

CLEOPATRA HOSPITAL COMPANY "S.A.E."

**LIMITED REVIEW REPORT
AND INTERIM CONDENSED
SEPARATE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021**

CLEOPATRA HOSPITAL "S.A.E."

**Interim condensed separate interim financial statements
For the six months period ended 30 June 2021**

Index	Page
Limited review report	1
Condensed Separate statement of financial position	2
Condensed Separate statement of profits or losses	3
Condensed Separate statement of comprehensive income	4
Condensed Separate statement of changes in equity	5
Condensed Separate statement of cash flows	6
Notes to the interim condensed separate financial statements	7 – 26



Limited Review Report for the Interim Financial Statements

To: The Board of Directors of Cleopatra Hospital Company (S.A.E.)

Introduction

We conducted our limited review on the accompanying condensed separate interim financial position of Cleopatra Hospital Company (S.A.E.) (the "Company") as at 30 June 2021 and the related condensed separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended, and notes comprising a summary of changes in the significant accounting policies and other explanatory notes. The management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with the Egyptian Accounting Standards. Our responsibility is limited to express a conclusion on these condensed separate interim financial statements based on our limited review.

Scope of the limited review

We conducted our limited review in accordance with the Egyptian Standard on Limited Review Engagements 2410, "Limited Review of Interim Financial Statements Performed by the Auditor of the Entity". A limited review of the condensed separate interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the Egyptian Standards on Auditing and consequently does not enable us to obtain an assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed separate interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention which causes us to believe that the accompanying condensed separate interim financial statements are not prepared, in all material respects in accordance with the Egyptian Accounting Standards.

Tamer Abdel Tawab
Member of Egyptian Society of Accountants & Auditors
Member of AICPA
R.A.A. 17996
F.R.A. 388



August 29, 2021
Cairo

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Interim condensed separate statement of financial position - At 30 June 2021

(All amounts in Egyptian Pounds)	Note	30 June 2021	31 December 2020
Assets			
Non-current assets			
Fixed assets	5	343,385,030	334,054,902
Investments in subsidiary		1,045,947,470	1,045,947,470
Investments in associates		1,225,490	1,143,591
Goodwill		172,587,300	172,587,300
Payment under investments purchase		5,673,000	-
Right of use	6	98,162,982	-
Deferred tax asset		1,952,149	1,694,473
Total non-current assets		1,668,933,421	1,555,427,736
Current assets			
Inventories	7	21,409,802	24,343,737
Trade receivables	8	167,764,047	179,476,385
Due from related parties	9	66,031,504	65,276,174
Debtors and other debit balances	10	31,429,844	35,480,888
Financial assets at amortized cost	11	46,467,378	139,446,980
Cash on hand and at banks	12	452,306,208	134,560,287
Total current assets		785,408,783	578,584,451
Total assets		2,454,342,204	2,134,012,187
Equity and Liabilities			
Equity			
Share capital		800,000,000	800,000,000
Treasury shares	24	(46,612,865)	-
Reserves		380,035,256	369,101,452
Retained earnings	13	830,278,823	744,657,574
Total equity		1,963,701,214	1,913,759,026
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		10,172,756	12,031,237
Lease contracts liability	14	98,540,809	-
Investment creditors		14,485,000	14,485,000
Total non-current liabilities		123,198,565	26,516,237
Current liabilities			
Banks overdraft	15	138,449,860	-
Provisions		10,491,828	10,446,601
Creditors and other credit balances	16	153,209,384	147,546,667
Lease contracts liability	14	10,872,508	-
Current income tax liabilities		54,418,845	35,743,656
Total current liabilities		367,442,425	193,736,924
Total liabilities		490,640,990	220,253,161
Total equity and liabilities		2,454,342,204	2,134,012,187

- The accompanying notes from (1) to (25) are integral part of these interim condensed separate financial statements.

- Limited review report is attached

Mr. Ahmed Gamal
Group CFO

Dr. Ahmed Ezz Eldin Mahmoud
CEO & Managing Director

Mr. Ahmed Adel Badr Eldin
Non Executive Chairman

Cairo 26 August 2021



CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Interim condensed separate statement of profit or loss
For the six months period ended 30 June 2021

(All amounts in Egyptian Pounds)

	Note	Six months ended 30 June		Three months ended 30 June	
		2021	2020	2021	2020
Operating revenue	17	628,517,065	387,370,028	318,319,478	160,009,363
Less:					
Operating costs	18	(345,517,872)	(235,716,239)	(176,125,182)	(97,801,138)
Gross profit		282,999,193	151,653,789	142,194,296	62,208,225
Add / (Less)					
General and administrative expenses	19	(66,812,156)	(52,002,817)	(33,267,087)	(30,413,642)
Aquisition costs		(6,861,358)	(4,938,445)	(1,553,324)	(4,938,445)
Impairment of Trade Receivables	20	(18,729,354)	(7,878,145)	(12,919,167)	(4,470,108)
Provisions		(6,758,599)	(3,304,303)	(484,318)	(488,214)
Other income		6,091,434	10,698,636	1,731,721	8,277,558
Finance income		17,599,412	21,897,449	9,033,203	9,917,345
Finance expenses		(9,478,732)	(112,864)	(5,676,281)	95,522
Profit for the period before income tax		198,049,840	116,013,300	99,059,043	40,188,241
Current tax		(52,643,477)	(27,546,315)	(27,970,046)	(10,187,514)
Deferred tax		2,116,157	(48,416)	1,873,742	(322,619)
Profit after income tax		147,522,520	88,418,569	72,962,739	29,678,108
Earning per share	21	0.09	0.06	0.05	0.01

- The accompanying notes from (1) to (25) are integral part of these interim condensed separate financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

**Interim condensed separate statement of comprehensive income
For the six months period ended 30 June 2021**

(All amounts in Egyptian Pounds)

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Profit for the period	147,522,520	88,418,569	72,962,739	29,678,108
Other comprehensive income	-	-	-	-
Comprehensive income for the period	147,522,520	88,418,569	72,962,739	29,678,108

- The accompanying notes from (1) to (25) are integral part of these interim condensed separate financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Interim condensed separate statement of changes in equity
For the six months period ended 30 June 2021

