Qatari German Company for Medical Devices Q.P.S.C.

FINANCIAL STATEMENTS

31 DECEMBER 2018

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Ernst & Young - (Qatar Branch)
P.O. Box 164
Burj Al Gassar, 24th floor
Majlis Al Taawon Street, Onaiza
West Bay
Doha, State of Qatar

Tel: +974 4457 4111
Fax: +974 4441 4649
doha@qa.ey.com
ey.com/mena

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.P.S.C.

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of Qatari German Company for Medical Devices Q.P.S.C. (the "Company") which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS"s).

Basis for qualified opinion

Intangible assets amounting to QR 10,329,937 as of 31 December 2018 (2017: QR 10,329,937) represents patent relating to the safety syringes. Management is in process of assessing the future economic value that will be generated from the patent. In the absence of the assessment by the management, we were unable to obtain sufficient appropriate audit evidence with respect to the recoverable amount of the patent as at 31 December 2018. Consequently, we were unable to determine whether any adjustments to the balance were necessary.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants ("IESBA Code")* together with the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter

Without further qualifying our opinion, we draw attention to Note 2.1 to the financial statements, which states that the Company has accumulated losses of QR 116,808,789, which exceeds 50% of the share capital as at 31 December 2018. Article 295 of the Qatar Commercial Companies' Law No. 11 of 2015 requires that if the shareholding company's losses reaches half of its capital, the Board of Directors should call for an extraordinary general assembly meeting to discuss the continuation of the company or its dissolution before the term specified in its Articles of Association. If the board of directors fails to call for the extraordinary general assembly or if it was impractical to adopt a decision on such matter, any interested party may request the competent court to dissolve the company. In this regard, the Board of Directors confirmed its plan to call for an extra ordinary general assembly for the shareholders to pass a resolution to continue the operations of the Company, and to enable the Company to continue as a going concern and meet its financial commitments when they fall due. Our opinion is not modified further in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. Except for the matters described in the emphasis of matter and basis for qualified opinion, we have determined that there are no other key matters to communicate in our report.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.P.S.C. (CONTINUED)

Report on the audit of the financial statements (continued)

Other information
Management is responsible for the other information. The other information consists of the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our qualified opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein we are required to communicate the matter with those charged with governance.

Responsibilities of management and those charged with governance for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our qualified opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our qualified opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATARI GERMAN COMPANY FOR MEDICAL DEVICES Q.P.S.C. (CONTINUED)

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were most of significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the Company and an inventory count has been concluded in accordance with the established principles and the financial statements comply with Qatar Commercial Companies' Law No. 11 of 2015 and the Companies' Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned laws or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Company's financial position or performance.

Ahmed Sayed

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Ahmed Sayed
of Ernst & Young
Auditor's Registration No. 326

Date: 27 March 2019
Doha

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	2018 QR	2017 QR
Revenues	3	**11,403,126**	11,801,314
Direct costs excluding depreciation	4	**(8,477,236)**	(8,776,577)
		2,925,890	3,024,737
Depreciation and amortisation	9 and 11	**(5,702,461)**	(2,759,294)
Other income	5	**2,778,698**	2,686,908
Selling and distribution expenses	6	**(301,701)**	(1,007,198)
General and administrative expenses	7	**(8,511,411)**	(13,141,990)
Impairment of property, plant and equipment	9	-	(6,603,312)
OPERATING LOSS		**(8,810,985)**	(17,800,149)
Finance costs	8	**(4,022,752)**	(3,891,780)
LOSS FOR THE YEAR		**(12,833,737)**	(21,691,929)
Other comprehensive income for the year		-	-
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(12,833,737)**	(21,691,929)
BASIC AND DILUTED LOSS PER SHARE	21	**(1.11)**	(1.88)

The attached notes 1 to 26 form part of these financial statements.

Qatari German Company for Medical Devices Q.P.S.C.

STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	Notes	2018 QR	2017 QR
ASSETS			
Non-current assets			
Property, plant and equipment	9	**121,723,160**	127,145,976
Investment property	10	**12,590,000**	12,590,000
Intangible assets	11	**10,329,937**	10,379,607
		144,643,097	150,115,583
Current assets			
Inventories	12	**12,194,139**	12,522,125
Trade and other receivables	13	**5,011,257**	7,774,292
Bank balances and cash	14	**494,104**	541,085
		17,699,500	20,837,502
TOTAL ASSETS		**162,342,597**	170,953,085
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**115,500,000**	115,500,000
Legal reserve	16	**30,343,120**	30,343,120
Revaluation reserve	17	**11,999,694**	11,999,694
Accumulated losses		**(116,808,789)**	(103,975,052)
Total equity		**41,034,025**	53,867,762
Liabilities			
Non-current liabilities			
Employees' end-of-service benefits	18	**1,046,028**	885,016
Loans and borrowings	19	**98,878,378**	74,155,875
		99,924,406	75,040,891
Current liabilities			
Loans and borrowings	19	**5,393,317**	23,132,443
Accounts payable and accruals	20	**2,569,154**	4,068,139
Bank overdrafts	14	**13,421,695**	14,843,850
		21,384,166	42,044,432
Total liabilities		**121,308,572**	117,085,323
TOTAL EQUITY AND LIABILITIES		**162,342,597**	170,953,085

Hamad Khamis A. Al-Kubaisi
Chairman of the Board of Directors

Talal Subah Al-Abdulla
Vice Chairman

The attached notes 1 to 26 form part of these financial statements.

