Ezdan Holding Group Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2015

Building a better working world

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EZDAN HOLDING GROUP Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ezdan Holding Group Q.S.C. (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EZDAN HOLDING GROUP Q.S.C. (CONTINUED)

Report on Legal and Other Requirements

Furthermore, in our opinion, proper books of account have been kept by the Group, an inventory count has been conducted in accordance with established principles, and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's 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 law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Group or its financial position. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Group.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 16 February 2016
Doha

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Notes	*2015* *QR'000*	*2014* *QR'000*
ASSETS			
Cash and bank balances	7	**619,815**	297,785
Receivables and prepayments	8	**600,058**	212,376
Inventories	9	**20,280**	21,702
Due from related parties	10	**40,577**	72,562
Investment properties held for sale	11	**-**	299,537
Available-for-sale financial assets	12	**5,534,114**	5,190,446
Investment properties	13	**36,898,969**	34,216,539
Investments in associates and a joint venture	14	**3,202,656**	3,053,834
Property and equipment	15	**22,295**	28,059
TOTAL ASSETS		**46,938,764**	43,392,840
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	16	**1,247,695**	506,025
Due to a related party	10	**350,231**	-
Islamic financing borrowings	17	**14,959,607**	12,809,634
TOTAL LIABILITIES		**16,557,533**	13,315,659
EQUITY			
Share capital	18	**26,524,967**	26,524,967
Legal reserve	19	**1,222,112**	1,055,927
Fair value reserve		**605,559**	1,264,808
Foreign currency translation reserve		**1,954**	1,954
Retained earnings		**1,622,648**	1,229,525
Equity attributable to equity holders of the parent		**29,977,240**	30,077,181
Non-controlling interest	31	**403,991**	-
Total equity		**30,381,231**	30,077,181
TOTAL LIABILITIES AND EQUITY		**46,938,764**	43,392,840

Dr. Khalid Bin Thani Al-Thani
Chairman

Ali Al-Obaidli
Group Chief Executive Officer

The attached notes from 1 to 37 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2015

	Notes	*2015* *QR'000*	*2014* *QR'000*
Rental income		**1,549,951**	1,368,865
Dividends income from available-for-sale financial assets		**184,358**	167,194
Net gain on sale of available-for-sale financial assets		**337,269**	270,004
Other operating revenues	22	**97,385**	64,642
Operating expenses	23	**(296,314)**	(296,974)
OPERATING PROFIT FOR THE YEAR		**1,872,649**	1,573,731
Add (less):			
Share of results of associates and a joint venture	14	**275,834**	324,119
Gain on sale of investment properties held for sale	11	**5,481**	24,383
Gain on revaluation of investment properties	13	**600,789**	53,457
Other income	24	**18,731**	10,886
Gain on acquisition of an associate	6	**-**	8,461
General and administrative expenses	25	**(245,515)**	(255,358)
Depreciation	15	**(9,321)**	(9,171)
Impairment loss of available-for-sale financial assets		**(53,956)**	(44,699)
Finance costs	26	**(398,913)**	(325,444)
PROFIT FOR THE YEAR		**2,065,779**	1,360,365
Attributable to:			
Equity holders of the parent		**1,661,853**	1,360,365
Non-controlling interest		**403,926**	-
		2,065,779	1,360,365
BASIC AND DILUTED EARNINGS PER SHARE *(attributable to equity holders of the Parent expressed in QR per share)*	27	**0.63**	0.51

The attached notes from 1 to 37 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Note	**2015 QR'000**	*2014 QR'000*
PROFIT FOR THE YEAR		**2,065,779**	1,360,365
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net (loss) gain on available-for-sale financial assets	21	**(662,322)**	928,837
Gain (loss) on cash flow hedges	21	**4,149**	(4,446)
Share of net movement in fair value reserve of associates	21	**(1,076)**	4,437
Total other comprehensive (loss) income for the year		**(659,249)**	928,828
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,406,530**	2,289,193
Attributable to:			
Equity holders of the parent		**1,002,604**	2,289,193
Non-controlling interest		**403,926**	-
		1,406,530	2,289,193

The attached notes from 1 to 37 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to the equity holders of the Parent							
	Share Capital QR'000	*Legal reserve QR'000*	*Fair value reserve QR'000*	*Foreign currency translation reserve QR'000*	*Retained earnings QR'000*	*Total QR'000*	*Non-controlling interest QR'000*	*Total Equity QR'000*
Balance at 1 January 2015	26,524,967	1,055,927	1,264,808	1,954	1,229,525	30,077,181	-	30,077,181
Profit for the year	-	-	-	-	1,661,853	1,661,853	403,926	2,065,779
Other comprehensive loss for the year	-	-	(659,249)	-	-	(659,249)	-	(659,249)
Total comprehensive income for the year	-	-	(659,249)	-	1,661,853	1,002,604	403,926	1,406,530
Contribution from non-controlling interest	-	-	-	-	-	-	65	65
Transferred to legal reserve	-	166,185	-	-	(166,185)	-	-	-
Dividends for 2014 (Note 28)	-	-	-	-	(1,060,999)	(1,060,999)	-	(1,060,999)
Transferred to Social and Sports Activities Fund (Note 20)	-	-	-	-	(41,546)	(41,546)	-	(41,546)
At 31 December 2015	**26,524,967**	**1,222,112**	**605,559**	**1,954**	**1,622,648**	**29,977,240**	**403,991**	**30,381,231**

The attached notes from 1 to 37 form an integral part of these consolidated financial statements.

Ezdan Holding Group Q.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2015

	Attributable to the equity holders of the Parent							
	Share Capital QR'000	*Legal reserve QR'000*	*Fair value reserve QR'000*	*Foreign currency translation reserve QR'000*	*Retained earnings QR'000*	*Total QR'000*	*Non-controlling interest QR'000*	*Total equity QR'000*
Balance at 1 January 2014	26,524,967	919,890	335,980	1,954	861,480	28,644,271	-	28,644,271
Profit for the year	-	-	-	-	1,360,365	1,360,365	-	1,360,365
Other comprehensive income for the year	-	-	928,828	-	-	928,828	-	928,828
Total comprehensive income for the year	-	-	928,828	-	1,360,365	2,289,193	-	2,289,193
Transferred to legal reserve	-	136,037	-	-	(136,037)	-	-	-
Dividends for 2013 (Note 28)	-	-	-	-	(822,274)	(822,274)	-	(822,274)
Transferred to Social and Sports Activities Fund (Note 20)	-	-	-	-	(34,009)	(34,009)	-	(34,009)
At 31 December 2014	26,524,967	1,055,927	1,264,808	1,954	1,229,525	30,077,181	-	30,077,181

The attached notes from 1 to 37 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	Notes	*2015* *QR'000*	*2014* *QR'000*
OPERATING ACTIVITIES			
Profit for the year		**2,065,779**	1,360,365
Adjustments for:			
Gain on revaluation of investment properties	13	**(600,789)**	(53,457)
Depreciation	15	**9,321**	9,171
Loss on disposal of property and equipment		**355**	16
Gain on sale of investment properties held for sale		**(5,481)**	(24,383)
Gain on acquisition of an associate	6	**-**	(8,461)
Provision for employees' end of service benefits		**7,969**	7,941
Share of results of associates and a joint venture		**(275,834)**	(324,119)
Allowance for impairment of tenants receivables	8	**14,420**	28,960
Reversal of allowance for impairment of tenants receivables	8	**(7,578)**	(7,472)
Impairment loss of available-for-sale financial assets		**53,956**	44,699
Profit on Islamic bank accounts	24	**(10,822)**	(6,893)
Net gain on sale of available-for-sale-financial assets		**(337,269)**	(270,004)
Finance costs	26	**398,913**	325,444
		1,312,940	1,081,807
Working capital changes:			
Receivables and prepayments		**(391,513)**	(51,710)
Inventories		**1,422**	(8,544)
Due from/to related parties		**998,238**	(38,027)
Payables and other liabilities		**82,015**	(13,049)
Cash from operations		**2,003,102**	970,477
Employees' end of service benefits paid		**(1,730)**	(733)
Net cash flows from operating activities		**2,001,372**	969,744
INVESTING ACTIVITIES			
Purchase of property and equipment	15	**(3,912)**	(9,800)
Proceeds from disposal of property and equipment		**-**	92
Payments for development of investment properties	13	**(1,599,665)**	(390,212)
Proceeds from sale of investment properties held for sale		**17,309**	84,010
Purchase of available-for-sale-financial assets		**(2,023,314)**	(1,032,541)
Proceeds from sale of available-for-sale-financial assets		**1,300,769**	803,326
Payments for additions to associates	14	**(72,267)**	(55,898)
Dividends received from associates	14	**198,068**	162,821
Profit on Islamic bank accounts received		**7,811**	6,893
Net movement in short term deposits maturing after three months		**190,000**	160,000
Net movement in restricted bank balances		**8,164**	4,986
Net cash flows used in investing activities		**(1,977,037)**	(266,323)
FINANCING ACTIVITIES			
Proceeds from Islamic financing borrowings	17	**3,160,000**	1,825,000
Payments for Islamic financing borrowings	17	**(1,603,207)**	(1,693,866)
Dividends paid	28	**(1,060,999)**	(822,274)
Contribution by non-controlling interest		**65**	-
Net cash flows from (used in) financing activities		**495,859**	(691,140)
INCREASE IN CASH AND CASH EQUIVALENTS		**520,194**	12,281
Cash and cash equivalents as of 1 January		**98,098**	85,817
CASH AND CASH EQUIVALENTS AS OF 31 DECEMBER	7	**618,292**	98,098

The attached notes from 1 to 37 form an integral part of these consolidated financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Ezdan Holding Group Q.S.C. ("the Company") (formerly known as Ezdan Real Estate Company Q.S.C.) is a Qatari Public Shareholding Company registered in the State of Qatar under the Commercial Registration Number 15466. The Company was established on 24 May 1993 as a Limited Liability Company, and was publicly listed on Qatar Exchange on 18 February 2008.