(All amounts in Egyptian Pounds)

	Note	Capital	Treasury shares	Reserves	Retained earnings	Total
Balance at 1 January 2020		800,000,000	-	359,216,308	562,179,987	1,721,396,295
Dividends for employees		-	-	-	(26,313,344)	(26,313,344)
Legal reserve		-	-	9,885,144	(9,885,144)	-
Comprehensive income for the period		-	-	-	88,418,569	88,418,569
Balance at 30 June 2020		800,000,000	-	369,101,452	614,400,068	1,783,501,520
As previously published		800,000,000	-	369,101,452	744,657,574	1,913,759,026
New EAS adoption		-	-	-	(17,793,229)	(17,793,229)
Balance at 1 January 2021		800,000,000	-	369,101,452	726,864,345	1,895,965,797
Dividends for employees		-	-	-	(33,174,238)	(33,174,238)
Legal reserve		-	-	10,933,804	(10,933,804)	-
Treasury shares		-	(46,612,865)	-	-	(46,612,865)
Comprehensive income for the period		-	-	-	147,522,520	147,522,520
Balance at 30 June 2021		800,000,000	(46,612,865)	380,035,256	830,278,823	1,963,701,214

- The accompanying notes from (1) to (25) are integral part of these interim condensed separate financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Interim condensed separate statement of cash flows
For the six months period ended 30 June 2021

(All amounts in Egyptian Pounds)	Note	30 June 2021	30 June 2020
Cash flows from operating activities			
Profit before tax		198,049,840	116,013,300
Adjustments to reconcile net income to cash flows from operating activities			
Fixed assets depreciation	5	19,479,539	15,698,375
Gain from sale of fixed assets	20 (b)	(5,913)	-
Impairment of trade and other receivables	8	18,729,354	7,878,143
Reversal of impairment of cash	12	(710,602)	-
Impairment of inventory	7	136,510	-
Provisions		6,758,599	3,304,303
Interests and commissions - Overdraft		3,422,255	-
Interests and commissions - Lease		6,008,085	-
Interest income		(17,599,412)	(21,897,449)
Employee incentive plan		-	7,761,024
Loss in investments in associates		(81,899)	-
Operating profits before changes in assets and liabilities		234,186,356	128,757,696
Changes in assets and liabilities			
Change in inventories		2,797,425	(7,797,815)
Change in trade receivables		(7,017,016)	(44,335,149)
Change in debtors and other debit balances		13,987,384	(12,802,606)
Change in due from related parties		(755,330)	(21,095,490)
Change in creditors and other credit balances		(990,640)	27,386,437
Change in due to related parties		-	(2,794,469)
Change in lease liability and right of use		(6,542,894)	-
Provision utilized		(6,713,372)	(1,555,530)
Tax paid		(33,968,288)	(53,402,006)
Paid from employee incentive plan		-	(136,833,605)
Net cash flows generated from / (used in) operating activities		194,983,625	(124,472,537)
Cash flows from investing activities			
Payments for purchase of fixed assets		(18,093,214)	(13,320,713)
Payments for projects under construction		(10,866,640)	(9,951,277)
Proceeds from sale of fixed assets		156,100	-
Advance payment for purchase of fixed assets		(5,485,955)	(35,489,229)
Payments under investments in subsidiaries		(305,687,787)	(21,643,000)
Payments for business acquisition		-	-
Treasury bills		-	50,099,258
Interests received		13,149,026	23,744,669
Net cash flows used in investing activities		(326,828,470)	(6,560,292)
Cash flows from financing activities			
Proceeds from bank overdraft		219,261,355	-
Payments for bank overdraft		(3,263,754)	-
Interests and commissions paid		(80,811,495)	-
Treasury shares		(46,612,865)	-
Dividends paid		(32,687,466)	(26,256,947)
Net cash flows generated from / (used in) financing activities		55,885,775	(26,256,947)
Change in cash and cash equivalents during the period		(75,959,070)	(157,289,776)
Cash and cash equivalents at the beginning of the period		274,007,267	443,010,427
Cash and cash equivalents at the end of the period	12	198,048,197	285,720,651

- The accompanying notes from (1) to (25) are integral part of these interim condensed separate financial statements.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

1. Introduction

Cleopatra Hospital Company (Lasheen and Partners) was established as a limited partnership on 19 July 1979. The decision of the Chairman of Investment Authority No. 4092 of 2005 was issued on 27 June 2005 authorising the conversion of the legal type of Cleopatra Hospital (Lasheen and Partners) from a "limited partnership" into Cleopatra Hospital Company "S.A.E." in accordance with the provisions of Law No. (8) Of 1997 and Law No. (95) Of 1992. The company is listed on the Egyptian stock exchange.

The purpose of the Company is to establish a private hospital with the aim to offer modern and high quality medical services and provide medical care and treatment for patients. The Company may have interest or participate in any manner in companies or other firms which carry on similar activities in Egypt or abroad, The Company may acquire, merge or affiliate such entities under the General Authority for Investment.

The Company is located at 39 and 41 Cleopatra Street, Heliopolis, Cairo.

Care HealthCare is the main shareholder, owning 37.87% in the company.

These separate interim financial statements have been approved for issuance by the management of the Company on the 26 August 2021.

2. Basis of preparation

A. Statement of Compliance.

This interim condensed Separate financial statements for the six-month reporting period ended 30 June 2021 has been prepared in accordance with Egyptian Accounting Standard 30 "Interim Financial Reporting".

This interim condensed Separate financial information does not include all the notes of the type normally included in an annual financial statement. Accordingly, this interim condensed Separate financial information is to be read in conjunction with the annual financial statement for the year ended 31 December 2020.

The accounting policies adopted in the preparation of this interim condensed Separate financial information are consistent with those of the previous financial year and corresponding interim reporting period, except for the effect of adopting new standards as shown below:

B. New Egyptian Accounting Standards ("EAS") and interpretations adopted

In 28 March 2019, the ministry of investment issued a decree no. 69 of 2019 which includes new standards and amendments to the existing standards. The amendments in the EASs have been published in the official gazette on 7 April 2019.

