report on review of
condensed consolidated interim financial statements
For the three months period ended March 31, 2019**

Gulf Medical Projects Company PJSC
Condensed consolidated interim financial statements

For the three months period ended March 31, 2019

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Ref: AP/2923/May 2019

Independent auditor's report on review of the condensed consolidated interim financial statements**The Shareholders
Gulf Medical Projects Company PJSC
United Arab Emirates****Introduction**

We have reviewed the accompanying condensed consolidated interim financial statements of **Gulf Medical Projects Company PJSC** (the "Company") and its subsidiary (collectively referred to as the "Group") which comprise the condensed consolidated interim statement of financial position as at March 31, 2019 and the condensed consolidated interim statement of income, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the three-months period then ended. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated 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 consolidated 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 condensed consolidated interim financial statements as at March 31, 2019 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other matter:

The consolidated financial statements for the Group for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on the consolidated financial statements on February 20, 2019. Furthermore, the condensed consolidated interim financial statements for the three months period ended March 31, 2018 were reviewed by another auditor who expressed an unqualified conclusion on May 12, 2018.

For Crowe Mak

**Atik Munshi**
Senior Partner
Regn. No. 483
Sharjah - United Arab Emirates

May 14, 2019

Gulf Medical Projects Company PJSC

Condensed consolidated interim statement of financial position

As at March 31, 2019

	Notes	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Assets			
Non-current assets			
Property and equipment	4	762,278	769,282
Intangible assets	5	2,918	2,923
Investment properties	6	96,726	96,726
Investments at fair value through other comprehensive income (FVTOCI)	7	155,892	142,186
Total non current assets		1,017,814	1,011,117
Current assets			
Inventories	8	17,281	14,259
Due from an associate	9	5,323	5,389
Investments at fair value through profit or loss (FVTPL)	7	105	115
Accounts and other receivables	10	198,923	188,958
Cash and bank balances	11	169,400	247,951
Total current assets		391,032	456,672
Total assets		1,408,846	1,467,789
Equity and Liabilities			
Equity			
Share capital	12	698,916	698,916
Reserves		278,452	278,452
Cumulative change in fair value of investment measured at fair value through other comprehensive income		(152,181)	(165,887)
Retained earnings		253,350	320,173
Equity attributable to equity holders of the parent company		1,078,537	1,131,654
Non-controlling interest	13	28,698	27,833
Total equity		1,107,235	1,159,487
Non-current liabilities			
Employees' end of service benefits		17,567	16,639
Bank loans	15	72,542	85,842
Total non-current liabilities		90,109	102,481
Current liabilities			
Accounts and other payables	16	158,302	152,621
Bank loans	15	53,200	53,200
Total current liabilities		211,502	205,821
Total equity and liabilities		1,408,846	1,467,789

The accompanying notes constitute an integral part of these condensed consolidated interim financial statements

These condensed consolidated interim financial statements were approved for issue on behalf of the Board of Directors on May 14, 2019.

 Sheikh Dr. Faisal Bin Khalid Khalid Al Qasimi
 (Chairman)

 Salem Abdullah Salem Al - Hosani
 (Vice Chairman)

Gulf Medical Projects Company PJSC
Condensed consolidated interim statement of income

For the three months period ended March 31, 2019

	Note	Three months period ended	
		Mar 31, 2019	Mar 31, 2018
		(Unaudited) AED '000'	(Unaudited) AED '000'
Revenue		141,659	124,489
Cost of revenue	18	(104,666)	(100,666)
Gross profit		36,993	23,823
Fair value (loss) of investments at FVTPL		(10)	(20)
Loss from an associate		(291)	(121)
Other income		5,719	22,279
Administrative expenses	19	(26,532)	(24,108)
Finance cost		(1,505)	(1,735)
Profit for the period		14,374	20,118
Attributable to:			
Equity holders of the parent company		12,069	17,783
Non-controlling interest		2,305	2,335
Net amount		14,374	20,118
Earnings per share (AED per share)	20	0.02	0.02

The accompanying notes constitute an integral part of these condensed consolidated interim financial statements