Qatari German Company for Medical Devices Q.P.S.C.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Share capital QR	*Legal reserve QR*	*Revaluation reserve QR*	*Accumulated losses QR*	*Total QR*
At 1 January 2017	115,500,000	30,343,120	11,999,694	(82,283,123)	75,559,691
Loss for the year	-	-	-	(21,691,929)	(21,691,929)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(21,691,929)	(21,691,929)
At 31 December 2017	115,500,000	30,343,120	11,999,694	(103,975,052)	53,867,762
Loss for the year	-	-	-	(12,833,737)	(12,833,737)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(12,833,737)	(12,833,737)
At 31 December 2018	**115,500,000**	**30,343,120**	**11,999,694**	**(116,808,789)**	**41,034,025**

The attached notes 1 to 26 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Notes	2018 QR	2017 QR
OPERATING ACTIVITIES			
Loss for the year		**(12,833,737)**	(21,691,929)
Adjustments for:			
Depreciation of property, plant and equipment	9	**5,652,791**	2,640,085
Finance cost	8	**4,022,752**	3,891,780
Provision for impaired trade receivables	7	**1,839,204**	4,804,717
Write-off of advances		**709,638**	-
Write-off of inventories	7	**389,460**	629,287
Provision for employees' end of service benefits	18	**329,349**	200,159
Foreign exchange loss (gain)	5 and 7	**162,224**	(220,765)
Amortization of computer software	11	**49,670**	119,209
Write-off / loss on disposal of property, plant and equipment	7	**18,918**	225,855
Reversal for slow-moving inventories		**(282,954)**	-
Impairment of property, plant and equipment	9	-	6,603,312
Provision for slow-moving inventories	7	-	1,847,302
Operating profit (loss) before working capital changes		**57,315**	(950,988)
Working capital changes:			
Inventories		**221,480**	2,935,309
Trade and other receivables		**214,193**	(2,234,299)
Accounts payable and accruals		**(1,661,209)**	(681,112)
Cash used in operating activities		**(1,168,221)**	(931,090)
Employees' end of service benefit paid	18	**(168,337)**	(239,575)
Net cash flows used in operating activities		**(1,336,558)**	(1,170,665)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	**(248,893)**	(38,498)
Proceeds from the disposal of property, plant and equipment		-	150,000
Net cash flows (used in) from investing activities		**(248,893)**	111,502
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	19	**14,219,130**	4,826,574
Repayments of loans and borrowings	19	**(8,223,903)**	(3,131,498)
Finance cost paid		**(3,034,602)**	(1,497,518)
Net cash flows from financing activities		**2,960,625**	197,558
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,375,174**	(861,605)
Cash and cash equivalents at 1 January		**(14,302,765)**	(13,441,160)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14	**(12,927,591)**	(14,302,765)

The attached notes 1 to 26 form part of these financial statements.

1 CORPORATE INFORMATION

Qatari German Company for Medical Devices Q.P.S.C. (the "Company") is a Qatari Shareholding Company incorporated in the State of Qatar by virtue of Emiri Decree No. 39 issued on 15 October 2000, under the Commercial Registration No. 23349 dated 10 February 2001 and is currently listed on Qatar Exchange. The Company's registered office is at P.O. Box 22556, Doha, State of Qatar and the principal place of business is in Abu Hammour, Doha, Qatar.

The principal activity of the Company is to manufacture single use disposable syringes and trading in medical equipment, tools and supplies.

These financial statements of the Company as at and for the year ended 31 December 2018 were authorized for issue by the Board of Directors on 27 Macrh 2019.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Going concern

The Company has accumulated losses of QR 116,808,789, which exceeds 50% of the share capital as at 31 December 2018. Article 295 of the Qatar Commercial Companies' Law No. 11 of 2015 requires that if the shareholding company's losses amounted to half of the capital, the Board of Directors should call for an extraordinary general assembly meeting to discuss the continuation of the Company or its dissolution before the term specified in its Articles of Association. If the board of directors fails to call for the extraordinary general assembly or if it was impractical to adopt a decision on such matter, any interested party may request the competent court to dissolve the Company. Also, as at 31 December 2018, the Company's current liabilities exceeded its current assets by QR 3,684,666. These conditions indicate the existence of a material uncertainty, which may cast doubt on the Company's ability to continue as a going concern.

In this regard, Qatar Development Bank, on its capacity as a shareholder and as a creditor, confirmed in writing to continue to provide financial support to the Company to meet its liabilities and obligations as and when they fall due. Qatar Development Bank further confirmed that it will not make any demand of repayment earlier than 1 January 2020.

Further, the Board of Directors confirmed its plan to call for an extra ordinary general assembly for the shareholders to pass a resolution to continue the operations of the Company, and to enable the Company to continue as a going concern and meet its financial commitments when they fall due. Also, the management is in the process of taking measures of improving its operations and hence, these financial statements have been prepared on a going concern basis.

2.2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB), and applicable provisions of the Qatar Commercial Companies' Law No. 11 of 2015.

The financial statements are prepared under the historical cost convention, except for investment property which are measured at fair value.