In accordance with the Prime Minister's Resolution No. 1871 of 2020 regarding postponing the application of the previous standards for the fiscal year that begins on 1 January 2021, the company applied new standards that include Egyptian Accounting Standard No. 47 "Financial Instruments" and Egyptian Accounting Standard No. 48 "Revenue from Contracts with Customers" And the Egyptian Accounting Standard No. 49 "Leasing Contracts".

CLEOPATRA HOSPITAL COMPANY "S.A.E."

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2021**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

New Egyptian Accounting Standards ("EAS") and interpretations adopted (continued)

The following is the impact of applying these standards on retained earnings on January 1, 2021:

Retained earnings 31 December 2020	744,657,574
Impact of the change in EAS 47 "Financial Instruments"	(6,563,621)
Impact of the change in EAS 49 "Lease Contracts"	(11,229,608)
Retained earnings 1 January 2021	726,864,345

• **Impact on the financial statements**

The following tables show the adjustments recognized for each individual line item:

<u>Separate statement of financial position</u>	<u>Balance as at 31 December 2020</u>	<u>EAS 48</u>	<u>EAS 47</u>	<u>EAS 49 (Second phase)</u>	<u>Adjusted opening balance as at 1 January 2021</u>
Assets					
Non-current assets					
Fixed assets	334,054,902	-	-	-	334,054,902
Right of use assets	-	-	-	75,791,444	75,791,444
Goodwill	172,587,300	-	-	-	172,587,300
Investments in associates	1,143,591	-	-	-	1,143,591
Investments in subsidiary	1,045,947,470	-	-	-	1,045,947,470
Deferred tax assets	1,694,473	-	-	-	1,694,473
Total non-current assets	1,555,427,736	-	-	75,791,444	1,631,219,180
Current assets					
Inventories	24,343,737	-	-	-	24,343,737
Trade and other receivables	179,476,385	-	(4,940,868)	-	174,535,517
Due from related parties	65,276,174	-	-	-	65,276,174
Debtors and other debit balances	35,480,888	-	-	(6,356,208)	29,124,680
Treasury bills	139,446,980	-	-	-	139,446,980
Cash and cash equivalents	134,560,287	-	(1,622,753)	-	132,937,534
Total current assets	578,584,451	-	(6,563,621)	(6,356,208)	565,664,622
Total assets	2,134,012,187	-	(6,563,621)	69,435,236	2,196,883,802
Equity					
Share capital	800,000,000	-	-	-	800,000,000
Reserves	369,101,452	-	-	-	369,101,452
Retained earnings	744,657,574	-	(6,563,621)	(11,229,608)	726,864,345
Total equity	1,913,759,026	-	(6,563,621)	(11,229,608)	1,895,965,797
Non-current liabilities					
Lease liabilities	-	-	-	71,775,009	71,775,009
Deferred tax liabilities	12,031,237	-	-	-	12,031,237
Investment creditors	14,485,000	-	-	-	14,485,000
Total non-current liabilities	26,516,237	-	-	71,775,009	98,291,246
Current liabilities					
Provisions	10,446,601	-	-	-	10,446,601
Trade and other payables	147,546,667	-	-	-	147,546,667
Lease liabilities	-	-	-	8,889,835	8,889,835
Current income tax liabilities	35,743,656	-	-	-	35,743,656
Total current liabilities	193,736,924	-	-	8,889,835	202,626,759
Total liabilities	220,253,161	-	-	80,664,844	300,918,005
Total equity and liabilities	2,134,012,187	-	(6,563,621)	69,435,236	2,196,883,802

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

New Egyptian Accounting Standards ("EAS") and interpretations adopted (continued)

(1) EAS No. (47) – "Financial instruments":

This standard is applied for financial periods beginning on or after January 1, 2021. This standard replaces the corresponding topics in Egyptian Accounting Standard No. (26) "financial Instruments, Recognition and Measurement" and therefore it was amended and reissued after eliminating the paragraphs related to the topics covered by the Egyptian Accounting Standard No. (47), and the scope of the amended Egyptian Accounting Standard No. (26) to address the cases of hedge accounting.

The details of the new significant accounting policies, the nature and impact of change in previous accounting policies are as follows:

Classification and measurement of financial assets and financial liabilities:

Egyptian Accounting Standard No. (47) largely retains the existing requirements in Egyptian Accounting Standard No. (26) for the classification and measurement of financial liabilities, but it excludes the categories previously mentioned in EAS No. (26) related to financial assets held until maturity and loans, financial investments and receivables available for sale.

In accordance with EAS 47, upon initial recognition, financial assets are classified and measured at amortized cost, or at fair value through other comprehensive income - investments in debt instruments, or at fair value through other comprehensive income - investments in equity instruments, or At fair value through profit or loss. The classification of financial assets in accordance with Egyptian Accounting Standard No. (47) is usually based on the business model through which financial assets are managed as well as their contractual cash flows.

Accordingly, the company classifies bonds, treasury bills, trade receivables and other debit balances as financial assets at amortized cost.

All the investments in debt instruments that are currently classified as held to maturity will meet the conditions of classification at amortized cost under accounting standard No. (47) and therefore there will be no change in the accounting for these assets. and measure those financial assets.

There will be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities at fair value through profit or loss and the company has none of these obligations. Also, the company has no financial commitments that have been restructured or modified.

Impairment of financial assets

The company has four types of financial assets that are subject to the new expected credit loss model:

- Balances with banks
- Due from related parties balances
- Debtors and other debit balances
- Financial assets at amortized cost

The Egyptian Accounting Standard No. (47) requires the review of the impairment model of those financial assets subject to the expected credit losses model and its impact of first application on retained earnings and equity.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

New Egyptian Accounting Standards ("EAS") and interpretations adopted (continued)

Customers and other receivables

The new impairment measurement model of financial instruments requires recognizing provisions for impairment based on expected credit losses rather than realized credit losses.

The new impairment model requires recognizing provisions for impairment in the value of financial assets according to the expected credit losses model instead of the realized credit losses in case there is objective evidence of impairment in value as a result of the occurrence of one or more events after the initial recognition of the asset (loss event) in accordance with Egyptian Accounting Standard No. (26).