Gulf Medical Projects Company PJSC

Condensed consolidated interim statement of comprehensive income

For the three months period ended March 31, 2019

	Three months period ended	
	Mar 31, 2019 (Unaudited) AED '000'	Mar 31, 2018 (Unaudited) AED '000'
Profit for the period	<u>14,374</u>	<u>20,118</u>
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Change in fair value of investments at FVTOCI	<u>13,706</u>	<u>(27,162)</u>
Total other comprehensive income / (loss)	<u>13,706</u>	<u>(27,162)</u>
Total comprehensive income / (loss) for the period	<u><u>28,080</u></u>	<u><u>(7,044)</u></u>
Attributable to :		
Equity holders of the parent company	<u>25,775</u>	<u>(9,379)</u>
Non-controlling interest	<u>2,305</u>	<u>2,335</u>
Total	<u><u>28,080</u></u>	<u><u>(7,044)</u></u>

The accompanying notes constitute an integral part of these condensed consolidated interim financial statements



Gulf Medical Projects Company PJSC
Condensed Consolidated Interim Statement of Changes in Equity
For the three months period ended March 31, 2019

Attributable to equity holders of the parent company

	Share capital	Reserves	Cumulative change in fair value of investment measured - FVTOCI	Retained earnings	Total	Non-controlling interest	Total
	AED '000'	AED '000'	AED '000'	AED '000'	AED '000'	AED '000'	AED '000'
Balance at January 01, 2018 (audited)	698,916	268,875	(94,092)	420,797	1,294,496	33,357	1,327,853
Effect on adoption of IFRS 9	-	-	-	(32,522)	(32,522)	(11,935)	(44,457)
Adjusted balance as at January 01, 2018 (audited)	698,916	268,875	(94,092)	388,275	1,261,974	21,422	1,283,396
Profit for the three months period ended March 31, 2018	-	-	-	17,783	17,783	2,335	20,118
Other comprehensive (loss)	-	-	(27,162)	-	(27,162)	-	(27,162)
Total comprehensive income/(loss) (unaudited)	-	-	(27,162)	17,783	(9,379)	2,335	(7,044)
Cash dividends	-	-	-	(69,892)	(69,892)	-	(69,892)
Board of directors remuneration	-	-	-	(100,000)	(100,000)	-	(100,000)
Balance at March 31, 2018 (unaudited)	698,916	268,875	(121,254)	236,166	1,082,703	23,757	1,106,460
Balance at January 01, 2019 (audited)	698,916	278,452	(165,887)	320,173	1,131,654	27,833	1,159,487
Profit for the three months period ended March 31, 2019	-	-	-	12,069	12,069	2,305	14,374
Other comprehensive income	-	-	13,706	-	13,706	-	13,706
Total comprehensive income (unaudited)	-	-	13,706	12,069	25,775	2,305	28,080
Cash dividends	-	-	-	(69,892)	(69,892)	-	(69,892)
Board of directors remuneration	-	-	-	(9,000)	(9,000)	-	(9,000)
Net movements	-	-	-	-	-	(1,440)	(1,440)
Balance at March 31, 2019 (unaudited)	698,916	278,452	(152,181)	253,350	1,078,537	28,698	1,107,235

The accompanying notes constitute an integral part of these condensed consolidated interim financial statements