The name of the Company has been changed from Ezdan Real Estate Company Q.S.C. to Ezdan Holding Group Q.S.C. based on a resolution from the Extraordinary General Assembly Meeting that was held on 17 September 2012.

The Company's registered office is located at P.O. Box 3222, Doha, State of Qatar.

The principal activities of the Company and its subsidiaries include financial and administrative control over a company or more by owing at least 51% of its shares, investment in shares, Sukuk, financial securities, and other investments inside and outside the State of Qatar, owning patents, commercial works and privilege , and other rights using them and renting them to others, providing real estate consulting services, managing property and collect rentals and providing property maintenance works.

The Parent of the Group is Al-Tadawul Holding Group Q.S.C. (the "Parent") which aggregately owns directly and indirectly through its subsidiaries approximately 54 % of the share capital of the Company as at 31 December 2015.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group for the year ended 31 December 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Standards Accounting Board (IASB) and applicable requirements of Qatar Commercial Companies' Law No. 11 of 2015. The Group of companies are in the process of being in compliance with the new Qatar Commercial companies' Law No. 11 of 2015 during 2016.

The consolidated financial statement of the Group was authorized for issue in accordance with the resolution of the Board of Directors on 16 February 2016.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and available-for-sale financial assets which are measured at fair value. The methods used to measure fair values are discussed further in Note 33.

These consolidated financial statements are presented in Qatari Riyals, which is the Group's functional and presentational currency. All financial information presented in Qatari Riyals has been rounded to the nearest thousand except otherwise indicated.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December each year.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

2 BASIS OF PREPARATION

Basis of consolidation (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and consolidated statement of other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group balances, transactions and unrealized gains and losses resulting from intra-group transactions are eliminated in full. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of other comprehensive income and within equity in the consolidated statement of financial position, separately from equity holders of the Parent.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary.

Any surplus or deficit arising on the loss of control is recognized in the consolidated statement of income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of any contingent consideration classified as a liability will be recognized in consolidated statement of income.

2 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

The consolidated financial statements include the financial statements of Ezdan Holding Company Q.S.C. and its subsidiaries listed in the following table.

Name of the Company	*Share capital QR*	*Country of incorporation*	*Effective percentage of ownership*	
			31December 2015	*31 December 2014*
Ezdan Hotels Company S.O.C.	200,000	Qatar	100%	100%
Ezdan Mall Company S.O.C.	200,000	Qatar	100%	100%
Ezdan Real Estate Company S.O.C.	200,000	Qatar	100%	100%
Ezdan Partnership Co. S.O.C.	200,000	Qatar	100%	100%
Al Etkan Trading Co. S.O.C.	200,000	Qatar	100%	100%
Al Ruba Al khali Trading Co. S.O.C.	200,000	Qatar	100%	100%
Al Ekleem for Real Estate and Mediation Co. S.O.C.	200,000	Qatar	100%	100%
Al Manara for Medical Equipment Co. S.O.C.	200,000	Qatar	100%	100%
Al Taybin Trading Co. S.O.C.	200,000	Qatar	100%	100%
Al Kara Trading Co. S.O.C.	200,000	Qatar	100%	100%
Ethmar for Trading and Construction Co.S.O.C.	200,000	Qatar	100%	100%
Al Namaa for Maintenance Co. S.O.C.	200,000	Qatar	100%	100%
Shatea Al Nile Co. S.O.C.	200,000	Qatar	100%	100%
Arkan for Import and Export Co. S.O.C.	200,000	Qatar	100%	100%
Tareek Al Hak Trading Co. S.O.C.	200,000	Qatar	100%	100%
Manazel Trading Co. S.O.C.	200,000	Qatar	100%	100%
Een Jaloot Trading Co. S.O.C.	200,000	Qatar	100%	100%
Tareek Al-Khair Trading Co. S.O.C.	200,000	Qatar	100%	100%
Alkora Alzahbya Co. S.O.C.	200,000	Qatar	100%	100%
High Trade for Trading S.O.C.	200,000	Qatar	100%	-
Amaken for Electronic S.O.C.	200,000	Qatar	100%	-
Gulf Imtiaz for Trading S.O.C.	200,000	Qatar	100%	-
Ezdan Palace Hotel.S.O.C.	200,000	Qatar	100%	-
Emtedad Real Estate for Projects W.L.L.*	200,000	Qatar	67.5%	-

***** Based on partner's agreement of Emtedad Real Estate for Projects W.L.L. (the "Subsidiary" or the "Company") held on 1 October 2015, the Company has decided to change the Company's Article of Association. Accordingly, the Group has obtained the power over the Emtedad Real Estate for Projects W.L.L. However, no change in the ownership percentage and no additional consideration was paid by the Group. The Group decided to consolidate the Subsidiary. The subsidiary was incorporated as a joint venture of the Group having 67.5% interest in 2014 and accounted using equity method for the year ended 31 December 2014. The subsidiary is in the process of amending the Article of Association to effect the change and will be completed in financial year 2016.

Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is disclosed in Note 5.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Changes in accounting policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new sand amend tandards and interpretations effective as of 1 January 2015 are described below:

Amendments to IAS 19 Defined Benefits Plans: Employee Contributions
IAS 19 requires an entity to consider contributions from employee or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reductions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since the Group does not have defined benefit plans with contributions from employees or third parties.

Annual Improvement 2010-2012 Cycle
With the exception of the improvement relating to IFRS 2 Share-based Payment applied to share-based payment transactions with a grant date on or after 1 July 2014, all other improvements are effective for accounting periods beginning on or after 1 July 2014.

IFRS 2 : Share-based payments
IFRS 3 : Business Combinations
IFRS 8 : Operating Segments
IAS 16 : Property Plant and Equipment and IAS 38 Intangible Assets
IAS 24 : Related Party Disclosures

Annual Improvement 2011-2013 Cycle
These improvements are effective from 1 July 2014.

IFRS 3 : Business Combinations
IFRS 13 : Fair Value Measurement
IAS 40 : Investment Property

The Group is currently considering the implications of the new IFRS which are effective for future accounting periods and has not early adopted any of the new standards as discussed in Note 4.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

Business combination
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in in the consolidated statement of income. It is then considered in the determination of goodwill.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Business combination (continued)
Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Investments in associates and a joint venture
Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and a joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates or a joint venture since the acquisition date. Goodwill relating to the associates or a joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of income reflects the Group's share of the results of operations of the associates and joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associates or a joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates or a joint venture are eliminated to the extent of the interest in the associates or a joint venture.

The aggregate of the Group's share of results associates and a joint venture is shown on the face of the consolidated statement of income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Investments in associates and a joint venture (continued)
The financial statements of the associates and a joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group's accounting policies.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates and a joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates and a joint venture are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or a joint venture and its carrying value, then recognises the loss in the consolidated statement of income.

Upon loss of significant influence over the associates or a joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associates or a joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement income.

Current versus non-current classification
The Group presents assets and liabilities based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Revenue recognition

Rental income
Rental income receivable from operating leases, less the Group's initial direct costs of entering into the leases, is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of income when they arise.

Service charges and expenses recoverable from tenants
Income arising from expenses recharged to tenants is recognized in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue, as the directors consider that the Group acts as principal in this respect.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Revenue recognition (continued)

Sale of property
Revenue from the sale of property is measured at the fair value of the consideration received or receivable.

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing involvement with the transferred property, and the amount of revenue can be measured reliably.

Transfers of risks and rewards vary depending on the individual terms of the sale contract of property, however and in the lack of other contractual determinants, it is presumed that risks and rewards are transferred to the buyer upon transfer of possession of the sold property.

When the Group is contractually required to perform further work on real estate already delivered to the buyer, the Group recognizes a provision and expense for the present value of the expenditures required to settle its obligations under such further works.

Services revenues
Revenues from services rendered is recognized in the consolidated statement of income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Finance income
Finance income is recognized on a time apportionment basis using the effective profit rate method.

Dividends income
Dividends income is recognised when the Group's right to receive the payment is established which is generally when shareholders approve the dividend.

Investment properties
Investment properties are properties which are held either to earn rental income, including those under development, or for capital appreciation or for both are initially measured at cost, including transaction costs.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value which reflects market condition at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the statement of consolidated income in the period in which they arise. Fair values are determined based on semi-annual revaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal and the carrying amount of the asset is recognised in the statement of consolidated income in the period of derecognition.

Property that is being constructed for future use as investment property is accounted for as investment property under the fair value model. Property under construction is designated as investment property only if there are unambiguous plans by management to subsequently utilize the property for rental activities upon completion of development, or if there is undetermined future use of the property and hence the property is held for long term capital appreciation.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Investment properties (continued)

Transfers between property categories
Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) commencement of development with a view to sale, for a transfer from investment property to inventories;
(c) end of owner-occupation, for a transfer from owner-occupied property to investment property;
(d) commencement of an operating lease to another party, for a transfer from inventories to investment property.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognized directly in equity as a revaluation surplus. Any loss is recognized immediately in the consolidated statement of income.

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting in accordance with IAS 16 or IAS 2 shall be its fair value at the date of change in use.

For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in consolidated statement of income.

Property and equipment
Property and equipment is stated at cost less accumulated depreciation and any impairment in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that computers and office equipment.

Depreciation is recognized in the consolidated statement of income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives of the depreciable assets are as follows:

Buildings	20 years
Motor vehicles	5 years
Furniture, fixtures, and office equipment	2-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the consolidated statement of income as the expense is incurred. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of income in the year the asset is derecognized.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Inventories
Inventories are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing each product to its present location and condition. Cost is determined on a weighted average basis.

Net realizable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

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 financial assets at fair value through profit or loss, receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets with in 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 Group commits to purchase or sell the asset.