The new impairment model applies to financial assets at amortized cost, debt instruments that are measured at fair value through comprehensive income, contract assets resulting from Egyptian Accounting Standard No. 48 "Revenue from contracts with customers", lease receivables, loan commitments and some financial guarantee contracts. The company has implemented the new rules with effect from January 1, 2021, with the adoption of practical means permitted under the standard. Comparative figures for the year 2020 will not be adjusted.

Financial assets at amortized cost

There will be no material impact on treasury bills for the following reasons:

- Issued and guaranteed by the Egyptian government.
- There is no late payment cases in the past.
- Therefore, the availability of future information will not lead to an increase in the rate of late payments expected.

The following is the effect of applying these standards on the impairment in trade receivables on January 1, 2021:

	31 December 2020
	<hr/>
Trade receivable impairment at 31 Dec 2020	43,959,355
Impact of changes of the standards of retained earnings	4,940,868
Trade receivable impairment at 1 January 2021	48,900,223
	<hr/>
	31 December 2020
	<hr/>
Cash impairment at 31 Dec 2020	-
Impact of changes of the standards of retained earnings	1,622,753
Cash impairment at 1 January 2021	1,622,753
	<hr/>

(2) Egyptian Accounting Standard No. 48 "Revenue from contracts with customers"

Revenue recognition standard was issued, replacing Egyptian Accounting Standard No. (11) covering contracts for sales of goods and services and Egyptian Accounting Standard No. (8) covering construction contracts.

The new standard is based on the principle of revenue being recognized when control of goods or services is transferred to a customer.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

New Egyptian Accounting Standards ("EAS") and interpretations adopted (continued)

Impact

Management has assessed the effects of applying the new standard on the financial statements and has determined that the recognition and revenue measurement of all existing contracts under the EAS No. (48) five-steps model (identify contract - identify performance obligation determine transaction price – allocate transaction price – recognise revenue) will not change as currently recognized under EAS (11).

(3) EAS No. (49) – “Leases”:

Egyptian Accounting Standard No. (49) provided a single model for accounting for lease contracts. The lessee recognizes the right to use the assets and to be bound by the lease liability, which represents their obligation to make lease payments.

This standard replaces the Egyptian Accounting Standard No. (20) "Accounting rules and standards relating to financial leasing operations".

Lessor accounting remains similar to the current standard - ie lessors continue to classify leases as finance or operating leases.

The Company, as a lessee, recognizes a right-of-use asset and a lease liability on the commencement date of the lease.

On the date of initial recognition, the “right of use” asset is recognized in the statement of financial position at a carrying amount as if the standard had been applied since the inception of the lease, but discounted using the lending rate to the lessee at the date of application. The right of use is depreciated using the straight-line method over the estimated useful life of those assets or the lease term.

The lease liability is initially measured at the present value of future lease payments and the related fixed costs, discounted using the interest rate at which the Company borrows. Subsequently, the lease liability is measured at amortized cost using the effective interest rate method.

Subsequently, the right of use and the lease liabilities are re-measured in the following cases:

- Change in the rental price.
- Amendment of the lease contract.
- Adjustment of the rental period.

Leases of short-term assets (less than 12 months including extension options) and leases of low-value items are recognized as an expense in the income statement as incurred.

Egyptian Accounting Standard No. 49 requires the company to assess the lease term as the non-cancellable lease term in line with the lease, as well as the period in which the Company has termination options for which the company is not significantly certain of the benefit of these options.

A significant portion of the company’s lease include leases that are extendable through a reciprocal agreement between the Company and the lessor or leases that can be cancelled by the Company immediately or at short notice. All extension and termination options are the right of the company and not the lessor. In determining the term of the lease, management considers all facts and circumstances that create an economic incentive to exercise the option to terminate, years after termination options are only included in the lease term if it is highly certain that the lease will not be terminated.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

New Egyptian Accounting Standards ("EAS") and interpretations adopted (continued)

The impact of the application of these standards on lease commitments on January 1, 2021 is as follows:

	<u>Balance</u>
Lease obligations at 31 Dec 2020	-
Impact of changes of the standards	80,664,844
Lease obligations at 1 January 2021	<u>80,664,844</u>

When evaluating the lease term for the adoption of Egyptian Accounting Standard No. 49, the company decided that extendable future lease periods should be taken into account within the lease term, which represents an increase in future lease payments used in determining the lease liability at initial recognition. The exact term of the lease term is based on the facts and circumstances related to the leased assets and lease contracts.

- **Practical expedients applied**

In applying EAS 49 for the first time, the company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered before the transition date the Group relied on its assessment made applying EAS 20.

C. Functional and presentation currency

Items included in the separate interim financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's separate interim financial statements are presented in Egyptian Pounds, which is the Company's functional and presentation currency.

D. Use of estimates and judgements

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

The significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the last consolidated financial statements as at and for the year ended 31 December 2020

With the exception of estimates and judgments related to accounting standards that have been applied starting from the current year, which are as follows:

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

3. Segment reporting

Business segments are reported in line with the reports provided internally to the senior management, which makes decisions related to resources allocation and evaluation of segments' performance in the Company. The senior management is represented in Company's executive management committee. The segment reports are provided to the Company based on each company, as each subsidiary is considered a separate business segment.