Gulf Medical Projects Company PJSC

Condensed consolidated interim statement of cash flows

For the three months period ended March 31, 2019

	Three months period ended	
	Mar 31, 2019 (Unaudited) AED '000'	Mar 31, 2018 (Unaudited) AED '000'
Cash flows from operating activities		
Profit for the period	14,374	20,118
Adjustments for:		
Depreciation	8,546	8,810
Amortization	117	136
Fair value loss of revaluation of investments at FVTPL	10	20
Loss from an associate	291	121
Employees end of service benefits	1,337	1,434
Provision for impairment of accounts receivable	6,823	8,552
Provision for slow-moving inventory items	2	62
Deferred income realized	-	(7,375)
Loss on sale of property and equipment	2	13
<i>Operating cash flows before changes in operating assets and liabilities</i>	31,502	31,891
(Increase) / Decrease in inventories	(3,024)	1,295
(Increase) / Decrease in due from an associate	(225)	328
(Increase) in accounts receivable and others	(16,788)	(10,410)
Increase / (decrease) in accounts payable and others	5,681	(8,172)
Settlements of employees end of service benefits	(409)	(490)
Net cash from operating activities	16,737	14,442
Cash flow from investing activities		
Decrease in fixed deposits	33,220	180,794
Purchase of property and equipment	(1,544)	(1,021)
Addition to intangible assets	(112)	-
Proceeds from sale of property and equipment	-	115
Net cash from investing activities	31,564	179,888
Cash flow from financing activities		
Repayment of bank loans	(13,300)	(13,300)
Cash dividends paid	(69,892)	(69,892)
Board of directors remuneration paid	(9,000)	(100,000)
Net movement in non-controlling interest	(1,440)	-
Net cash (used) in financing activities	(93,632)	(183,192)
Net (decrease) / increase in cash and cash equivalents	(45,331)	11,138
Cash and cash equivalents, beginning of period	85,901	33,056
Cash and cash equivalents at end of period	40,570	44,194

The accompanying notes constitute an integral part of these condensed consolidated interim financial statements



Gulf Medical Projects Company PJSC

Notes to the condensed consolidated interim financial statements

For the three months period ended March 31, 2019

1 Status and activities

Gulf Medical Projects Company PJSC (hereinafter referred to as the "**Company**") is a public shareholding company incorporated in Sharjah by an Amiri Decree No.48/79 issued by His Highness The Ruler of Sharjah on 2 August 1979.

The main activities of the company and its subsidiary (collectively referred to as "**the Group**") are general hospital, general clinic, import, hospitals management, construction of medicine product factories, trading in medical equipment and its instruments, medicine and medical tools.

The Company is domiciled in Sharjah city and its registered address is P.O. Box : 5385, Sharjah, United Arab Emirates.

2 Basis of preparation

2.1 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting".

Condensed consolidated interim financial statements does not include all of the information and footnotes required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual consolidated audited financial statements as at and for the year ended 31 December 2018. In addition, results for the three months period ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2019.

2.2 Basis of measurement

These condensed consolidated interim financial statements are prepared under the historical cost convention except for certain elements which has been measured on the basis of fair value/valuation.

These condensed consolidated interim financial statements are presented in Arab Emirates Dirham (AED), which is the Group's Functional Currency. Amounts in the condensed consolidated interim financial statements are rounded to the nearest Thousand Arab Emirates Dirham (AED. '000').

2.3 Judgments and estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as that were applied to consolidated financial statements for the year ended 31 December 2018.

2.4 Financial risk management

The Group's financial risk management objective and policies are consistent with those disclosed in audited consolidated financial statements for the year ended 31 December 2018.

2.5 Basis of consolidation

The condensed consolidated interim financial statements incorporate the interim financial statements of the parent company and entities controlled by the company (its subsidiaries). Control is evidenced by the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the condensed interim financial statements of subsidiaries to bring their accounting policies into line with those used by the company.



Gulf Medical Projects Company PJSC

Notes to the condensed consolidated interim financial statements

For the three months period ended March 31, 2019

2 Basis of preparation (continued)

2.5 Basis of consolidation (continued)

The details of the subsidiaries are as follows:

Company	% of ownership		Principal activities	Country of incorporation
	Mar 31, 2019	Mar 31, 2018		
Al Zahra (Pvt.) Hospital Dubai LLC	68.38%	68.38%	General Hospital	UAE

All significant intra-company transactions, balances, income and expenses are eliminated in full, on consolidation.

Non-controlling interests represent the portion of net assets not held by the Group and are represented separately in the condensed consolidated interim statement of income, condensed consolidated interim statement of comprehensive income and within equity in the condensed consolidated interim statement of financial position separately from parent's shareholders' equity.

3 Summary of significant accounting policies

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group's audited annual consolidated financial statements for the year ended 31 December 2018.

The new revised relevant IFRSs effective from 1 January 2019 had no significant impact on the condensed consolidated interim financial position or performance of the Group during the period.