The Group classifies non-derivative financial assets into the following categories: receivables and available-for-sale financial assets.

Cash and cash equivalents
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances and bank deposits with original maturities of three months or less, unrestricted balances held with banks, and highly liquid financial assets with original maturities ranging three to six months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments, net of outstanding bank overdrafts and restricted bank balances.

Receivables
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivable are measured at amortised cost using the effective profit method, less any impairment losses. The losses arising from impairment are recognised in the consolidated statement of income.

This category generally applies to tenants receivable, amount due from related parties, refundable deposits and other receivable.

Available-for-sale financial assets
Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of other categories. Available-for-sale financial assets are recognised initially at fair value plus transaction costs. After initial recognition, available-for-sale financial assets are subsequently remeasured at fair value, with any resultant gain or loss directly recognised as a separate component of equity under other comprehensive income until the investment is sold, collected, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated statement of income for that year. Profit earned on the investments is reported as profit income using the effective profit rate. Dividends earned on investments are recognised in the consolidated statement of income as “Dividend income from Available-for-sale financial assets” when the right to receive dividend has been established. All regular way purchases and sales of investment are recognised on the trade date when the Group becomes or commit to be a party to contractual provisions of the instrument.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets (continued)
The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period.

The Group assesses individually whether there is objective evidence of impairment of available-for-sale financial assets. In case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its original cost. The determination of what is 'significant' or 'prolonged' requires judgement, the Group evaluates, among other factors, the duration or extent which the fair value of an investment in less than its cost.

When there is an evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the consolidated statement of income. Impairment losses on equity investments are treated as direct write-offs. Reversals of any impairment losses on equity investments are treated as increase in fair value through the consolidated statement of changes in equity.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the consolidated statement of profit or loss, is transferred from equity to the consolidated statement of income. Impairment losses on equity instruments recognised in the consolidated statement of income are not subsequently reversed. Reversals of impairment losses on debt instruments are reversed through the consolidated statement of income; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the consolidated statement of profit or loss.

When the investment is disposed off, the cumulative gain or loss previously recorded in equity is recognised in the consolidated statement of income.

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 group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and Islamic financing borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include contractor and supplier payables, Islamic finance borrowings, due to a related party, derivative financial liabilities, retention payable, tenants deposits, provision for social and sports activities fund, accrued expenses and other payables.

Subsequent measurement
The measurement of financial liabilities depend on their classification, as described below:

Non-derivative financial liabilities
The Group initially recognises financial liabilities on the date that they are originated which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective profit method. Other financial liabilities are mentioned above.

Accounts payable and other liabilitiess
Liabilities are recognised for amounts to be paid in the future for services received or when the risks and rewards associated with goods are transferred to the Group, whether billed by the supplier or not.Trade payables are initially recognised at fair value and subsequently measured at amortised cost using effective profit method.

Islamic financing borrowings
Islamic financing borrowings are recognized initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, those obligations are measured at amortized cost using the effective cost method.

Gains or losses are recognized in the consolidated statement of income when the liabilities are derecognized as well as through the amortization process. Finance cost and other related charges are recognized as an expense when incurred.

Fees paid on the establishment of Islamic financing borrowings are recognised as transaction costs of the financing to the extent that it is probable some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as prepayment for liquidity services and amortised over the period of the facility to which it relates.

Installments due within one year are shown as a current liability. Installments due after 1 year are shown as non-current liability.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income.

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

Income and expense are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

Derivative financial instruments, including hedge accounting

Initial recognition and subsequent measurement
The Group has entered into derivative financial instruments in the form of profit rate swaps to manage the profit rate risk arising from certain Islamic finance borrowings. The use of financial derivatives is governed by the Group's policies approved by the board of directors as detailed in the financial risk management disclosure in these consolidated financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the statement of consolidated income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The profit rate swap arrangements are designated as hedging instruments, being hedges of a change in future cash flows as a result of profit rate movements. The fair value of hedging derivatives is classified as a non-current asset or a non-current liability if the remaining maturity of the hedging relationship is more than twelve months and as a current asset or a current liability if the remaining maturity of the hedge relationship is less than twelve months.

Cash flow hedge
To the extent that the Group's cash flow hedges are effective, gains and losses on the fair value of the profit rate swaps arrangements are deferred in equity in the hedging reserve until realised. On realisation, such gains and losses are recognised within finance costs in the consolidated statement of income.

To the extent that any hedge is ineffective, gains and losses on the fair value of these profit rate swap arrangements are recognised immediately in finance charges in the statement of consolidated income. Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in the consolidated statement of income.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires, is sold or terminated or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the consolidated statement of income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Financial instruments (continued)

Impairment

Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. All impairment losses are recognized in the consolidated statement of income.

a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognized in the consolidated statement of income;
b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of the estimated future cash flows discounted at the original effective finance cost rate.
d) Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the consolidated statement of income.

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of income.

Share capital
Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

Borrowing costs
Borrowing costs are finance cost and other costs that the Group incurs in connection with the borrowing of funds. A qualifying asset for finance cost capitalization is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group recognizes other borrowing costs as an expense in the period in which it incurs them.

The Group begins capitalizing borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the Group first meets all of the following conditions:

(a) incurs expenditures for the asset;
(b) incurs borrowing costs; and
(c) undertakes activities that are necessary to prepare the asset for its intended use or sale.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Borrowing costs (continued)
To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings, if any.

The borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than those specific borrowings mentioned above as made specifically for the purpose of obtaining a qualified asset, are capitalized by applying a capitalization rate to the expenditures on that asset.

The amount of borrowing costs that the Group capitalizes during the period is not to exceed the amount of borrowing costs it incurred during that period. The Group suspends capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset, and ceases capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. The expense relating a provision is presented in the statement of consolidated income net of any reimbursement.

Tenants deposits
Tenants deposits liabilities are initially recognized at fair value and subsequently measured at amortized cost where material. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognized on a straight-line basis over the lease term.

Leases
Lease payments
Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases, and are not recognized in the Group's consolidated financial position.

Payments made under operating leases are recognized in consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of finance cost on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease
At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- The fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- The arrangement contains a right to use the asset(s).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Leases (continued)
Determining whether an arrangement contains a lease (continued)
At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments made and an imputed finance cost on the liability is recognized using the Group's incremental borrowing rate.

Employees' end of service benefits
The Group provides end of service benefits to its expatriate employees in accordance with Qatari Labor Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its Qatari employees, the Group provides contributions to the General Pension and Social Insurance Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company 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.

Segment reporting
Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Dividend
The Group recognizes a liability to make cash distributions to equity shareholders of the Parent when distribution is authorized and the distribution in no longer at the discretion of the company. As per the Qatar Commercial Law No 11 of 2015, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date. All differences are taken to the consolidated statement of income.

Contingent liabilities and contingent assets
Contingent liabilities are not recognised in the financial statements, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the financial statements, but are disclosed when an inflow of economic benefits is probable.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Fair value measurement
The Group measures financial instruments such as derivatives, available for sale financial assets and non-financial assets such as investment properties and investment properties held for sale, at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value are disclosed in these consolidated financial statements in Note 33.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4 STANDARDS ISSUED BUT NOT EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

The Group is currently considering the implications of the new IFRSs which are effective for future accounting periods and has not early adopted any of the new Standards as listed below:

4 STANDARDS ISSUED BUT NOT EFFECTIVE (CONTINUED)

IFRS 9 Financial Instruments: Classification and Measurement

In July 2015, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018,with early adoption permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009,2010 and 2014) is permitted if the date of initial application in before a February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

IFRS 14 Regulatory Deferral Income

IFRS 14 is an optional standard that allows and entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line item on the statement of financial position and present movement in these account balances as separate line items in the statement of income and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer, this standard would not apply.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2015 and establishes a new five-step model that will apply to revenue arising from contracts 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 principles in IFRS 15 provide a more structured approach to measuring and recognition revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendment to IFRS 11 Joint Arrangements: Accounting for acquisition of interests

The amendment to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combination accounting. The amendment also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control in retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interest in the same joint operation and are prospectively effective for annual periods beginning on 1 January 2016, with early adoption permitted. The amendments are not expected to have any impact on the Group.

Amendments to IAS 16 and IAS 38: Classification of Acceptable Methods of Depreciation and Amortisation

The amendment clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

4 STANDARDS ISSUED BUT NOT EFFECTIVE (CONTINUED)

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investment in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from date of transition to IFRS. These amendments are effective for annual periods beginning on or after 1 January 2016. These amendments will not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidated Exception

The amendments address issues that have arisen an applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that previous support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

Annual Improvements2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. These improvements will not have an impact on the Group, but include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operation
IFRS 7 Financial Instruments: Disclosures
IFRS 3 Business Combinations
IAS 19 Employee Benefits
IAS 34 Interim Financial Reporting

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Classification of property

The Group determines whether a property is classified as investment property or trading property:

- Investment property comprises land and buildings (principally residential, commercial and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Trading property comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.

- Investment properties held for sale comprises the investment properties held exclusively with a view to its subsequent disposal within one year time from the date of acquisition or classification.

Impairment of tenants receivable

An estimate of the collectible amount of tenants receivable and due from related parties are 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 is applied according to the length of time past due.

At the reporting date, the gross amount of tenants receivable and due from related parties were QR 114,163 thousand and QR 40,577 thousand respectively.(31 December 2014: QR 90,737 thousand and QR 72,562 thousand respectively), and an allowance for impairment of tenants receivable amounted QR 65,534 (31 December 2014: QR 58,692 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of income.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable 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 a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

At the reporting date, inventories were QR 20,280 thousand (31 December 2014: QR 21,702 thousand) without any provision for obsolete, slow moving and damaged inventories. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of income.

Valuation of properties

The fair value of investment properties are determined by independent real estate valuation experts using recognized valuation techniques. The valuation techniques used in carrying out the valuation exercise comprise the Comparable methods of valuation.