Below is a summary of each segment, which is presented for the year ended 30 June 2021 for each segment:

	Cleopatra Hospital	Queens Hospital	El Kateb Hospital	Consolidated adjustment	Total
<u>Statement of financial position</u>					
Non-current assets	1,583,405,146	75,853,190	9,675,085	-	1,668,933,421
Current assets	675,877,875	94,196,036	66,254,303	(50,919,431)	785,408,783
Total assets	2,259,283,021	170,049,226	75,929,388	(50,919,431)	2,454,342,204
Current liabilities	301,317,508	78,853,649	38,190,635	(50,919,367)	367,442,425
Non-current liabilities	51,976,519	67,135,107	4,086,939	-	123,198,565
Total Liabilities	353,294,027	145,988,756	42,277,574	(50,919,367)	490,640,990
<u>Statement of profit or loss:</u>					
Operating revenue	450,063,217	102,253,604	76,200,244	-	628,517,065
Operating costs	(253,253,110)	(45,322,123)	(46,942,639)	-	(345,517,872)
Gross profit	196,810,107	56,931,481	29,257,605	-	282,999,193
Other expenses and revenues	(93,879,159)	(26,213,557)	(15,383,957)	-	(135,476,673)
Profit for period	102,930,948	30,717,924	13,873,648	-	147,522,520
Other Items					
Capital expenditure	25,993,585	1,054,621	1,911,648	-	28,959,854
Fixed assets depreciation	14,789,169	1,501,133	3,189,237	-	19,479,539

Business segments are reported in line with the reports provided internally to the senior management, which makes decisions related to resources allocation and evaluation of segments' performance in the Company. The senior management is represented in Company 's executive management committee. The segment reports are provided to the Company based on each company, as each subsidiary is considered a separate business segment.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Segment reporting (continued)

Below is a summary of each segment, which is presented For the year ended 31 December 2020 for each segment:

	Cleopatra Hospital	Queens Hospital	El Kateb Hospital	Consolidated adjustment	Total
<u>Statement of financial position</u>					
Non-current assets	1,418,884,666	12,622,947	122,225,650	1,694,473	1,555,427,736
Current assets	530,084,089	47,762,788	48,764,069	(48,026,495)	578,584,451
Total assets	1,948,968,755	60,385,735	170,989,719	(46,332,022)	2,134,012,187
Current liabilities	151,198,029	57,212,796	33,352,594	(48,026,495)	193,736,924
Non-current liabilities	24,382,481	275,514	163,769	1,694,473	26,516,237
Total Liabilities	175,580,510	57,488,310	33,516,363	(46,332,022)	220,253,161
<u>Statement of profit or loss:</u>					
Operating revenue	748,360,588	59,997,377	122,684,904	-	931,042,869
Operating costs	(424,924,706)	(37,454,147)	(78,719,467)	-	(541,098,320)
Gross profit	323,435,882	22,543,230	43,965,437	-	389,944,549
Other expenses and revenues	(133,256,708)	(11,211,058)	(26,800,708)	-	(171,268,474)
Profit for year	190,179,174	11,332,172	17,164,729	-	218,676,075
<u>Other Items</u>					
Capital expenditure	57,537,645	6,220,772	4,970,096	-	68,728,513
Fixed assets depreciation	27,834,253	2,467,399	3,051,579	-	33,353,231

4. Financial assets and financial liabilities

The Company holds the following financial instruments:

Financial assets	Amortised cost	Total
30 June 2021		
Trade and other receivables	167,764,047	167,764,047
Due from related parties	66,031,504	66,031,504
Debtors and other debit balances *	12,096,959	12,096,959
Financial assets at amortized cost	46,467,378	46,467,378
Restricted cash	300,014,787	300,014,787
Cash and cash equivalents	152,291,421	152,291,421
	744,666,096	744,666,096

CLEOPATRA HOSPITAL COMPANY "S.A.E."

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2021**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Financial assets and financial liabilities (continued)

Financial assets	Amortised cost	Total
31 December 2020		
Trade and other receivables	179,476,385	179,476,385
Due from related parties	65,276,174	65,276,174
Debtors and other debit balances *	11,250,549	11,250,549
Financial assets at amortized cost	139,446,980	139,446,980
Restricted cash	-	-
Cash and cash equivalent	134,560,287	134,560,287
	530,010,375	530,010,375

* Excluding prepayments, advance to suppliers and withholding taxes.

Financial liabilities	Amortised cost	Leases	Total
30 June 2021			
Creditors and other credit balances **	151,374,613	-	151,374,613
Lease liabilities	-	109,413,317	109,413,317
Loans and borrowings	138,449,860	-	138,449,860
	289,824,473	109,413,317	399,237,790
31 December 2020			
Creditors and other credit balances **	146,080,652	-	146,080,652
	146,080,652	-	146,080,652

** Excluding advances from customers, social insurance and taxes.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements - For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

5. Fixed assets

	Land	Machinery, equipment & devices	Tools & instruments	Furniture	Buildings	Vehicles	Computers	Leasehold improvements	Projects under construction	Total
At 1 January 2020										
Cost	82,878,000	179,891,601	6,494,103	10,859,682	75,338,102	7,777,342	23,281,883	28,790,301	3,836,256	419,147,270
Accumulated depreciation	-	(69,079,289)	(4,725,518)	(6,362,415)	(26,053,265)	(2,082,397)	(8,912,670)	(2,896,739)	-	(120,112,293)
Net book amount	82,878,000	110,812,312	1,768,585	4,497,267	49,284,837	5,694,945	14,369,213	25,893,562	3,836,256	299,034,977
Year ended 31 December 2020										
Beginning of the year	82,878,000	110,812,312	1,768,585	4,497,267	49,284,837	5,694,945	14,369,213	25,893,562	3,836,256	299,034,977
Additions	-	27,930,166	3,618,527	5,614,445	535,000	3,134,000	5,250,206	739,194	21,906,976	68,728,514
Disposals	-	(706,719)	-	-	-	(82,977)	(53,894)	-	-	(843,590)
Transfers from projects under construction	-	735,380	45,600	-	4,049,696	-	11,894,611	125,312	(16,850,599)	-
Depreciation for the year	-	(15,493,028)	(1,148,088)	(1,717,342)	(3,638,659)	(1,215,949)	(6,720,550)	(3,419,616)	-	(33,353,232)
Accumulated depreciation of disposals	-	391,719	-	-	-	72,064	24,450	-	-	488,233
Closing net book amount	82,878,000	123,669,830	4,284,624	8,394,370	50,230,874	7,602,083	24,764,036	23,338,452	8,892,633	334,054,902
At 31 December 2020										
Cost	82,878,000	207,850,428	10,158,230	16,474,127	79,922,798	10,828,365	40,372,806	29,654,807	8,892,633	487,032,194
Accumulated depreciation	-	(84,180,598)	(5,873,606)	(8,079,757)	(29,691,924)	(3,226,282)	(15,608,770)	(6,316,355)	-	(152,977,292)
Net book amount	82,878,000	123,669,830	4,284,624	8,394,370	50,230,874	7,602,083	24,764,036	23,338,452	8,892,633	334,054,902
At 30 June 2021										
Balance at 1 January	82,878,000	123,669,830	4,284,624	8,394,370	50,230,874	7,602,083	24,764,036	23,338,452	8,892,633	334,054,902
Additions	-	11,418,219	478,434	2,872,917	-	-	3,323,644	-	10,866,640	28,959,854
Disposals	-	(175,000)	-	-	-	-	-	-	-	(175,000)
Transfers from PUC	-	456,000	1,335,937	-	4,242,296	-	424,283	-	(6,458,516)	-
Depreciation for the period	-	(8,921,029)	(573,925)	(1,168,762)	(1,247,135)	(777,884)	(4,989,892)	(1,800,912)	-	(19,479,539)
Accumulated depreciation of disposals	-	24,813	-	-	-	-	-	-	-	24,813
Closing net book amount	82,878,000	126,472,833	5,525,070	10,098,525	53,226,035	6,824,199	23,522,071	21,537,540	13,300,757	343,385,030
At 30 June 2021										
Cost	82,878,000	219,549,649	11,972,601	19,347,044	84,165,094	10,828,365	44,120,734	29,654,806	13,300,757	515,817,050
Accumulated depreciation	-	(93,076,816)	(6,447,531)	(9,248,519)	(30,939,059)	(4,004,166)	(20,598,663)	(8,117,266)	-	(172,432,020)
Net book amount	82,878,000	126,472,833	5,525,070	10,098,525	53,226,035	6,824,199	23,522,071	21,537,540	13,300,757	343,385,030