The methods used to measure fair values are discussed further in Note 25. The financial statements are presented in Qatari Riyal ("QR"), which is the Company's functional and presentational currency.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2017, except for the adoption of new standards and interpretations effective as of 1 January 2018.

The nature and the impact of each new standard and amendment are described below:

Topics
IFRS 9 Financial Instruments
IFRS 15 Revenue from Contract with Customers
Ammendments to IFRS 1 First-time Adoption of Interpretation Financial Reporting Standards – Deletion of short-term exemptions for first time adopters

The Company applied, for the first time IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*. In accordance with the transitional provisions of these new standards, comparatives have not been restated. The nature and effect of these changes are disclosed below.

IFRS 9 *Financial Instruments*
IFRS 9 Financial Instruments replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

The effect of adopting IFRS 9 is as follows:

Classification and measurement
On 1 January 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 and has classified its financial instruments into the appropriate IFRS 9 categories.

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Company. The following are the changes in the classification of the Company's financial assets:

Trade receivables and *other non-current financial assets* previously classified as l*oans and receivables* are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as *debt instruments at amortised cost*. The above changes has no material impact on the financial statements.

Impairment
The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

The Company has the following types of financial assets which are subject to IFRS 9 expected credit loss (ECL) model:

- Trade and other receivables
- Bank balances

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures (continued)

IFRS 9 Financial Instruments (continued)
The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets replacing the IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. The Company was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The adoption of the ECL requirements of IFRS 9 did not result in any material increases in impairment allowances of the Company's debt financial assets. The above changes has no material impact on the financial statements.

The accounting for the Company's financial liabilities remains largely the same as it was under IAS 39. See accounting policies adopted as at 1 January 2018 for the Classification, measurement and new impairment policy of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

Financial instruments – initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

The classification depends on two criteria:

- The Company's business model for managing the assets; and
- Whether the instruments' contractual cash flows represent 'solely payments of principal and interest (Profit) on the principal amount outstanding (the "SPPI criterion").

With the exception of trade and notes receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value Trade and notes receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures (continued)

IFRS 9 Financial Instruments (continued)

Financial assets (continued)

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables, other receivables and bank balances.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures (continued)

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

IFRS 15 *Revenue from Contracts with Customers*
IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for the revenue arising from contract with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

The Company adopted IFRS 15 using the modified retrospective method of transition whereby the Company shall recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings at 1 January 2018 and not restating the comparative financial information of 2017. Under this transition method, the Company have assessed only those contracts which are not yet complete as at 1 January 2018.

The Company is engaged to manufacture single use of disposable syringes and trading medical equipment, tools and supplies. The Company's contracts with customers for the delivery of goods generally include one performance obligation. The Company has concluded that the revenue from sale of goods should be recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Therefore, the adoption of IFRS 15 did not have impact on the timing of revenue recognition and no other factors were identified that have lead to an adjustment to the amount recognized.

As required for the financial statements, the Company disaggregated revenue recognized from contract with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

A new accounting policy was adopted for revenue recognition however, it did not have a financial impact to the balances as at 1 January 2018.

Revenue recognition (as a result of adopting IFRS 15)
Revenue is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Company recognises revenue from the sale of goods measured at the fair value of the consideration received. If revenue cannot be reliably measured, the Company defers revenue recognition until the uncertainty is resolved.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective.

Topics	*Effective date*
IFRS 16 Leases	1 January 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Annual Improvements 2015-2017 Cycle (issued in December 2017)	1 January 2019

IFRS 16 Leases
IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Company is in the process of evaluating possible implication on adopting the new standards and amended standards.

2.5 Summary of significant accounting policies

Property, plant and equipment
Property, plant and equipment, except for building on leasehold land which was carried at revalued amount, are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the assets to working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any revaluation surplus of building on leasehold land is recognized in other comprehensive income and presented in the revaluation reserve in equity, except to the extent that it reverses revaluation decrease of the same asset previously recognized in the profit or loss, in which case the increase is recognized in the statement of income. A revaluation deficit is recognized in the statement of income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in the statement of comprehensive income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings. Valuations are performed frequently enough to ensure that the fair value of the revalued assets do not differ materially from its carrying value.

When the use of a property, plant and equipment changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any gain arising on this re-measurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in the revaluation reserve. Any loss is recognized in profit or loss.

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount, which is the cost of an asset or other amount substituted for cost, less its residual value. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment except for machinery and equipment which is depreciated on the basis of utilization since these methods most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. Depreciation is calculated on a straight line basis over the estimated useful life of the assets as follows:

Buildings on leasehold land	30 years
Machinery and equipment	25 years
Motor vehicles	5 years
Furniture, fixtures and equipment	5 years
Computer and software	3 years

Depreciation method, residual value and useful lives of the property, plant and equipment are reviewed at each reporting date and adjusted if appropriate. During the year, the Company has changed the method of depreciation for machinery from the basis of utilization to straight line. The management, based on an independent technical revaluation report, believes that the remaining life of machinery is 25 years.

Capital work-in-progress is stated at cost and is not depreciated. When the asset is ready for its intended use, it is transferred from capital-work-in-progress to the appropriate category under property, plant and equipment and depreciated in accordance with the Company's policies.

Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognized in the profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance held for will lead to future economic benefits, are included in the statement of financial position under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses. Expenditure incurred on software is capitalized only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. All other expenditure is expensed as incurred.

Intangible assets are amortized on a straight line basis in the profit or loss from the date when the asset is available for use, over the best estimate of its useful economic life based on a pattern in which the asset's economic benefits are consumed by the Company.

The estimated useful life of the intangible asset in the current and comparative periods is as follows:

Patents and know-how	Indefinite useful life
Computer software	5 years

The intangible asset with an indefinite useful life should not be amortized and the useful life of such an asset should be reviewed at each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite should be accounted for as a change in an accounting estimate. An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on a weighted average cost basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Provision is made for obsolete and slow-moving items based on management's judgement.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for assets previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)
Assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Financial assets (before the adoption of IFRS 9)
Initial recognition and measurement
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets comprise of bank balances, trade and other receivables.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as described in the subsequent paragraph:

Cash and cash equivalents
For the purpose of statement of cash flows, cash and cash equivalents consists of cash on hand, bank balances and bank overdrafts.

Trade and other receivables
Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition trade and other receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Impairment of financial assets
The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial re organization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial liabilities
Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, bank overdrafts, trade payables.

Trade and other payables
Trade and other payables are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

Loans and borrowings
Loans and borrowings are recognized initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, loans and borrowings are measured at amortized cost using the effective interest method. Instalments due within one year at amortized cost are shown as a current liability. Gains or losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the amortization process. Interest costs are recognized as an expense when incurred except those qualify for capitalization.

Share capital
Ordinary shares
Ordinary shares are classified as equity. Bonus shares and rights issued, if any will be shown as an addition to the share capital. Issue of bonus shares are deducted from the accumulated retained earnings of the Company. Any share premium on rights issue are accounted in compliance with local statutory requirements.

Provisions
Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Provision for employees' end of service benefits
The Company provides for employees' end of service benefits determined in accordance with the provision of the Qatar Labour Law No. 14 of 2004 based on employees' salaries and period of employment and are paid to the employees on termination of employment with the Company. The Company has no expectation of settling its employees' end of service benefits obligation in near term and hence classified this as a non- current liability. The provision is not discounted as the difference between the provision stated in the statement of financial position and net present value is not expected to be significant.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Revenue recognition (before the adoption of IFRS 15)

Revenue from sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. Revenue is recognized when persuasive evidence exists, that the significant risks and rewards of ownership have been transferred to the buyer; recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

Rental income

Rental income from investment property is recognized as income on a straight line basis over the term of the lease.

Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as lessee

Rentals payable under operating leases are charged to the statement of profit or loss on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any. The Company incurred losses, as a result, losses was used for the calculation of per share.

Foreign currency transactions

Transactions in foreign currencies are translated in to Qatari Riyals at exchange rate prevailing at the dates of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies at the reporting date are retranslated to Qatari Riyals at the exchange rates prevailing at the reporting date. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Events after reporting date

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorized for issue, provided they give evidence of conditions that existed at the reporting date.

2.6 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Significant accounting judgments, estimates and assumptions (continued)

Impairment of property, plant and equipment and intangible assets
At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered from impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate rate.

During the year, the amount of impairment of property, plant and equipment amounts to Nil (2017: QR 6,603,312). The Company had obtained an independent valuation report to assess the impairment relating to its plant and equipment. No impairment was recorded for intangible assets as discussed in Note 11.

Useful lives of property, plant and equipment
The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where management believes the useful lives differ from the previous estimates. The Company had determined that the straight line method of depreciation is more appropriate for the Company due to underutilization of the capacity.

Revaluation of investment property
The Company carries its investment property at fair value, with changes in fair value being recognized in the statement of profit or loss. The Company engaged an independent valuation specialist to assess fair value as at 31 December 2018 and 2017 for investment property. It measures investment property were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Impairment of inventories
Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and an allowance applied according to the inventory type and the degree of ageing or obsolescence, based on historical costs.

At the reporting date, gross inventories available for sale and in production were QR 13,669,999 (2017: QR 13,919,030), and the provision for slow-moving inventories were QR 1,571,223 (2017: QR 1,854,177). Any difference between the amounts actually realized in future periods and the amounts expected will be recognized in the statement of comprehensive income.

Provision for expected credit losses of trade receivables (policy adopted from 1 January 2018)
The Company uses a provision matrix to calculate ECLs for trade receivable balances. The provision rates are based on days past due for groupings of various customers with similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Significant accounting judgments, estimates and assumptions (continued)

Provision for expected credit losses of trade receivables (policy adopted from 1 January 2018) (continued)
The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivable balances is disclosed in Note 13.

Impairment of trade receivables – Policy applied up to 31 December 2017
An estimate of the collectible amount of trade receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due.