Techniques used for valuing investment properties

The investment method is generally adopted for income producing assets where an actual, notional or potential market rent can be identified. Having calculated the gross income and made appropriate cost deductions, a market investment return or “yield” is applied in capitalising the cash flow assumptions to arrive at a capital value.

The Comparable method of valuation has primarily been adopted for the plots of land, considering the fact that transactional data is limited due to the financial climate and as such comparable evidence of available land transactions is examined , in addition to internal and third party valuations. Adjustments were made to rates as appropriate to reflect property/community specific factors.

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Impairment of available-for-sale financial assets

The Group treats available-for-sale financial assets as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The Group treats "significant" generally as 30% or more and 'prolonged' greater than nine (9) months. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities, if any.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including discounted cash flow method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information's are disclosed in Note 33.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. All non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

Operating lease commitment – group as a lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic lives of the commercial properties and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risk and rewards of ownership of these properties and accounts for such contracts as operating leases.

6 ACQUISITION OF AN ASSOCIATE

During 2014, the Group acquired an additional 28.75% interest in Islamic Holding Group (Q.S.C.) and obtained significant influence over financial and operating policy decisions of Islamic Holding Group (Q.S.C.). with 36.03% interest.

Islamic Holding Group Q.S.C. was established as a Qatari Private shareholding Company and registered under the Commercial Registration under No. 26337. The principal activities of Islamic Holding Group Q.S.C. are investing in shares, bonds and brokerage services in Qatar Exchange according to the Islamic Shari'a. Islamic Holding Group Q.S.C. is governed by the provisions of Qatar Commercial Companies' Law No.11 of 2015 and the regulations of Qatar Financial Market Authority and Qatar Exchange.

The Board of Directors has decided to change the legal structure of Islamic Holding Group to a Qatari Public Shareholding Company on 22 September 2006, which was approved by the Ministry of Economy and Trade on 26 December 2006. The Company's shares were listed in Qatar Exchange on 3 March 2008.

6 ACQUISITION OF AN ASSOCIATE (CONTINUED)

The fair value of assets acquired and liabilities assumed of Islamic Holding Group Q.S.C. as at the date of acquisition were as follows;

	QR'000
ASSETS	
Current assets	
Bank balances	36,336
Bank balances - customers' funds	257,769
Due from customers	475
Prepayments and other debit balances	13,742
Property and equipment	541
Available for sale financial assets	5,189
Total assets	314,052
Liabilities	
Due to customers	231,548
Due to Qatar Exchange	23,801
Accrued expenses and other credit balances	2,627
Employees' end of service benefits	882
Total liabilities	258,858
NET ASSETS	55,194
Fair value of net assets	19,886
Goodwill arising on acquisition	42,148
Cost of an associate acquired	62,034
Cash considerations	49,515
Fair value of the Group's equity interest in Islamic Holding Group held before acquisition	12,519
	62,034

In compliance with the provisions of International Financial Reporting Standard 3 "Business Combinations", the Group has carried out one time "Purchase Price Allocation" (PPA) exercise for the value of the acquisition of the shares of Islamic Holding Group Q.S.C. PPA identifies the values paid for the tangible assets, intangible assets and the goodwill arising on the acquisition. The intangibles identified on acquisition of shares in Islamic Holding Group Q.S.C. were not material and accordingly were not considered.

The Group recognised a gain of QR 8,461 thousand as a result of measuring at fair value its 7.28% equity interest in Islamic Holding Group Q.S.C. before acquisition. The gain represents fair value reserve of available for sale at date of acquisition which has been transferred to the consolidated statement of income. The gain is included in "Gain on acquisition of an associate" in the Group's consolidated statement of income for the year ended 31 December 2014.

7 CASH AND CASH EQUIVALENTS

	2015 *QR'000*	*2014* *QR'000*
Cash on hand	**409**	291
Cash at banks		
Term deposits	**475,000**	190,000
Saving and call accounts	**87,501**	66,164
Current accounts	**55,382**	31,643
Letter of credit margin accounts	**1,523**	9,687
Total cash and bank balances	**619,815**	297,785
Less: restricted bank balances	**(1,523)**	(9,687)
Less: short term bank deposits maturing after three months	**-**	(190,000)
Cash and cash equivalents	**618,292**	98,098

8 RECEIVABLES AND PREPAYMENTS

	2015 *QR'000*	*2014* *QR'000*
Tenants receivable	**114,163**	90,737
Less: allowance for impairment of tenants receivable	**(65,534)**	(58,692)
	48,629	32,045
Advances to suppliers and contractors*	**460,809**	116,173
Prepaid expenses	**59,036**	35,650
Refundable deposits	**12,359**	10,653
Accrued income	**3,229**	3,835
Notes receivable	**4,062**	1,818
Other receivables and debit balances	**11,934**	12,202
	600,058	212,376

*Due from related party balances included in advances to suppliers and contractors are disclosed in Note 10.

Receivables and prepayments are segregated between current and non-current as follows:

31 December 2015	***Current*** ***QR'000***	***Non-current*** ***QR'000***	***Total*** ***QR'000***
Net tenants receivable	**48,629**	**-**	**48,629**
Advances to suppliers and contractors	**460,809**	**-**	**460,809**
Prepaid expenses	**59,036**	**-**	**59,036**
Refundable deposits	**-**	**12,359**	**12,359**
Accrued income	**3,229**	**-**	**3,229**
Notes receivable	**4,062**	**-**	**4,062**
Other receivables and debit balances	**11,934**	**-**	**11,934**
	587,699	**12,359**	**600,058**

8 RECEIVABLES AND PREPAYMENTS (CONTINUED)

31 December 2014	*Current* *QR'000*	*Non-current* *QR'000*	*Total* *QR'000*
Net tenants receivable	32,045	-	32,045
Advances to suppliers and contractors	112,869	3,304	116,173
Prepaid expenses	35,650	-	35,650
Notes receivable	1,818	-	1,818
Refundable deposits	-	10,653	10,653
Accrued income	3,835	-	3,835
Other receivables and debit balances	12,202	-	12,202
	198,419	13,957	212,376

Movements in the allowance for impairment of tenants receivable were as follows:

	2015 ***QR'000***	*2014* *QR'000*
At 1 January	**58,692**	37,644
Allowance for impairment of tenants receivables	**14,420**	28,960
Reversal of allowance for impairment of tenants receivables	**(7,578)**	(7,472)
Net allowance for impairment of tenants receivable (Note 25)	**6,842**	21,488
Transfers	**-**	(440)
At 31 December	**65,534**	58,692

Unimpaired tenants receivable, due from related parties, refundable deposits and other receivables and debit balances are expected, on the basis of past experience, to be fully recoverable. The Group's practice is not to obtain collaterals over receivables and the vast majority of receivables are unsecured accordingly.

The ageing of unimpaired financial assets as at 31 December is as follows:

			Past due but not impaired			
	Total *QR'000*	*Neither past due nor impaired* *QR'000*	*< 30 days* *QR'000*	*31 – 60 days* *QR'000*	*61 – 90 days* *QR'000*	*>90 days* *QR'000*
2015	**113,499**	**15,426**	**20,763**	**51,447**	**5,440**	**20,423**
2014	127,462	14,748	5,355	49,179	4,854	53,326

9 INVENTORIES

	2015 ***QR'000***	*2014* *QR'000*
Consumables	**9,469**	8,129
Buildings and maintenance materials	**10,811**	13,573
	20,280	21,702

10 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent the Parent of the Group, the major shareholders, associated companies, joint venture, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's Board of Directors.

Related party balances
Balances with related parties included in the consolidated statement of financial position are as follows;

Due from related parties

	2015 ***QR'000***	*2014* *QR'000*
Dar Al Arab W.L.L. *(Note ii)*	**38,088**	32,893
White Square Real Estate Company W.L.L.	**2,481**	46
Emtedad Real Estate for Projects W.L.L.	**-**	25,016
SAK Holding Group Company S.O.C.	**-**	14,592
Other related parties	**8**	15
	40,577	72,562

Due from related party balances are current.

Note i
Advances to suppliers and contractors amounted to QR 377,161 thousand included in receivable and prepayments (Note 8) is relating to the advances paid to SAK Trading and Contracting Company S.O.C. This advance is relating to the construction activities of a subsidiary of the Group.

Note ii
In subsequent period, the Group agreed to increase the share of its investment in Dar Al Arab W.L.L. (an associate company of the Group) and the receivable balance will be converted to investment during the next financial year.

Due to a related party

	2015 ***QR'000***	*2014* *QR'000*
SAK Holding Group S.O.C.*	**350,231**	-
	350,231	-

*This amount represents a related party loan obtained by a subsidiary of the Group during the year and the balance is non -current.

Balances due to related parties included in Islamic financing borrowings and payables and other liabilities are as follows:

	2015 ***QR'000***	*2014* *QR'000*
Islamic financing borrowings from an associate Bank	**2,788,629**	2,686,669

	2015 ***QR'000***	*2014* *QR'000*
Contractors and supplier (SAK Trading and Contracting Company S.O.C.)	**672,128**	56,106
Retention payable (SAK Trading and Contracting Company S.O.C.)	**138,816**	-

10 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Related party transactions
Transactions with related parties during the year are as follows:

	2015 ***QR'000***	*2014* *QR'000*
Construction of investment properties *(Note i)*	**1,435,575**	248,215
Finance costs capitalized to properties under development	**33,639**	67,042
Finance costs charged to the consolidated statement of income	**70,584**	61,615
Rental income	**6,049**	6,049

Note i
The Group entered into several construction contracts with SAK Trading and Contracting Company S.O.C. to construct investment properties owned by the Group. The Group has contractual commitments amounting to QR 1,512,168 thousand (2014: QR 32,190 thousand) to SAK Trading and Contracting Company S.O.C. in relation to these construction contracts at 31 December 2015 (Note 32).