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

6. Right of use asset

The right of use represents lease contracts related to buildings and was measured at a carrying amount as if the standard had been applied since the inception of the lease, but discounted using the lending rate to the lessee at the date of application, and it is subsequently depreciated over the life of the lease using the straight line.

	30 June 2021	31 December 2020
Balance at the beginning of the period / year	-	-
The effect of implementing a change in standards	75,791,444	-
Additions during the period/year	28,155,919	-
Depreciation during the period/year	(5,784,381)	-
Balance	98,162,982	-

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be determined, then the borrowing rate of the lessee is used, which is the rate that the lessee would have to pay to borrow the money needed to obtain an asset of similar value in a similar economic environment with similar terms and conditions. An average interest rate of 11.15% has been used.

7. Inventories

	30 June 2021	31 December 2020
Medical supply inventory	9,484,132	12,301,180
Medicine inventory	9,594,156	9,511,569
Hospitality supplies inventory	683,503	1,186,021
Stationary inventory	580,853	1,009,020
Maintenance and spare parts inventory	1,257,033	432,317
Food and beverage inventory	61,920	18,915
	21,661,597	24,459,022
Less: Impairment of inventory	(251,795)	(115,285)
	21,409,802	24,343,737

Movement in the provision for inventory is as follows:

	30 June 2021	31 December 2020	30 June 2020
Balance at the beginning of the period / year	115,285	-	-
Provisions formed during the period / year	143,007	115,285	-
Provisions no longer required during the period / year	(6,497)	-	-
Balance at the end of the period / year	251,795	115,285	-

CLEOPATRA HOSPITAL COMPANY "S.A.E."

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2021**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

8. Trade and other receivables

	30 June 2021	31 December 2020
Due from customers	231,434,366	212,919,135
Income from inpatients	3,959,258	10,516,605
	235,393,624	223,435,740
Less:		
Impairment of customers' balances	(67,629,577)	(43,959,355)
	167,764,047	179,476,385

The income from inpatients comprises the revenues that have not been billed at the financial position date for their stay while the procedures of the medical services have not been completed. Such income is calculated net amounts collected in advance during the period of their stay.

The movement of the provision for impairment is as follows:

	30 June 2021	31 December 2020	30 June 2020
Balance at the beginning of the period / year	43,959,355	24,534,960	24,534,960
Effect of applying new standards	4,940,868	-	-
Provisions formed during the period / year	34,059,376	28,965,471	12,166,707
Provisions no longer required during the period / year	(15,330,022)	(9,541,076)	(4,288,564)
Balance at the end of the period / year	67,629,577	43,959,355	32,413,103

- Trade receivable balances, which have not been due till the financial position date and have no impairment indicators, amounted to EGP 101,613,934 (31 December: EGP 96,680,101).
- At the financial position date, the balances that were past due but not impaired amounted to EGP 74,284,633 (31 December: EGP 70,895,216). The analysis of these balances' useful lives is as follows:

	30 June 2021	31 December 2020
Less than one month	42,299,809	42,451,664
From one to five months	31,984,824	28,443,552

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

9. Due from related parties

During the period / year, the company dealt with some related parties, and the following is a statement of the transactions with related parties at the date of the periodic financial statements during the period / year:

Company	Nature of related parties	Transaction Amount	30 June 2021	31 December 2020
Nile Badrawi Hospital Company (subsidiary)	Share of group companies in the company's expenses*	5,737,420	-	-
	Sales from medical activities		-	-
	Expenses from medical activities		-	-
Cairo Specialised Hospital (Subsidiary)	Share of group companies in the company's expenses*	6,606,597	-	-
	Expenses from medical activities		-	-
	Sales from medical activities		-	-
El Sherouk Hospital (Subsidiary)	Share of group companies in the company's expenses*	5,435,871	-	-
	Expenses from medical activities		-	-
	Sales from medical activities		-	-
CHG For Medical Services (Subsidiary)	Amounts paid on behalf of the company		59,381,323	52,616,548
	Share of group companies in the company's expenses*	1,067,910	-	1,631,877
CHG Pharma Company Pharmacies Administration (subsidiary company)	Amounts paid on behalf of the company		8,333,807	8,634,298
	Share of group companies in the company's expenses*	477,167	-	439,433
Other parties	Amounts paid on behalf of the related parties		387,263	386,827
CHG For Hospitals	Admin fees		(2,955,649)	(1,763,148)
New Beginning Hospital Management Company	Amounts paid on behalf of the company		884,760	3,330,339
	Share of group companies in the company's expenses*	591,264	-	-
			66,031,504	65,276,174