Gulf Medical Projects Company PJSC

Notes to the condensed consolidated interim financial statements

For the three months period ended March 31, 2019

4 Property and equipment

	Land AED '000'	Hospital Buildings AED '000'	Hospital furniture and equipment AED '000'	Motor vehicles AED '000'	Other furniture and equipment AED '000'	Capital work- in-progress AED '000'	Total AED '000'
Cost							
At December 31, 2018 (audited)	255,018	556,917	123,449	5,251	15,929	2,358	958,922
Additions	-	28	1,471	-	40	5	1,544
Sale / disposals	-	-	(3)	-	-	-	(3)
Balance at March 31, 2019 (unaudited)	255,018	556,945	124,917	5,251	15,969	2,363	960,463
Accumulated Depreciation							
At December 31, 2018 (audited)	-	84,412	88,521	3,786	12,921	-	189,640
Charge for the period	-	3,843	4,182	227	294	-	8,546
Relating to sale/disposal	-	-	(1)	-	-	-	(1)
Balance at March 31, 2019 (unaudited)	-	88,255	92,702	4,013	13,215	-	198,185
Net Book Value:							
At March 31, 2019 (unaudited)	255,018	468,690	32,215	1,238	2,754	2,363	762,278
At December 31, 2018 (audited)	255,018	472,505	34,928	1,465	3,008	2,358	769,282



Gulf Medical Projects Company PJSC

Notes to the condensed consolidated interim financial statements

For the three months period ended March 31, 2019

5 Intangible assets

	Software AED '000'	Total AED '000'
Cost:		
At December 31, 2018 (audited)	3,718	3,718
Additions	112	112
Balance at March 31, 2019 (unaudited)	3,830	3,830
Accumulated Amortization:		
At December 31, 2018 (audited)	795	795
Charged for the period	117	117
Balance at March 31, 2019 (unaudited)	912	912
Net book Value:		
At March 31, 2019 (unaudited)	2,918	2,918
At December 31, 2018 (audited)	2,923	2,923

6 Investment properties

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Fair value at January, 01	96,726	103,863
(Decrease) in fair value	-	(7,137)
Fair Value at end of the period / year	96,726	96,726

Investment properties represent investments in land and real estates in the United Arab Emirates

Investment properties of AED 96,726 thousands mentioned above represent the fair value at the review report date as per the management estimate.

7 Financial assets

Financial assets comprise of the following:

a) Investments at fair value through other comprehensive income (FVTOCI)

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Fair value at 1 January	142,186	216,976
Disposal during the period / year	-	(2,995)
Increase/(decrease) in fair value	13,706	(71,795)
Fair value at end of the period / year	155,892	142,186

Investments at FVTOCI represent investment in securities quoted in the local financial market.

b) Investments at fair value through profit or loss (FVTPL)

Fair value at 1 January	115	129
Decrease in fair value	(10)	(14)
Fair Value at end of the period / year	105	115

Investments at FVTPL represent investment in securities quoted in a regional financial market.



Gulf Medical Projects Company PJSC

Notes to the condensed consolidated interim financial statements

For the three months period ended March 31, 2019

8 Inventories

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Goods for sale (drugs and cosmetics)	9,579	7,029
General stores and hospital supplies	8,944	8,587
Provision for slow-moving items	(1,242)	(1,357)
	<u>17,281</u>	<u>14,259</u>

9 Balances and transactions with related parties

In the normal course of business, the Group enters into various transactions with related parties. Related parties represent major shareholders, directors and key management personnel of the group, and entities controlled, jointly controlled or significantly influenced by such parties. The prices and terms of these transactions are agreed with the group's management.