3 REVENUES

Revenue by type are as follows:

	2018	*2017*
	QR	*QR*
Sale of trading products	**6,998,130**	2,477,282
Sale of syringes	**3,282,125**	8,019,713
Sale of packed needles	**792,719**	548,026
Sale of IV cannula	**330,152**	756,293
	11,403,126	11,801,314

Revenue by customer are as follows:

	2018	*2017*
	QR	*QR*
Corporate	**1,491,738**	4,843,596
Government	**9,911,388**	6,957,718
	11,403,126	11,801,314

Revenue by geographical location are as follows:

	2018	*2017*
	QR	*QR*
Within Qatar	**10,522,422**	6,610,484
Outside Qatar	**880,704**	5,190,830
	11,403,126	11,801,314

4 DIRECT COSTS

	2018 *QR*	*2017* *QR*
Cost of syringes	**3,069,772**	6,555,292
Cost of trading products	**4,357,242**	1,459,226
Cost of packed needles	**741,430**	492,999
Cost of IV cannula	**308,792**	269,060
	8,477,236	8,776,577

5 OTHER INCOME

	2018 *QR*	*2017* *QR*
Rental income (Note 10)	**2,437,895**	2,437,895
Reversal of provision for slow-moving inventories (Note 12)	**282,954**	-
Foreign exchange gains	**-**	220,765
Others	**57,849**	28,248
	2,778,698	2,686,908

6 SELLING AND DISTRIBUTION EXPENSES

	2018 *QR*	*2017* *QR*
Freight charges for sales	**192,090**	563,046
Advertisements and business promotions	**109,611**	444,152
	301,701	1,007,198

7 GENERAL AND ADMINISTRATIVE EXPENSES

	2018 *QR*	*2017* *QR*
Salaries and wages	**4,145,791**	4,353,467
Provision on impaired receivables (Note 13)	**1,839,204**	4,804,717
Write-off of advances	**709,638**	-
Legal and professional fees	**399,855**	320,694
Write-off of inventories	**389,460**	629,287
Repairs and maintenance	**246,922**	395,014
Utilities	**243,975**	249,548
Foreign exchange losses	**162,224**	-
IT and communication	**61,137**	61,747
Insurance	**62,169**	43,663
Travel	**45,699**	53,929
Office expenses	**38,817**	48,112
Loss on disposal of property, plant and equipment	**18,918**	225,855
Rent	**11,527**	11,527
Provision for slow moving inventories (Note 12)	**-**	1,847,302
Miscellaneous	**136,075**	97,128
	8,511,411	13,141,990

8 FINANCE COST

	2018 *QR*	*2017* *QR*
Bank charges and commission	**162,943**	151,530
Interest expense	**3,859,809**	3,740,250
	4,022,752	3,891,780

9 PROPERTY, PLANT AND EQUIPMENT

	Buildings on leasehold land (iii) QR	*Machinery and equipment* QR	*Motor vehicles* QR	*Furniture, fixtures and equipment* QR	*Computer and software* QR	*Capital work-in-progress* QR	*Total* QR
Cost or revaluation:							
At 1 January 2018	57,182,447	94,484,646	205,500	2,753,868	777,389	566,011	155,969,861
Additions	-	-	-	41,300	18,893	188,700	248,893
Transfers	-	-	-	694,711	-	(694,711)	-
Disposals	-	-	-	(119,739)	(15,416)	-	(135,155)
At 31 December 2018	57,182,447	94,484,646	205,500	3,370,140	780,866	60,000	156,083,599
Accumulated depreciation:							
At 1 January 2018	12,574,085	6,737,923	193,000	2,005,598	709,967	-	22,220,573
Charge for the year *(ii)*	1,906,082	3,250,664	10,000	441,043	45,002	-	5,652,791
Disposals	-	-	-	(100,822)	(15,415)	-	(116,237)
At 31 December 2018	14,480,167	9,988,587	203,000	2,345,819	739,554	-	27,757,127
Impairment:							
At 1 January and 31 December 2018 *(i)*	-	6,603,312	-	-	-	-	6,603,312
Net carrying amounts:							
At 31 December 2018	**42,702,280**	**77,892,747**	**2,500**	**1,024,321**	**41,312**	**60,000**	**121,723,160**

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings on leasehold land (iii) QR	*Machinery and equipment* QR	*Motor vehicles* QR	*Furniture, fixtures and equipment* QR	*Computer and software* QR	*Capital work-in-progress* QR	*Total* QR
Cost:							
At 1 January 2017	57,182,447	93,476,239	205,500	2,786,068	765,634	1,938,142	156,354,030
Additions	-	-	-	4,615	21,752	12,131	38,498
Transfers	-	1,008,407	-	-	-	(1,008,407)	-
Disposals	-	-	-	(36,815)	(9,997)	(375,855)	(422,667)
At 31 December 2017	57,182,447	94,484,646	205,500	2,753,868	777,389	566,011	155,969,861
Accumulated depreciation:							
At 1 January 2017	10,668,003	6,491,858	172,533	1,662,416	632,490	-	19,627,300
Charge for the year	1,906,082	246,065	20,467	379,997	87,474	-	2,640,085
Disposals	-	-	-	(36,815)	(9,997)	-	(46,812)
At 31 December 2017	12,574,085	6,737,923	193,000	2,005,598	709,967	-	22,220,573
Impairment:							
Impairment for the year	-	6,603,312	-	-	-	-	6,603,312
Net carrying amounts:							
At 31 December 2017	44,608,362	81,143,411	12,500	748,270	67,422	566,011	127,145,976

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

(i) The Company has engaged an external, independent valuer, having appropriate recognised professional qualifications and knowledge of the regional market and understanding to undertake the valuation of machinery and equipment. The fair values were determined based on prevailing market conditions, current state and condition of the assets, and sources of market data. During the year, it was determined that the estimated fair value of machinery and equipment is higher than its net carrying value. Meanwhile in 2017, the estimated fair value of machinery and equipment is lower than its carrying value by QR 6,603,312. Accordingly, the amount has been recognised as an impairment in the statement of income in 2017.