Note ii
On 1 October 2015, the Group has transferred certain plots of lands to Emtedad Real Estate for Projects W.L.L. at fair value amounted to QR 4,734,288 thousand based on valuation performed by accredited independent valuer as at the date of the transfer. Carrying values of these plots of lands transferred were QR 2,411,178 thousand.

Terms and conditions of transactions with related parties
Except for Islamic financing borrowings from an associate bank which are secured against mortgages on different types of investment properties owned by the Group and carries finance cost, outstanding balances of related parties at the year-end are unsecured and free of finance cost, in addition there have been no guarantees provided or received for any other due from or due to related parties' balances.

For the years ended 31 December 2015 and 2014, the Group has not recorded any impairment relating to amounts due from related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

Compensation of directors and other key management personnel

	2015 ***QR'000***	*2014* *QR'000*
Board of Directors' remuneration (*) (Note 25)	**6,394**	16,430
Total key management and executive committee benefits	**41,374**	41,129
	47,768	57,559

* According to article 119 of Qatari Commercial Law No 11 of 2015, the Group has provided QR 6,394 thousand (2014: QR 16,430 thousand) as Board of Directors' remuneration .

11 INVESTMENT PROPERTIES HELD FOR SALE

	2015	*2014*
	QR'000	*QR'000*
Balance at 1 January	**299,537**	-
Sold during the year *(Note i)*	**(11,828)**	(59,441)
Transferred (to) from investment properties* (Note 13)	**(287,709)**	358,978
	-	299,537

Note i
The Group has recognised a gain of QR 5,481 thousand (2014: QR 24,383 thousand) during the year from sale of certain investment properties classified as held for sale.

*During the year, the Group decided to cease classification of investment properties, as held for sale and accordingly unsold investment properties classified as held for sale before were reclassified to investment properties at 31 December 2015.

12 AVAILABLE- FOR- SALE FINANCIAL ASSETS

	2015	*2014*
	QR'000	*QR'000*
Quoted investments	**5,534,114**	5,190,446

Movements in cumulative changes in fair values arising from available for sale financial assets owned by the Group are as follows:

	2015	*2014*
	QR'000	*QR'000*
Balance at 1 January	**1,264,817**	335,980
Net (loss) gain on available for sale financial assets (Note 21)	**(662,322)**	928,837
	602,495	1,264,817

Concentration of investment portfolio
Concentration of investment portfolio arises when a number of investments are made in entities engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would be affected by changes in economic, political or other conditions. The Group manages this risk through diversification of investments in terms of industry concentration. The industry concentration of the investment portfolio is as follows:

	2015	*2014*
	QR'000	*QR'000*
Banks and financial institutions	**4,323,366**	3,877,425
Industries	**948,288**	1,040,351
Consumer goods and services	**233,629**	250,309
Telecommunication	**20,903**	21,607
Insurance	**7,928**	754
	5,534,114	5,190,446

12 AVAILABLE- FOR- SALE FINANCIAL ASSETS

Notes:

(i) All available for sale financial assets of the Group are local shares listed at Qatar Exchange.

(ii) The mortgages on available for sale financial assets are disclosed in Note 17.

(iii) During the year, the Group's ownership interest in Widam Food Company Q.S.C. and Qatar Investors Group Q.S.C. reached to 24.15% and 20% (31 December 2014: 23.02% and 20%) respectively. However, these investments are still accounted for as available- for- sale financial assets since the Group does not have significant influence over the operating and financial decisions of the investees.

13 INVESTMENT PROPERTIES

The Movement in the investment properties during the year is as follows:

	2015	*2014*
	QR'000	*QR'000*
At 1 January	**34,216,539**	33,855,075
Development costs during the year	**1,599,665**	390,212
Transferred from (to) investment properties held for sale (Note 11)	**287,709**	(358,978)
Capitalized finance costs on property under development (Note 26) (*Note ii)*	**194,267**	276,773
Gain on revaluation of investment properties	**600,789**	53,457
At 31 December	**36,898,969**	34,216,539

Investment properties consists of:

	2015	*2014*
	QR'000	*QR'000*
Completed properties	**26,355,780**	26,533,581
Projects under Development	**10,543,189**	7,682,958
	36,898,969	34,216,539

Notes:

(i) All investment properties are located in the State of Qatar.

(ii) Capitalized finance cost is computed based on the average qualifying expenditures related to the projects under developments. Finance cost is capitalized using the Group's weighted average capitalization rate of 4.12% (2014: 4.98%).

(iii) The mortgages on the investment properties are disclosed in Note 17.

(iv) Investment properties are stated at fair value, which has been determined based on valuation performed by accredited independent valuer as at 31 December 2015 and 2014. The valuer, D.T.Z Qatar L.L.C., is an accredited independent valuer with a recognised and relevant professional qualifications and with recent experience in the location and category of those investment properties being valued. In arriving at estimated market values the valuers have used their market knowledge and professional judgment and not only relied on historical transactions comparable. The valuation has been prepared in accordance with the appropriate sections of the Practice Statements ("PS"), contained with the RICS Valuation- Professional Standards 2015 (the "Red Book").

13 INVESTMENT PROPERTIES (CONTINIED)

Description of valuation techniques used by the Group and key inputs to valuation of the investment properties are as follows:

Type of properties	***Valuation technique***	***Significant unobservable Inputs***	***Range (weighted average)***
Residential properties	Investment method	Estimated rental value per sqm per month	QR 40 to QR 901
		Rent growth per annum	3.7%
		Discount rate	7.5% to 8.1%
Commercial properties	Investment method	Estimated rental value per sqm per month	QR 60 to QR 480
		Rent growth per annum	3.7%
		Discount rate	7.5% to 8.1%
Bear lands	Comparable method	Estimated land value per sqm	QR 2,052 to QR 13,300

Investment Method

The Investment method is generally adopted for income-producing assets where an actual, notional or potential market rent can be identified. Having calculated the gross income and made appropriate cost deductions, a market investment return or “yield” is applied in capitalising the cash flow assumptions to arrive at a capital value. In valuing the income producing properties the Group has utilised market evidence to establish market rents and market facing capitalisation rates.

Comparable method

The Comparable method of valuation has primarily been adopted for the plots of land. It should be noted that transactional data is limited due to the financial climate and as such we have looked at comparable evidence of available land transactions in addition to internal and third party valuations. Adjustments were made to rates as appropriate to reflect property/community specific factors.

14 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

The group has following investment in associates and a joint venture:

	Country of incorporation	*Ownership interest*			
		2015	*2014*	***2015***	*2014*
		%	*%*	***QR'000***	*QR'000*
Qatar International Islamic Bank Q.S.C.	Qatar	**22.65%**	22.65%	**2,083,000**	2,059,807
Medicare Group Q.S.C.	Qatar	**25.79%**	24.69%	**388,358**	326,465
Qatar Islamic Insurance Company Q.S.C.	Qatar	**23.82%**	23.82%	**222,676**	216,178
Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L.	Qatar	**30.00%**	30.00%	**211,110**	208,573
White Square Real Estate W.L.L.	Qatar	**32.50%**	32.50%	**192,678**	150,581
Islamic Holding Group Q.S.C.	Qatar	**33.33%**	29.58%	**75,516**	58,006
Dar Al-Arab W.L.L.	Qatar	**49.00%**	49.00%	**29,318**	34,089
Emtedad Real Estate for Projects W.L.L.	Qatar	-	67.50%	-	135
				3,202,656	3,053,834

Notes:

(i) *Qatar International Islamic Bank Q.S.C. (QIIK)*
Qatar International Islamic Bank (Q.S.C) ("QIIB" or "the Bank") was incorporated under Amiri Decree No.52 of 1990. The Bank operates through its head office located on Grand Hamad Street in Doha and 20 local branches. The Bank is listed and its shares are traded on the Qatar Exchange. The Bank is engaged in banking, financing and investing activities in accordance with its Articles of Incorporation, Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank and regulations of Qatar Central Bank (QCB).

(ii) *Medicare Group Q.S.C. (MCGS)*
Medicare Group Q.S.C, formerly known as Al Ahli Specialised Hospital Company Q.S.C., is a Qatari Public Shareholding Company incorporated on 30 December 1996 under Commercial Registration Number 18895. The Company's registered office located at P.O. Box 6401, Doha, State of Qatar. The Company's main activity is to operate a specialised hospital and promote medical services in State of Qatar.

(iii) *Qatar Islamic Insurance Company Q.S.C. (QISI)*
Qatar Islamic Insurance Company Q.S.C. was incorporated in the State of Qatar as a Closed Shareholding Company on 30 October 1993. On 12 December 1999 the Company changed its status to a public listed Company. The Company is engaged in business of underwriting general, Takaful (life) and health non-interest insurance in accordance with the Islamic Shari'a principles.

(iv) *Dar Al-Sharq for Printing, Publishing and Distribution W.L.L.(Dar Al Sharq)*
Dar Al-Sharq for Printing, Publishing and Distribution W.L.L. was incorporated in the State of Qatar as a Limited Liability Company on 24 October 1985. The main activities of Dar Al-Sharq for Printing, Publishing and Distribution Company W.L.L. is the publication of two daily newspapers, Al Sharq newspaper (Arabic Language) and Peninsula Newspaper (English Language) and the operation of a printing press.

(v) *White Square Real Estate W.L.L.(White Square)*
White Square Real Estate Company W.L.L. (the "Company") is a Limited Liability Company registered and incorporated in the State of Qatar under the Commercial Registration No. 51302. The Company is structured as a joint venture company between Ezdan Holding Group Company Q.S.C. and Mr. Ibrahim Rashid Al-Mohannadi for the purpose of constructing and management of an investment property. The Company is principally engaged in real estate trading, development and rental activities.