- Due from an Associate

This item represents the amount due from Gulf Medical Commercial Agencies (LLC) – Sharjah. As per the management contract the associate is managed and financed by the Group in return for the yearly profit/(loss) generated by the associate has been included in the condensed consolidated interim statement of income for the Group. The details of the movement in this account are as follows:

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Balance at January 01,	5,389	6,112
Net funds paid / (received from) to an associate	225	(496)
Loss for the period / year transferred	(291)	(227)
Balance at end of the period / year	<u>5,323</u>	<u>5,389</u>

- The following are the details of significant related parties transactions :

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Sales	-	14
Purchases	47	255
Expenses	145	579
Transfer of intangible assets	-	3

- The remuneration, salaries and other benefits of Board of Directors and other members of key management during the period / year were as follows :

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Board of directors remuneration	9,000	100,000
Board of directors and committee expenses	57	190
Key management salaries and other related benefits	2,361	8,545



Gulf Medical Projects Company PJSC

Notes to the condensed consolidated interim financial statements

For the three months period ended March 31, 2019

10 Accounts and other receivables

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Accounts receivable	281,788	263,731
Provision for impairment of accounts receivable	(106,643)	(97,167)
	<u>175,145</u>	<u>166,564</u>
Prepaid expenses and others	17,855	14,941
Recoverable tax	555	2,047
Notes receivable – post-dated cheques	5,368	5,406
	<u>198,923</u>	<u>188,958</u>

11 Cash and bank balances

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Cash in hand	427	292
Bank balances - Current and call deposit accounts	40,143	85,609
Fixed deposits	128,830	162,050
	<u>169,400</u>	<u>247,951</u>

12 Share capital

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Authorized share capital is 698,916,094 ordinary shares of AED 1 each fully paid	<u>698,916</u>	<u>698,916</u>

13 Non-controlling interest

a) The details of movement in this item during the period/year are as follows :

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Balance at January 01,	27,833	33,357
Effect on adoption of IFRS 9	-	(11,935)
Adjusted balance as at January 01,	<u>27,833</u>	<u>21,422</u>
Share of profit for the period/year	2,305	6,411
Net movements	(1,440)	-
Balance at end of the period / year	<u>28,698</u>	<u>27,833</u>

b) Non-controlling interest mentioned above represents the share of non-controlling as at the condensed consolidated interim statement of financial position date and are as follows:

	%	%
Share in Al Zahra (Pvt) Hospital Dubai LLC	<u>31.62</u>	<u>31.62</u>



Gulf Medical Projects Company PJSC

Notes to the condensed consolidated interim financial statements

For the three months period ended March 31, 2019

14 Deferred income

The Group recognized the government grant of plot of land measuring 350,000 square feet granted by government of Dubai with condition of constructing a hospital in the Emirate of Dubai. When the construction of the hospital started a value of AED 315,000 thousand was recorded in the group assets and surplus of land a value of AED 295,000 thousand on the valuation date was recorded as deferred income in the condensed consolidated interim statement of financial position.

The construction of the hospital was fully completed in the previous years and the hospital started generating income from its operations. The management resolved to recognize the grant in profit and loss by transferring deferred income to condensed consolidated interim statement of income in a systematic basis over the useful life of the asset which is as follows:

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Balance at 1 January	-	152,269
Transferred portion as realized income	-	(29,500)
Written off	-	(122,769)
Balance at end of the period	-	-

During prior year, the Group released the restriction on trading in the granted land to a freehold land with tradable status. This was done in compliance with all the conditions required from the concerned Grant Department (Government of Dubai). Therefore the balance of deferred income was closed to be in line with fair value of land and building constructed thereon as at December 31, 2018.

15 Bank loans

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Non-current	72,542	85,842
Current	53,200	53,200
	125,742	139,042

16 Accounts and other payables

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Accounts payable	51,395	46,747
Uncollected portion of repayments to shareholders	1,091	1,091
Shareholders' dividends payable	6,832	6,832
Notes payable - post-dated cheques	2,470	5,248
Accrued expenses	8,333	8,825
Provision for staff leave salaries and air passage	14,174	13,265
Provision for claims	30,000	30,000
Accrued interest payable	1,456	1,587
Income received in advance	7,754	5,934
Staff payable	456	423
Others	34,341	32,669
	158,302	152,621



Gulf Medical Projects Company PJSC

Notes to the condensed consolidated interim financial statements

For the three months period ended March 31, 2019

17 Segment information

The Board of Directors are chief operating decision maker. Management determine the operation segments based on segments identified for the purpose of allocation resources and assessing performance.