- During 2017, Cleopatra Hospital Company signed an agreement with its subsidiaries. Under this contract, the company distributes the costs of joint activities to the group companies according to percentages related to the revenues generated by each company. This agreement has been approved by the boards of directors of the group companies and their general assemblies.
- Transactions with related parties are represented in the company's dealings with affiliated / sister companies, whether through sale, purchase or exchange of services. The prices, policies and conditions related to these operations are approved by the company's management and are on the same basis as dealing with others.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2021**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

10. Debtors and other debit balances

	30 June 2021	31 December 2020
Prepaid expenses	7,175,495	17,167,687
Deposits with others	4,292,106	4,237,093
Withholding taxes	6,061,921	3,925,487
Advances to suppliers	6,095,469	3,137,165
Due from employees	440,880	423,517
Accrued interest income	1,551,028	2,607
Other debtors	5,812,945	6,587,332
	31,429,844	35,480,888

11. Financial assets at amortised cost

	30 June 2021	31 December 2020
Treasury bills (maturity 30 days)	47,000,000	100,000,000
Treasury bills (maturity 60 days)	-	40,000,000
Less: Unearned profit	(532,622)	(553,020)
	46,467,378	139,446,980

Interest from treasury bills is between 9.4% and 9.7% after tax at 30 June 2021 (31 Dec 2020: between 8.96% and 9.6%)

12. Cash on hand and at banks

	30 June 2021	31 December 2020
Current accounts	137,378,796	128,779,451
Restricted cash	300,014,787	-
Cash on hand	988,056	1,081,546
Time deposits	14,836,720	4,699,290
Less: Cash impairment	(912,151)	-
	452,306,208	134,560,287

	30 June 2021	31 December 2020	30 June 2020
Balance at the beginning of the period / year	-	-	-
Effect of applying new standards	1,622,753	-	-
Provisions no longer required	(710,602)	-	-
Balance at the end of the period / year	912,151	-	-

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Cash on hand and at banks (continued)

Current accounts are maintained in banks controlled by the Central Bank.

It includes term deposits on 30 June 2021, equivalent to EGP 14,836,720 deposited with local banks in US dollars, maturing within a month from the date of deposit, and accruing a fixed average annual return of 0.75% (December 31, 2020: 0.75%).

Current accounts have a fixed annual return of 6.5% (December 31, 2020: 6.5%). For the purposes of preparing the statement of cash flows, the balance of cash and cash equivalents is as follows:

For the purposes of preparing the statement of cash flows, the balance of cash and cash equivalents is as follows:

	30 June 2021	30 June 2020
Cash on hand and banks	453,218,359	188,582,072
Restricted cash	(300,014,787)	-
Treasury bills (maturities in less than 3 months)	46,467,378	97,138,579
Impact of changes in standards	(1,622,753)	-
	198,048,197	285,720,651

(i) *Classification as cash equivalents*

Term deposits are held with banks and presented as cash equivalents if they have a maturity of three months or less from the date of placement and are repayable with 24 hours' notice with no loss of interest. Treasury bills included under Cash and cash equivalent have original maturities of not more than three months from the date of acquisition, are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. See note 30(p) for the Company's other accounting policies on cash and cash equivalents.

The Company's cash and bank balances are held with reputable financial institutions with Moody's and Standard & Poor's credit ratings of B to B2.

(ii) *Treasury bills*

The investment in treasury bills with maturity date more than three month but less than one year.

(iii) *Restricted cash*

The retained cash represents 300,014,787 EGP, which is deposited with banks as a cash cover for the letters of guarantee issued in favour of the Financial Supervisory Authority, in return for the compulsory purchase offer of Alexandria Medical Services Company - the new medical centre as part of its quest to obtain the necessary approvals for the acquisition.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

13. Retained earnings

The company applied the change in the Egyptian accounting standards related to Standard 47 "Financial Instruments" and Standard 49 "Leasing Contracts". Therefore, the effect of applying the standards on the balances of the beginning of the period was included in the retained earnings. The movement in profits is as follows:

	<u>30 June 2021</u>	<u>31 December 2020</u>
Beginning Balance	744,657,574	562,179,987
The effect of applying the change in Standard 47 "Financial Instruments"	(6,563,621)	-
The effect of applying the change in Standard 49 "Financial Instruments"	(11,229,608)	-
Balance after amendments	<u>726,864,345</u>	<u>562,179,987</u>
Earnings of the period	147,522,520	218,676,075
Reserves	(10,933,804)	(9,885,144)
Profit Distribution	(33,174,238)	(26,313,344)
Ending Balance	<u>830,278,823</u>	<u>744,657,574</u>

14. Lease contract liability

Liability represents current value for rent liability related to buildings company got in exchange with Contract Lease, and it has been evaluated with current value of contractual rent payments deductible with implicit return 11.15%.

	<u>30 June 2021</u>	<u>31 December 2020</u>
During a year	14,343,968	-
More than a year	241,623,977	-
	<u>255,967,945</u>	<u>-</u>
Current Value		
During a year	10,872,508	-
More than a year	98,540,809	-
	<u>109,413,317</u>	<u>-</u>

The lease obligations are effectively secured as the rights to use the leased assets recognized in the financial statements revert to the lessor in the event of default.

The lease commitments were presented as follows:

	<u>30 June 2021</u>
The operating lease obligations are explained as of December 31, 2020	-
Additions during the year	112,484,435
	<u>112,484,435</u>
Current Value	
Add: interest charged during the period	6,008,085
Less: rent payments during the period	(9,079,203)
Lease Obligations at 30 June 2021	<u>109,413,317</u>

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

15. Bank Overdraft

The company obtained total credit limits in the form of overdrafts from banks in order to finance working capital at an interest rate of 0.1% in addition to the announced lending rate from the Central Bank. The total available credit limits amounted to 165 million Egyptian pounds and the user value of these credit limits in 30 June 2021, an amount of 138,449,860 Egyptian pounds.