(vi) *Islamic Holding Group Q.S.C. (IHGS)*
Islamic Holding Group Q.S.C. was established as a Qatari Private Shareholding Company and registered under the Commercial Registration No. 26337 and was converted in to Public Shareholding Company during 2006. The principal activities of Islamic Holding Group Q.S.C. are investing in shares, bonds and brokerage services in Qatar Exchange according to the Islamic Shari'a.

14 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONTINUED)

(vii) *Dar Al-Arab W.L.L.(Dar Al Arab)*
Dar Al-Aarab W.L.L. was incorporated in the State of Qatar as a Limited Liability Company on 9 September 2004. The main activities of Dar Al-Arab Company W.L.L. include the publication of Al Arab newspaper.

(viii) Emtedad Real Estate for Projects W.L.L. (EMTEDAD)
During the year investment in Emtedad Real Estate for Projects W.L.L. converted in to a subsidiary (Note 2).

Reconciliation of the summarized financial information presented to the carrying amount of its interests in associates and a joint venture is as follows;

	2015 ***QR'000***	*2014* *QR'000*
Balance at 1 January	**3,053,834**	2,832,202
Dividends received	**(198,068)**	(162,822)
Share of results	**275,834**	324,119
Additions during the year	**72,267**	55,898
Share of net movement in other comprehensive income (Note 21)	**(1,076)**	4,437
Transfer to subsidiary	**(135)**	-
Balance at 31 December	**3,202,656**	3,053,834

Set out below are the Summarized financial information for investments in associates and a joint venture which are accounted for using equity method.

14 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONTINUED)

Summarized Statement of financial position:

	2015								
	QIIK QR'000	***MCGS QR'000***	***QISI QR'000***	***Dar Al Sharq QR'000***	***White Square QR'000***	***IHGS QR'000***	***Dar Al Arab QR'000***	***EMTEDAD QR'000***	***Total QR'000***
Total assets	**40,850,002**	**1,146,803**	**814,889**	**551,881**	**1,033,146**	**249,183**	**180,599**	**-**	**44,826,503**
Total liabilities	**(35,010,933)**	**(196,093)**	**(476,636)**	**(94,763)**	**(440,291)**	**(187,201)**	**(149,065)**	**-**	**(36,554,982)**
Equity	**5,839,069**	**950,710**	**338,253**	**457,118**	**592,855**	**61,982**	**31,534**	**-**	**8,271,521**
Group's interest	**1,322,627**	**245,233**	**80,579**	**137,135**	**192,678**	**20,655**	**15,452**	**-**	**2,014,359**
Goodwill	**760,373**	**143,125**	**142,097**	**73,975**	**-**	**54,861**	**13,866**	**-**	**1,188,297**
Carrying value of investment	**2,083,000**	**388,358**	**222,676**	**211,110**	**192,678**	**75,516**	**29,318**	**-**	**3,202,656**

	2014								
	QIIK QR'000	*MCGS QR'000*	*QISI QR'000*	*Dar Al Sharq QR'000*	*White Square QR'000*	*IHGS QR'000*	*Dar Al Arab QR'000*	*EMTEDAD QR'000*	*Total QR'000*
Total assets	38,763,068	1,039,307	770,594	559,863	701,107	563,650	182,799	200	42,580,588
Total liabilities	(33,029,292)	(113,739)	(459,611)	(111,203)	(237,780)	(495,865)	(141,526)	-	(34,589,016)
Equity	5,733,776	925,568	310,983	448,660	463,327	67,785	41,273	200	7,991,572
Group's interest	1,299,401	228,518	74,081	134,598	150,581	20,051	20,223	135	1,927,588
Goodwill	760,406	97,947	142,097	73,975	-	37,955	13,866	-	1,126,246
Carrying value of investment	2,059,807	326,465	216,178	208,573	150,581	58,006	34,089	135	3,053,834

14 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONTINUED)

Share of associates and a joint venture summarized income statement and statement of comprehensive income.

	2015							
	QIIK QR'000	***MCGS QR'000***	***QISI QR'000***	***Dar Al Sharq QR'000***	***White Square QR'000***	***IHGS QR'000***	***Dar Al Arab QR'000***	***Total QR'000***
Revenue and gains	**1,623,120**	**612,469**	**121,250**	**223,344**	**133,720**	**20,661**	**43,386**	**2,777,950**
Profit for the year	**708,893**	**173,428**	**79,938**	**23,248**	**129,530**	**5,958**	**867**	**1,121,862**
Total comprehensive income	**710,770**	**165,261**	**87,270**	**19,168**	**129,530**	**6,208**	**867**	**1,119,074**
Group's share of results for the year	**160,574**	**44,735**	**19,043**	**6,975**	**42,097**	**1,986**	**424**	**275,834**
Dividends	**137,148**	**34,731**	**14,293**	**3,150**	**-**	**3,550**	**5,196**	**198,068**

	2014							
	QIIK QR'000	*MCGS QR'000*	*QISI QR'000*	*Dar Al Sharq QR'000*	*White Square QR'000*	*IHGS QR'000*	*Dar Al Arab QR'000*	*Total QR'000*
Revenue and gains	1,520,305	545,999	106,458	231,876	36,160	26,212	49,547	2,516,557
Profit for the year	1,014,648	181,521	73,377	63,373	36,069	16,100	5,070	1,390,158
Total comprehensive income	1,015,648	206,136	75,083	73,767	36,069	16,008	5,070	1,427,781
Group's share of results for the year	225,263	48,033	17,069	15,692	11,808	3,769	2,485	324,119
Dividends	128,577	20,845	13,400	-	-	-	-	162,822

14 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONTINUED)

(i) The mortgages on investments in associates are disclosed in Note 17.

(ii) The Group carried out an impairment testing for the carrying value of the associates at 31 December 2015. The recoverable amounts of the investment were determined based on value in use calculated using cash flows projections by Group's management covering a period of five to ten years.

Key assumptions used in value in use calculation

Key assumptions
The principal assumptions used in the projections relate to the average revenue, cost of goods sold, operating costs, and EBITDA. The assumptions are constructed based upon historic experience and Group's management best estimate of future trends and performance and take account over the budget period of anticipated efficiency improvements.

Discount rates
Discount rates reflect management's estimate of the risks specific to each investee company. Discount rates are based on a weighted average cost of capital for each investee Company. In determining appropriate discount rates for each investee company, regard has been given to the risk free rate, Beta, Equity risk premium and Size premium of each investee company.

15 PROPERTY AND EQUIPMENT

	Buildings QR'000	*Motor vehicles QR'000*	*Furniture, fixtures and office equipment QR'000*	*Total QR'000*
Cost				
At 1 January 2015	12,852	6,584	58,984	78,420
Additions	-	861	3,051	3,912
Disposals/Retirement	-	-	(480)	(480)
At 31 December 2015	12,852	7,445	61,555	81,852
Depreciation				
At 1 January 2015	3,321	2,511	44,529	50,361
Charge for the year	643	1,245	7,433	9,321
Relating to disposals /Retirement	-	-	(125)	(125)
At 31 December 2015	3,964	3,756	51,837	59,557
Net carrying amount				
31 December 2015	**8,888**	**3,689**	**9,718**	**22,295**

	Buildings QR'000	*Motor vehicles QR'000*	*Furniture, fixtures and office equipment QR'000*	*Total QR'000*
Cost				
At 1 January 2014	12,852	5,634	50,300	68,786
Additions	-	1,116	8,684	9,800
Disposals	-	(166)	-	(166)
At 31 December 2014	12,852	6,584	58,984	78,420
Depreciation				
At 1 January 2014	2,678	1,386	37,184	41,248
Charge for the year	643	1,183	7,345	9,171
Relating to disposals	-	(58)	-	(58)
At 31 December 2014	3,321	2,511	44,529	50,361
Net carrying amount				
31 December 2014	9,531	4,073	14,455	28,059

16 PAYABLES AND OTHER LIABILITIES

	2015 ***QR'000***	*2014* *QR'000*
Contractors and suppliers payable *(Note i)*	**720,408**	109,661
Tenants deposits	**153,175**	145,130
Retention payable *(Note i)*	**151,170**	11,593
Accrued expenses	**68,336**	65,734
Unearned rents	**66,686**	76,203
Provision for end of services benefits	**26,870**	20,631
Provision for Social and Sports Activities Fund	**54,098**	46,562
Advances from customers	**2,698**	19,308
Derivative financial liabilities (Note 29)	**297**	4,446
Other payables	**3,957**	6,757
	1,247,695	506,025

Payables and accruals are segregated between current and non-current as follows:

31 December 2015	***Current*** ***QR'000***	***Non-current*** ***QR'000***	***Total*** ***QR'000***
Tenants deposits	**-**	**153,175**	**153,175**
Retention payable	**-**	**151,170**	**151,170**
Accrued expenses	**68,336**	**-**	**68,336**
Unearned rents	**66,686**	**-**	**66,686**
Contractors and suppliers payable	**720,408**	**-**	**720,408**
Provision for end of services benefits	**-**	**26,870**	**26,870**
Provision for Social and Sports Activities Fund	**54,098**	**-**	**54,098**
Advances from customers	**2,698**	**-**	**2,698**
Derivative financial liability	**-**	**297**	**297**
Other payables	**3,957**	**-**	**3,957**
	916,183	**331,512**	**1,247,695**

31 December 2014	*Current* *QR'000*	*Non-current* *QR'000*	*Total* *QR'000*
Tenants deposits	-	145,130	145,130
Unearned rents	76,203	-	76,203
Accrued expenses	65,734	-	65,734
Provision for Social and Sports Activities Fund	46,562	-	46,562
Contractors and suppliers payable	109,661	-	109,661
Provision for end of services benefits	-	20,631	20,631
Advances from customers	19,308	-	19,308
Retention payable	-	11,593	11,593
Derivative financial liability	-	4,446	4,446
Other payables	6,757	-	6,757
	324,225	181,800	506,025

Note i
Due to related party balances included in retention payable and contractor and supplier payable balances are disclosed in Note 10.