(ii) During the year, the Company has changed the method of depreciation for machinery from the basis of utilization to straight line. The management, based on an independent technical revaluation report, believes that the remaining life of machinery is 25 years. The depreciation charges for machinery had the basis of utilization been continually used, amounted to QR 114,815 (2017: QR 246,065).

(iii) The revalued amount of the building on leasehold land was determined by an external, independent property valuer, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined based on market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of property, the highest and best use of the property is their current use. There has been no change to the valuation technique during the year. Accordingly, the management believes that the estimated fair value of the building on leasehold land is higher than its net carrying value.

10 INVESTMENT PROPERTY

	2018	*2017*
	QR	*QR*
Investment property	**12,590,000**	12,590,000

The Company's investment property pertains to a constructed warehouse inside the Company's premises which is the leasehold land was rented out to an external party. On September 2015, the Company signed an operating lease agreement with an external party commenced on December 2015. The rental income arising from the investment property carried at fair value amounts to QR 2,437,895 for the year ended 31 December 2018 (2017: QR 2,437,895).

The fair value of investment property was determined by an external, independent property valuer, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provides the fair value of the Company's investment property annually. The fair value was determined based on market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of property, the highest and best use of the property is their current use. There has been no change to the valuation technique during the year.

11 INTANGIBLE ASSETS

	Patents and know-how QR	*Computer software QR*	*Total QR*
Cost:			
At 31 December 2018	10,329,937	596,044	10,925,981
Accumulated amortisation:			
At 1 January 2018	-	546,374	546,374
Charge for the year	-	49,670	49,670
At 31 December 2018	-	596,044	596,044
Net carrying amounts			
At 31 December 2018	**10,329,937**	**-**	**10,329,937**

	Patents and know-how QR	*Computer software QR*	*Total QR*
Cost:			
At 31 December 2017	10,329,937	596,044	10,925,981
Accumulated amortisation:			
At 1 January 2017	-	427,165	427,165
Charge for the year	-	119,209	119,209
At 31 December 2017	-	546,374	546,374
Net carrying amounts			
At 31 December 2017	10,329,937	49,670	10,379,607

Management is in process of assessing the future economic value of the patents and know-how relating to safety syringes.

12 INVENTORIES

	2018 *QR*	*2017* *QR*
Raw materials	**7,194,010**	7,029,491
Finished goods	**2,766,116**	3,147,917
Spare parts	**2,394,147**	2,378,808
Work-in-progress	**1,108,106**	1,111,054
Consumables	**207,620**	251,760
	13,669,999	13,919,030
Less: Provision for slow-moving inventories	**(1,571,223)**	(1,854,177)
	12,098,776	12,064,853
Goods in transit	**95,363**	457,272
	12,194,139	12,522,125

The movement in allowance for slow-moving inventories are as follows:

	2018 *QR*	*2017* *QR*
At January	**1,854,177**	59,217
Reversal during the year (Note 5)	**(282,954)**	(52,342)
Provisions during the year (Note 7)	-	1,847,302
	1,571,223	1,854,177

13 TRADE AND OTHER RECEIVABLES

	2018 *QR*	*2017* *QR*
Trade receivables	**11,974,132**	12,634,320
Less: Allowance for impairment on trade receivables	**(7,719,889)**	(5,880,685)
	4,254,243	6,753,635
Advances	**617,517**	885,775
Prepayments	**77,238**	56,022
Other receivables	**62,259**	78,860
	5,011,257	7,774,292

Trade receivables are non-interest bearing. As at 31 December 2018, trade receivables with a carrying value of QR 7,719,889 (2017: QR 5,880,685) were impaired and fully provided for. Movements in the allowance for expected credit losses on trade receivables were as follows:

	2018 *QR*	*2017* *QR*
At 1 January	**5,880,685**	1,153,902
Provided during the year (Note 7)	**1,839,204**	4,804,717
Write-off	-	(77,934)
At 31 December	**7,719,889**	5,880,685

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at the reporting date, the ageing of unimpaired trade receivables are as follows:

	Total QR	Neither past due nor impaired QR	Past due but not impaired < 90 days QR	91 –180 days QR	181 – 360 days QR	361 – 540 days QR	541 – 720 days QR	> 720 days QR
2018	**4,254,243**	-	**1,477,115**	**1,755,036**	**3,846**	-	**1,018,246**	-
2017	6,753,635	3,500,736	557,448	908,469	1,786,982	-	-	-

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise the following statement of financial position:

	2018 QR	2017 QR
Bank balances	**484,930**	528,473
Cash on hand	**9,174**	12,612
	494,104	541,085
Bank overdrafts	**(13,421,695)**	(14,843,850)
	(12,927,591)	(14,302,765)

15 SHARE CAPITAL

	2018 QR	2017 QR
Authorised, issued and fully paid-up capital:		
11,550,000 shares of QR 10 each contributed	**115,500,000**	115,500,000

Subsequent to the reporting date, the Qatar Financial Markets Authority issued instructions to all entities listed in the main market of Qatar Exchange to perform a split of the nominal value of ordinary shares from QR 10 per share to QR 1 per share. As a result, the Company's shares will be split into 115,500,000 shares with a value of QR 1 per share. This stock split is subject to the approval of shareholders at the Company's Extraordinary General Assembly to be held in due course.