16. Creditors and other credit balances

	<u>30 June</u> <u>2021</u>	<u>31 December</u> <u>2020</u>
Suppliers and notes payable	75,179,016	77,578,948
Accrued expenses	67,365,327	62,413,304
Social insurance	1,834,771	1,466,015
Other creditors	8,830,270	6,088,400
	<u>153,209,384</u>	<u>147,546,667</u>

Current trade payables are unsecured and are usually paid within 90 to 120 days of recognition.

17. Operating revenue

	<u>Six months ended 30 June</u>		<u>Three months ended 30 June</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accommodation and medical supervision revenue	211,922,293	105,496,537	106,374,151	49,615,267
Laboratories revenue	91,537,454	44,284,208	47,137,621	22,301,293
Surgeries revenue	78,070,860	64,975,639	39,496,257	12,837,685
Outpatient clinics revenue	61,216,921	42,227,054	31,138,450	12,570,756
Radiology revenue	48,341,661	27,366,778	24,710,942	18,676,209
Service charge revenue	44,510,097	27,831,275	22,204,449	10,901,895
Cardiac catheterization revenue	35,604,314	28,497,589	17,103,787	10,865,520
Emergency revenue	22,987,524	19,809,873	12,094,764	11,311,881
Pharmacy revenue	18,922,613	9,054,100	10,292,896	5,017,671
Dentistry revenue	3,681,345	7,030,838	2,241,340	1,170,718
Physiotherapy revenue	3,994,704	3,808,195	1,901,813	1,032,942
Cardiac tests revenue	3,924,633	3,086,376	1,922,434	1,466,147
Endoscopy revenue	3,392,709	2,946,034	1,700,574	1,712,956
Revenues from other departments	409,937	955,532	-	528,423
	<u>628,517,065</u>	<u>387,370,028</u>	<u>318,319,478</u>	<u>160,009,363</u>

All types of revenue are recognized at the revenue recognition point.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2021**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

18. Operating costs

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Doctors' fees	91,815,767	65,231,497	46,552,704	22,297,138
Medical and pharmaceutical supplies	107,588,707	59,818,686	54,814,193	23,002,103
Salaries, wages and benefits	90,436,259	72,073,986	47,604,897	34,715,313
Maintenance, spare parts and energy expenses	11,527,015	7,534,314	5,886,447	4,315,479
Consumables costs	6,916,070	5,210,310	3,418,526	624,803
Fixed assets depreciation	14,351,824	12,998,205	7,257,851	6,513,823
Lease amortization	2,351,310	-	779,120	-
Rents	2,029,707	3,160,196	1,128,026	1,297,311
Outsourcing services	7,321,777	-	2,976,410	-
Other expenses	11,179,436	9,689,045	5,707,008	5,035,168
	345,517,872	235,716,239	176,125,182	97,801,138

19. General and administrative expenses

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Salaries, wages and benefits	48,038,743	53,612,975	23,178,396	28,969,536
Professional and consulting fees	7,201,474	7,958,644	3,398,261	4,583,641
Fixed assets depreciation	5,127,715	2,700,170	2,612,445	1,359,567
Lease amortization	3,433,071	-	2,188,298	-
consumables costs	398,992	817,784	229,103	72,298
Maintenance, spare parts and energy expenses	3,239,206	2,553,540	1,420,672	1,671,659
Rent	538,936	2,224,488	176,105	1,134,092
Outsourcing services	3,383,674	-	1,457,365	-
Other expenses	15,357,606	3,824,564	7,425,731	5,203,259
	86,719,417	73,692,165	42,086,377	42,994,052
Less: the Group's share of the Company's expenses	(19,907,261)	(21,689,348)	(8,819,290)	(12,580,410)
	66,812,156	52,002,817	33,267,087	30,413,642

CLEOPATRA HOSPITAL COMPANY "S.A.E."

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2021**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

20. Impairment in financial instruments

	<u>30 June 2021</u>	<u>30 June 2020</u>
Trade receivables impairment	18,729,354	7,878,145
Cash in bank impairment	(710,602)	-
	<u>18,018,752</u>	<u>7,878,145</u>
	<u>30 June 2021</u>	<u>30 June 2020</u>
a) Net impairment of financial assets		
Impairment of trade receivables and other debit balances formed	34,059,376	12,166,707
Impairment of trade receivables and other debit balances no longer required	(15,330,022)	(4,288,564)
Impairment of Bank Accounts	(710,602)	-
	<u>30 June 2021</u>	<u>30 June 2020</u>
b) Other Income / losses		
Gain on sale of fixed assets	5,913	-
Provisions formed	12,232,052	7,669,625
Provisions no longer required	(5,473,453)	(4,365,322)

21. Earning per share (Basic / Diluted)

The basic share of the profit for the period is calculated by dividing the net profit for the period for the company's shareholders by the weighted average number of shares outstanding during the period after excluding the distribution of employee dividends.

	<u>Six months ended 30 June</u>		<u>Three months ended 30 June</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Distributable profit	147,522,520	88,418,569	72,962,739	23,993,142
The number of issued shares before the share purchase process	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Less: the weighted average number of purchased shares (treasury shares)	(10,046,667)	-	(10,046,667)	-
The number of available shares after the share purchase process	1,589,953,333	1,600,000,000	1,589,953,333	1,600,000,000
Earnings per share of the shareholders' share in the net profit for the period	<u>0.09</u>	<u>0.06</u>	<u>0.05</u>	<u>0.01</u>

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2021

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

22. Contingent Liabilities

There are potential obligations on the company in the form of letters of guarantee, resulting from the difference between the letter of guarantee amounting to 550,014,787 Egyptian pounds and the cash held at banks amounting to 300,014,787 EGP .(Disclosure 12).

23. Commitments

Capital commitments:

The capital commitments related to fixed assets at financial year end is EGP 15,537,700 (31 December 2020: EGP 3,503,700).

24. Significant changes

According to Board of Director resolution on 14 June 2021, the company purchased 10,960,000 shares from the stock market for a total consideration of EGP 46,612,865, the consideration paid has been accounted for as a reserve in the statement of shareholders' Equity.

25. Subsequent Events

During the period following the date of the financial statements, Cleopatra Hospitals Company purchased treasury shares with a value of EGP 20,769,142 for 4,990,000 shares.