17 ISLAMIC FINANCING BORROWINGS

The movements in the Islamic financing borrowings during the year were as follows:

	2015	*2014*
	QR'000	*QR'000*
At 1 January	**12,809,634**	12,076,283
Additional facilities obtained during the year	**3,160,000**	1,825,000
Finance costs (Note 26)	**593,180**	602,217
Repayments of outstanding facilities during the year	**(1,603,207)**	(1,693,866)
At 31 December	**14,959,607**	12,809,634

Islamic financing borrowings are segregated between current and non-current maturity periods as follows:

	2015	*2014*
	QR'000	*QR'000*
Current portion	**1,485,616**	1,234,220
Non-current portion	**13,473,991**	11,575,414
	14,959,607	12,809,634

Terms and conditions of the outstanding facilities were as follows:

Type of facilities	***Currency***	***Profit rates charged by banks***	***2015 QR'000***	*2014 QR'000*
Secured Murabaha	QR	REPO rate	**7,208,446**	7,505,803
Secured Ijara	QR	REPO rate	**3,981,440**	3,130,597
Secured Murabaha	USD	1 Y/3 M LIBOR	**1,490,667**	1,622,100
Secured Ijara	USD	1-3 M LIBOR	**2,279,054**	551,134
			14,959,607	12,809,634

Note i:
The Islamic financing borrowings have been obtained for the purpose of financing long term projects and working capital requirements of the Group. All contracts carry profits at commercial rates.

Note ii:
The group obtained 3 new Islamic financing borrowing during the year as follows;

Islamic Bowring Finance 1
On 25 August 2015, the Group obtained a new syndicated Islamic financing borrowing amounted to QR 1,825,000 thousand. The syndicated Islamic financing borrowing carries profit at 1 M LIBOR rate plus margin. The profit and the principal are payable on monthly basis starting from 25 August 2016. The Group has entered into a profit rate swap contract to match the profit in relation to this Islamic financing borrowing.

Islamic Bowring Finance 2
The Group has obtained an Islamic financing borrowing amounted to of QR 900,000 thousand. The borrowing carries profit at QCB Repo rate plus margin. The profit and the principal are payable on quarterly basis starting from 5 July 2017.

Islamic Bowring Finance 3
The Group has obtained an Islamic financing borrowing amounted to of QR 435,000 thousand. The borrowing carries profit at QCB Repo rate plus margin. The profit and the principal are payable on quarterly basis starting from 27 May 2018.

17 ISLAMIC FINANCING BORROWINGS (CONTINUED)

Note iii:
In April 2014, the Group obtained a syndicated Islamic financing borrowing amounted to QR 1,825,000 thousand. The syndicated Islamic financing borrowing carries profit at 3M LIBOR rate plus margin. The profit and the principal are payable on quarterly basis starting from 17 April 2015. The Group has entered into a profit rate swap contract to match the profit in relation to the part of this Islamic financing borrowing.

Note iv:
As at 31 December 2015, the Group had secured borrowings against mortgages on different types of investment properties owned by the Group with a carrying value of QR 15,437,660 thousand (31 December 2014: QR 16,724,264 thousand) and mortgage against quoted shares included in the consolidated statement of financial position within available-for-sale financial assets and investments in equity accounted investees with carrying value of QR 4,444,942 thousand at 31 December 2015 (31 December 2014: QR 4,451,507 thousand).

Note v:
During 2014, the Group reduced the profit margin by 1% by restructuring certain Islamic financing borrowings amounted to QR 5,404,168 thousand with revised maturity extended up to 2024.

The maturity profiles of the facilities are as follows:

31 December 2015	***1 year QR'000***	***2-5 years QR'000***	***Over 5 years QR'000***	***Total QR'000***
Secured Murabaha (QR)	**568,102**	**3,644,968**	**2,995,376**	**7,208,446**
Secured Ijara (QR)	**152,925**	**1,739,170**	**2,089,345**	**3,981,440**
Secured Murabaha (USD)	**440,120**	**1,050,547**	**-**	**1,490,667**
Secured Ijara (USD)	**324,472**	**1,954,582**	**-**	**2,279,054**
	1,485,619	**8,389,267**	**5,084,721**	**14,959,607**

31 December 2014	*1 year QR'000*	*2-5 years QR'000*	*Over 5 years QR'000*	*Total QR'000*
Secured Murabaha (QR)	624,179	3,304,377	3,577,247	7,505,803
Secured Ijara (QR)	214,189	1,093,665	1,822,743	3,130,597
Secured Murabaha (USD)	295,606	1,296,146	30,348	1,622,100
Secured Ijara (USD)	100,246	450,888	-	551,134
	1,234,220	6,145,076	5,430,338	12,809,634

18 SHARE CAPITAL

	2015 QR'000	*2014 QR'000*
Authorised, issued and fully paid up:		
2,652,496,691 shares of QR 10 each	**26,524,967**	26,524,967

19 LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 and the Company's Article of Association, a minimum of 10% of the net profit should be transferred to a legal reserve each year until this reserve is equal to 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above Law and the Company's Article of Association.

20 CONTRIBUTION TO SOCIAL AND SPORTS ACTIVITIES FUND

In accordance with Law No 8 of 2011 (Amendment to Law No. 13 of 2008), the Group made an appropriation of profit in amount of QR 41,546 thousands (2014: QR 34,009 thousands) equivalent to 2.5% of the consolidated net profit for the year for the support of sports, cultural, social and charitable activities.

21 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2015 ***QR'000***	*2014* *QR'000*
Fair value reserve		
Available-for-sale financial assets		
Net (loss) gain on available-for-sale financial assets	**(300,204)**	1,107,453
Net gain on disposal of available-for-sale financial assets reclassified to consolidated statement of income	**(416,074)**	(214,854)
Reclassification of impairment losses on available-for-sale financial assets charged to consolidated statement of income	**53,956**	44,699
Reclassification of gain recognised in the statement of income	**-**	(8,461)
Net (loss) gain on available-for-sale financial assets (Note 12)	**(662,322)**	928,837
Gain (loss) on cash flow hedges	**4,149**	(4,446)
Share of net movement in fair value reserve of associates	**(1,076)**	4,437
Total other comprehensive (loss) income for the year	**(659,249)**	928,828

22 OTHER OPERATING REVENUES

	2015 ***QR'000***	*2014* *QR'000*
Compensation from Government (*Note i)*	**43,436**	23,671
Food and beverage revenues	**25,113**	16,943
Health club income	**4,495**	4,543
Internet income	**4,472**	4,522
Rebate commission	**3,754**	2,226
Property management fee	**4,241**	2,142
Laundry revenue	**1,785**	1,580
Others	**10,089**	9,015
	97,385	64,642

Note i
This pertaining to the amounts received from the Qatari Government during the year in respect of properties acquired by the Government from the Group.

23 OPERATING EXPENSES

	2015 ***QR'000***	*2014* *QR'000*
Staff costs	**87,603**	74,273
Electricity and water	**50,721**	51,926
Sewage expenses	**43,892**	33,760
Maintenance expenses	**31,655**	28,950
Cleaning	**20,583**	22,136
Air-conditioning	**18,656**	15,648
Security	**17,755**	17,635
Food and beverage	**10,243**	7,465
Laundry and dry cleaning	**5,920**	5,933
Generators and equipment rental	**174**	29,439
Other expenses	**9,112**	9,809
	296,314	296,974

24 OTHER INCOME

	2015 ***QR'000***	*2014* *QR'000*
Profit on Islamic bank accounts (Note 26)	**10,822**	6,893
Miscellaneous income	**7,909**	3,993
	18,731	10,886

25 GENERAL AND ADMINISTRATIVE EXPENSES

	2015 ***QR'000***	*2014* *QR'000*
Staff costs	**131,599**	117,817
Executive Committee benefits	**33,000**	32,500
Consulting, legal & professional expenses	**13,633**	10,407
Advertising and marketing	**12,438**	17,795
Qatar Exchange registration fees	**8,375**	8,166
Net of allowance for impairment of tenants receivable (Note 8)	**6,842**	21,488
Board of Directors remunerations (Note 10)	**6,394**	16,430
Information systems expenses	**5,131**	4,035
Communication	**4,105**	1,803
Donations	**3,129**	1,271
Lease expenses	**3,006**	2,495
Insurance	**2,718**	1,343
Printing & Stationery	**1,560**	1,407
Bank charges	**2,673**	665
Compensation expenses	**84**	6,501
Other expenses	**10,828**	11,235
	245,515	255,358

26 FINANCE COSTS AND INCOME

	2015	*2014*
	QR'000	*QR'000*
Finance costs		
Profits charged by banks on Islamic financing borrowings (Note 17)	**593,180**	602,217
Less: capitalized finance costs (Note 13)	**(194,267)**	(276,773)
Banks profits charged to the consolidated statement of income	**398,913**	325,444
Finance income		
Profit on Islamic bank accounts (Note 24)	**10,822**	6,893

27 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the parent for the year by the weighted average number of shares outstanding during the year.

	2015	*2014*
Profit attributable to equity holders of the parent (QR'000)	**1,661,853**	1,360,365
Weighted average number of shares outstanding during the year (thousands of share)	**2,652,497**	2,652,497
Basic earnings per share (QR)	**0.63**	0.51

There were no potentially dilutive shares outstanding at any time during the year. Therefore, the diluted earnings per share are equal to the basic earnings per share.

28 DIVIDENDS

At the General Assembly meeting held on 25 March 2015, the shareholders approved a cash dividend of QR 0.40 per share amounting to a total of QR 1,060,999 thousand for the year ended 31 December 2014 (2013: QR 0.31 per share amounting to a total of QR 822,274 thousand for the year ended 31 December 2013).

The Board of Directors has proposed cash dividends of QR 0.5 per share totalling to QR 1,326,248 thousand for the year ended 31 December 2015. The proposed dividend for the year ended 31 December 2015 will be submitted for approval at the Annual General Assembly meeting.