16 LEGAL RESERVE

As required by Qatar Commercial Companies' Law No, 11 of 2015, 10% of the profit for the year is to be transferred to a legal reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital. The reserve is not normally available for distribution, except in the circumstances stipulated for by the above law. During the year, the Company incurred a loss and no transfer was made (2017: Nil).

17 REVALUATION RESERVE

The revaluation reserve relates to the revaluation of buildings in the previous years as owner-occupied recognized in property, plant and equipment (Note 9).

18 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognized in the statement of financial position are as follows:

	2018 ***QR***	*2017* *QR*
At 1 January	**885,016**	924,432
Provided during the year	**329,349**	200,159
End of service benefits paid	**(168,337)**	(239,575)
At 31 December	**1,046,028**	885,016

19 LOANS AND BORROWINGS

	2018 ***QR***	*2017* *QR*
Term loan	**88,773,618**	80,241,214
Documentary credit facility	**15,498,077**	17,047,104
	104,271,695	97,288,318
Presented in the statement of financial position as follows:		
Current liabilities	**5,393,317**	23,132,443
Non-current liabilities	**98,878,378**	74,155,875
	104,271,695	97,288,318

19 LOANS AND BORROWINGS (CONTINUED)

Details of loans and borrowings are as follows:

	Facility outstanding amount				
Loan category	*2018 QR*	*2017 QR*	*Year of maturity*	*Interest rate*	*Purpose of the facility*
Term Loan	**68,138,979**	66,057,595	April 2023	3.00%	Rescheduled existing facility by Qatar Development Bank, a related party
Documentary credit facility	**9,328,634**	9,215,374	August 2018	3.00%	Rescheduled an existing financing of working capital obtained from Qatar Development Bank, a related party
Term Loan	**8,425,162**	8,187,779	April 2021	3.00%	Rescheduled existing facility by Qatar Development Bank, a related party
Term Loan	**7,000,000**	-	August 2019	3.50%	New facility for working capital by Qatar Development Bank, a related party
Documentary credit facility	**5,389,429**	7,058,247	February 2020	5.50%	Rescheduled existing working capital facility by Qatar National Bank
Term Loan	**3,835,442**	3,868,253	January 2023	3.00%	Reschedule financing of machinery purchases obtained from Qatar Development Bank, a related party
Term Loan	**1,374,034**	2,127,587	May 2020	5.50%	Rescheduled existing facility for constructed warehouse by Qatar National Bank
Documentary credit facility	**457,400**	454,331	May 2017	3.00%	Rescheduling existing financing of raw material purchases obtained from Qatar Development Bank, a related party
Documentary credit facility	**322,615**	319,152	July 2017	3.00%	Rescheduling financing of constructed warehouse obtained from Qatar Development Bank, a related party
	104,271,695	97,288,318			

Movements in the loans and borrowings are as follows:

	2018 QR	*2017 QR*
At 1 January	**97,288,318**	93,198,980
Obtained during the year	**14,219,130**	4,826,574
Payments during the year	**(8,223,903)**	(3,131,498)
Interest accrued (net of payment)	**988,150**	2,394,262
At 31 December	**104,271,695**	97,288,318

All loans from Qatar Development Bank, a related party were waived for collection in the next 12 months which is in line with their financial support to the Company.

During the year, Qatar Development Bank, a related party, confirmed not to make any demands for repayment in the next 12 months and will extend the repayment schedule with repayment dates not earlier than 1 January 2020. This is in line with the letter of financial support of Qatar Development Bank on its capacity as a shareholder and as a creditor.

20 ACCOUNTS PAYABLE AND ACCRUALS

	2018 *QR*	*2017* *QR*
Trade payables	**1,250,945**	2,261,549
Accrued expenses	**841,814**	1,292,896
Dividend payable	**214,841**	215,891
Retention payable	**99,858**	99,858
Other payables	**161,696**	197,945
	2,569,154	4,068,139

21 LOSS PER SHARE

Loss per share is calculated by dividing the loss for the year by the weighted average number of ordinary shares outstanding during the year.

	2018 *QR*	*2017* *QR*
Loss for the year	**(12,833,737)**	(21,691,929)
Weighted average number of shares outstanding during the year	**11,550,000**	11,550,000
Basic and diluted loss per share (QR)	**(1.11)**	(1.88)

There were no potentially dilutive shares outstanding at any time during the period and therefore, the diluted loss per share is equal to the basic loss per share.

22 SEGMENT INFORMATION

For management purposes, the Company is organized into one business unit based on its nature of activities, as the Company's operations pertain mainly to the manufacturing of syringes. Decisions about resource allocation and monitoring of peformance are based on the single busines unit identified by the management.

The Company does not have any foreign operations as of the reporting period end (31 December 2017: None).