The Group's reportable segments are organized into two major segments as follows:

- i) Health services and others
Principally providing health, medical care and other related services.
- ii) Investments
Principally concerned with Investment properties and investment in securities.

The financial analysis according to the business segments are as follows :

	Health Services & others		Investments		Total	
	Three months period ended		Three months period ended		Three months period ended	
	Mar 31, 2019 (Unaudited) AED '000'	Mar 31, 2018 (Unaudited) AED '000'	Mar 31, 2019 (Unaudited) AED '000'	Mar 31, 2018 (Unaudited) AED '000'	Mar 31, 2019 (Unaudited) AED '000'	Mar 31, 2018 (Unaudited) AED '000'
Revenue:						
Total revenue	141,659	124,489	3,759	13,123	145,418	137,612
Result:						
Segment result	36,993	23,823	(301)	(141)	36,692	23,682
Unallocated administrative expenses	-	-	-	-	(28,037)	(25,843)
Operating profit / (loss)	1,996	9,173	3,723	13,106	8,655	(2,161)
Other income					5,719	22,279
Profit from operation					14,374	20,118
Non-controlling interest					(2,305)	(2,335)
Profit for the period					12,069	17,783
Other information:						
Segment assets	1,143,122	1,392,136	265,724	301,371	1,408,846	1,693,507
Segment liabilities	254,318	431,558	47,293	111,032	301,611	542,590
Capital expenditure	1,656	1,021	-	-	1,656	1,021
Depreciation & amortization	8,663	8,946	-	-	8,663	8,946



Gulf Medical Projects Company PJSC

Notes to the condensed consolidated interim financial statements

For the three months period ended March 31, 2019

18 Cost of revenue

	Three months period ended	
	Mar 31, 2019 (Unaudited) AED '000'	Mar 31, 2018 (Unaudited) AED '000'
Salaries and other related benefits	60,846	60,609
Supplies and services	34,557	30,321
Depreciation	8,546	8,810
Amortization	117	136
Rent	600	790
	104,666	100,666

19 Administrative expenses

	Three months period ended	
	Mar 31, 2019 (Unaudited) AED '000'	Mar 31, 2018 (Unaudited) AED '000'
Staff salaries and benefits	11,687	6,435
Board of directors and committee expenses	57	56
Electricity and water expenses	1,663	1,632
Advertising and publicity	1,471	1,854
Provision for impairment of accounts receivable	6,823	8,552
Government expenses	1,586	1,600
Telephone, fax and postage	320	327
Insurance	400	359
Rent	146	146
Legal and professional fees	566	859
Banks and credit card charges	424	395
Provision for slow-moving items	2	62
Miscellaneous expenses	1,387	1,831
	26,532	24,108

20 Basic earnings per share

This item consists of the following:

	Three months period ended	
	Mar 31, 2019 (Unaudited) AED '000'	Mar 31, 2018 (Unaudited) AED '000'
Profit for the period attributable to equity holders of the Parent Company (AED '000')	12,069	17,783
Number of shares (Share '000')	698,916	698,916
Basic earnings per share (AED)	0.02	0.02



Gulf Medical Projects Company PJSC

Notes to the condensed consolidated interim financial statements

For the three months period ended March 31, 2019

21 Cash and cash equivalents

At March 31, 2019 and 2018 "cash & cash equivalents" included in the condensed consolidated interim statement of cash flows comprise the following items:

	Three months period ended	
	Mar 31, 2019 (Unaudited) AED '000'	Mar 31, 2018 (Unaudited) AED '000'
Cash in hand	427	372
Bank balances	40,143	43,822
	<u>40,570</u>	<u>44,194</u>

22 Contingent liabilities / commitments**i) Contingent liabilities**

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Letter of guarantee	<u>2,800</u>	<u>2,844</u>

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liability.

ii) Commitments

Commitments of the group as at the condensed consolidated interim statement of financial position date are as follows :

	Mar 31, 2019 (Unaudited) AED '000'	Dec 31, 2018 (Audited) AED '000'
Capital purchases	<u>36,380</u>	<u>16,347</u>