23 RELATED PARTY DISCLOSURES

Related parties consist of major shareholders, related companies and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Related party transactions
Related party transactions included in the statement of comprehensive income for the period are as follows:

	2018 *QR*	*2017* *QR*
Finance costs - shareholder	**2,405,747**	2,457,751
Bank charges and commission - shareholder	**161,242**	151,530

23 RELATED PARTY DISCLOSURES (CONTINUED)

Compensation of key management personnel
The compensation of key management personnel during the year were as follows:

	2018 *QR*	*2017* *QR*
Salaries and other short-term benefits	**527,719**	506,505
End of service benefits	**15,327**	15,327
	543,046	521,832

Related party balances
The payables to related party (QDB) pertains to the loans and borrowings of the Company as disclosed in Note 19. These amounts are secured by the assets owned by the Company, with interests based on prevailing market rates and settlement normally occurs in cash.

24 CONTINGENT LIABILITIES

Operating lease commitments

	2018 *QR*	*2017* *QR*
Future minimum lease payments:		
Not later than one year	**11,527**	11,527
Later than one year and not later than five years	**46,108**	46,108
Later than five years	**80,689**	97,980
	138,324	155,615

Contingent liabilities

	2018 *QR*	*2017* *QR*
Letters of credit	**55,591**	403,950
Guarantees	**3,704,688**	2,632,565
	3,760,279	3,036,515

25 CLASSIFICATION AND FAIR VALUES

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties on an arm's length basis. The accompanying financial statements have been prepared under the historical cost convention, modified to include the measurement at fair value of investment property.

Financial instruments comprise financial assets and financial liabilities. Financial assets consists of bank balances, trade and other receivables. Financial liabilities consists of loans and borrowings, trade payables and bank overdrafts. The carrying values of certain financial assets and liabilities as recorded could be different from the fair value. However, in the opinion of the management, the fair values of the these financial assets and liabilities are not considered to significantly differ from their carrying values, as most of these items are short-term in nature except for the loans and borrowings relating to loan from Qatar Development Bank, a related party.

25 CLASSIFICATION AND FAIR VALUES (CONTINUED)

Fair value hierarchy
The table below analyses assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within 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)

2018	*Level 2* *QR*	*Total* *QR*
Investment property	**12,590,000**	**12,590,000**

2017	*Level 2* *QR*	*Total* *QR*
Investment property	12,590,000	12,590,000

For the year ended 31 December 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

26 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company is exposed to credit risk on bank balances and trade and other receivables.

Trade and other receivables
The creditworthiness of each customer is evaluated prior to sanctioning credit facilities. Appropriate procedures for follow-up and recovery are in place to monitor credit risk.

Bank balances
The Company limits its exposure to credit risk on bank balances by maintaining balances with banks having high credit ratings.

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amounts	
	2018	*2017*
	QR	*QR*
Trade receivables	**4,254,243**	6,753,635
Other receivables	**62,259**	78,860
Bank balances	**484,930**	528,473
	4,801,432	7,360,968

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices will affect the Company's income or the value of its holdings of financial instruments. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Company's exposure to the risk of changes in market interest rates primarily to the Company's bank overdraft and loans and borrowings. The Company adopts a policy of ensuring that interest rate is on a fixed rate basis, thus minimizing interest rate risk. A total of 94% of its loans and borrowings pertains to its related party. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was disclosed in Note 19.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to a change in foreign exchange rates. The Company does not hedge its currency exposure. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when a financial instrument is denominated in a different currency from the Company's functional currency).

The Company's functional currency is Qatar Riyal and majority of transactions are denominated in this currency. As the Qatar Riyal is pegged to the United States Dollar, balances in Qatar Riyals are not considered to represent a significant currency risk.

The following table demonstrates the sensitivity to reasonable possible changes in the exchange rate for unpegged currencies, with all other variables held constant, of the Company's profit (due to changes in the fair value of monetary assets and liabilities).

	Increase/decrease in currency exchange rate against *QR*	*Effect on profit* *QR*
2018		
EUR	**5%**	**(162,224)**
2017		
EUR	5%	(5,237)

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient resources to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. During the year, loans from Qatar Development Bank, a related party waived any repayments for the next 12 months.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2018	*Less than 3 months QR*	*3 to 12 months QR*	*1 to 5 years QR*	*>5 years QR*	*Total QR*
Loans and borrrowings	**868,236**	**4,442,193**	**104,198,755**	-	**109,509,184**
Trade payables	**536,342**	**6,860**	**707,743**	-	**1,250,945**
Bank overdraft	**13,421,695**	-	-	-	**13,421,695**
	14,826,273	**4,449,053**	**104,906,498**	-	**124,181,824**

31 December 2017	*Less than 3 months QR*	*3 to 12 months QR*	*1 to 5 years QR*	*>5 years QR*	*Total QR*
Loans and borrrowings	10,547,591	14,207,724	73,249,945	6,809,451	104,814,711
Trade payables	1,761,844	499,705	-	-	2,261,549
Bank overdraft	14,843,850	-	-	-	14,843,850
	27,153,285	14,707,429	73,249,945	6,809,451	121,920,110

Capital Management

The Company's objectives when managing capital are, to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for the stakeholders and to maintain an optimal capital structure and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes as of and during the years ended 31 December 2018 and 31 December 2017. Capital comprises share capital, reserves and accumulated losses, and is measured at QR 41,034,025 as at 31 December 2018 (2017: QR 53,867,762). Management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and associated risks.