29 DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into profit rate swap contracts effective up to 2020 in order to hedge against the profit rate risk arising from certain Islamic financing borrowings obtained at variable profit rates. Under the terms of the profit rate swap contracts, the Group pays fixed rate of profit and will receive floating profit based on 1 - 3 M LIBOR. The terms of the profit rate swap contracts have been negotiated to match the terms of the Islamic financing borrowings.

Derivative financial instrument included in the statement of financial position are as follows;

29 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED),

At 31 December 2015	***(Negative) positive fair value QR '000***	***Notional amount QR '000***	***Within 3 months QR '000***	***3 to 12 months QR '000***	***1 to 5 years QR '000***	***More than 5 years QR '000***
Derivative financial liabilities						
PRS contracts 1	**(3,099)**	**1,052,059**	**-**	**-**	**-**	**(3,099)**
PRS contracts 3	**1,627**	**1,149,750**	**-**	**-**	**-**	**1,627**
PRS contracts 2	**1,175**	**675,250**	**-**	**-**	**-**	**1,175**
	(297)	**2,877,059**	**-**	**-**	**-**	**(297)**

At 31 December 2014	*Negative fair value QR '000*	*Notional amount QR '000*	*Within 3 months QR '000*	*3 to 12 months QR '000*	*1 to 5 years QR '000*	*More than 5 years QR '000*
PRS contracts 1	(4,446)	1,277,500	-	-	-	(4,446)

Negative fair value is included in the payables and other liabilities in Note 16.

30 CONTINGENT LIABILITIES

	2015 QR'000	*2014 QR'000*
Bank guarantees	**4,225**	9,687
Letters of credit	**5,771**	8,875

The Group anticipates that no material liabilities will arise from the above guarantees and letter of credits, which are issued in the ordinary course of business.

31 NON-CONTROLLING INTERESTS

This represents non-controlling interests in Emtedad Real Estate for Projects W.L.L. with 32.5%.

32 CONTRACTUAL COMMITMENTS

	2015 QR'000	*2014 QR'000*
Contractual commitments to contractors and suppliers for development of projects	**1,714,659**	113,047

Note
Contractual commitments to contractors and suppliers amounted to QR 1,508,643 (2014 QR; Nil) is relating to Emtedad Real Estate for Projects W.L.L., a subsidiary of the Group for more than one year.

33 FINANCIAL INSTRUMENT RISK MANAGEMENT, OBJECTIVES AND POLICIES

Risk management framework
The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, 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.

The management is responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group of companies follow the Group risk management policies, being that the activities of the subsidiaries of the Group are monitored by the Company's Board of Directors and Committees.

The Board of Directors (the "Board") has overall responsibility for the establishment and oversight of the Group's risk management framework, and implementing the same through the Executive Committees. Executive Committees report regularly to the Board on its activities, either on ad-hoc basis or periodically.

The Group has exposure to the following risks:

(i) credit risk
(ii) liquidity risk
(iii) market risk
(iv) operational risks
(v) real estate risk
(iv) other risks

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

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from rental activities, refundable deposits, bank balances and due from related parties.

For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

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

	2015 QR'000	*2014 QR'000*
Banks balances (excluding cash)	**619,406**	297,494
Receivables, refundable deposits and other receivables	**72,922**	54,900
Due from related parties	**40,577**	72,562
	732,905	424,956

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Group's reputation.

33 FINANCIAL INSTRUMENT RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The Group uses project-based costing to cost its projects and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group monitors its bank accounts and cash requirements through monthly budgets and reviews actual versus budgeted cash movements on a daily basis, as to ensure that cash and bank accounts are managed in the optimum manner to the Group.

The following are the contractual maturities of financial assets and financial liabilities excluding the impact of netting agreements, if any:

31 December 2015	*Carrying amounts QR'000*	*Contractual cash in (out) flows QR'000*	*Less than 1 year QR'000*	*1 – 2 Years QR'000*	*2 – 5 years QR'000*	*More than 5 years QR'000*
Financial Assets						
Cash and bank balances	**619,815**	**619,815**	**619,815**	**-**	**-**	**-**
Due from related parties	**40,577**	**40,577**	**40,577**	**-**	**-**	**-**
Net tenants receivable	**48,629**	**48,629**	**48,629**	**-**	**-**	**-**
Refundable deposits	**12,359**	**12,359**	**-**	**-**	**12,359**	**-**
Other receivables	**11,934**	**11,934**	**11,934**	**-**	**-**	**-**
	733,314	**733,314**	**720,955**	**-**	**12,359**	**-**
Financial Liabilities						
Islamic financing borrowings	**14,959,607**	**(15,922,626)**	**(1,530,800)**	**(2,161,090)**	**(6,979,064)**	**(5,251,672)**
Due to related parties	**350,231**	**(350,231)**	**-**	**(350,231)**	**-**	**-**
Contractors and suppliers payable	**720,408**	**(720,408)**	**(720,408)**	**-**	**-**	**-**
Retention payable	**151,170**	**(151,170)**	**-**	**(151,170)**	**-**	**-**
Tenants deposits	**153,175**	**(153,175)**	**(153,175)**	**-**	**-**	**-**
Accrued expenses	**68,336**	**(68,336)**	**(68,336)**	**-**	**-**	**-**
Other payables	**3,957**	**(3,957)**	**(3,957)**	**-**	**-**	**-**
Provision for Social and Sports Activities Fund	**54,098**	**(54,098)**	**(54,098)**	**-**	**-**	**-**
Derivative financial liabilities	**297**	**(297)**	**-**	**-**	**-**	**(297)**
	16,461,279	**(17,424,298)**	**(2,530,774)**	**(2,662,491)**	**(6,979,064)**	**(5,251,969)**

33 FINANCIAL INSTRUMENT RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

31 December 2014	*Carrying amounts QR'000*	*Contractual cash in (out) flows QR'000*	*Less than 1 year QR'000*	*1 – 2 years QR'000*	*2 – 5 years QR'000*	*More than 5 years QR'000*
Financial Assets						
Cash and bank balances	297,785	297,785	297,785	-	-	-
Due from related parties	72,562	72,562	72,562	-	-	-
Net tenants receivable	32,045	32,045	32,045	-	-	-
Refundable deposits	10,653	10,653	-	-	10,653	-
Other receivables	12,202	12,202	12,202	-	-	-
	425,247	425,247	414,594	-	10,653	-
Financial Liabilities						
Islamic financing borrowings	12,809,634	(13,588,050)	(1,234,220)	(1,199,843)	(5,281,251)	(5,872,736)
Contractors and suppliers payable	109,661	(109,661)	(109,661)	-	-	-
Retention payable	11,593	(11,593)	-	(11,593)	-	-
Tenants deposits	145,130	(145,130)	-	(145,130)	-	-
Accrued expenses	65,734	(65,734)	(65,734)	-	-	-
Other payables	6,757	(6,757)	(6,757)	-	-	-
Provision for Social and Sports Activities Fund	46,562	(46,562)	(46,562)	-	-	-
Derivative financial liabilities	4,446	(4,446)	-	-	-	(4,446)
	13,199,517	(13,977,933)	(1,462,934)	(1,356,566)	(5,281,251)	(5,877,182)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, profit rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As the QR is pegged to the US Dollar, balances denominated in US Dollars are not considered to represent significant currency risks.

Management is of the opinion that the Group's exposure to currency risk is minimal as the Group's significant transactions are denominated in Qatari Riyal (QR) and the US Dollar, which is pegged against QR.

33 FINANCIAL INSTRUMENT RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

Profit rate risk
Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market profit rates relates primarily to the Group's Islamic financing borrowings and term deposits with floating profit rates.

The Group adopts a policy of ensuring that profit rates on short term deposits and borrowing costs rate on Islamic financing borrowings exposures are reviewed monthly, and that finance cost rates are not subject to present fluctuations in profit rates. Also the Group's policy ensures that most of the exposure on profit rates on borrowings are on a fixed basis or are based on Qatar Central Bank REPO rates , unless, the variable basis are in favourable terms to the Group.

To manage certain floating profit rate borrowings, the Group enters into profit rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable profit rate amounts calculated by reference to an agreed-upon notional principal amount.

At the reporting date the profit rate profile of the Group's interest bearing financial instruments was:

	2015 QR'000	*2014 QR'000*
Term deposits	**475,000**	190,000
Islamic financing borrowings	**(11,619,318)**	(11,428,789)

The following table demonstrates the sensitivity of equity and profit or loss to reasonably possible changes in profit rates by 25 basis points, with all other variables held constant. The sensitivity of equity and profit or loss is the effect of the assumed changes in profit rates for one year, based on the floating rate financial instruments held at 31 December after impact of hedge accounting. The effect of decreases in profit rates is expected to be equal and opposite to the effect of the increases shown.

	Net effect on profit or loss +25b.p QR'000
At 31 December 2015	**(27,861)**
At 31 December 2014	(28,096)

Equity price risk
The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification in terms of industry concentration and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

The following table demonstrates the sensitivity of the effect of cumulative changes in fair value of the Group to reasonably possible changes in quoted equity share prices, with all other variables held constant. The effect of decrease in equity prices is expected to be equal and opposite to the effect of the increase shown.

	Changes in equity prices	***Effect on equity QR'000 2015***	*Effect on equity QR'000 2014*
Available for sale financial assets	**+10%**	**553,411**	519,045

33 FINANCIAL INSTRUMENT RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Operational risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements documentation of controls and procedures.
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- requirements for the reporting of operational losses and proposed remedial action.
- development of contingency plans.
- training and professional development.
- ethical and business standards.
- risk mitigation, including insurance of property and against embezzlement, where this is effective.

Real estate risk
The Group has identified the following risks associated with the real estate portfolio:

- The cost of the development schemes may increase if there are delays in the planning process. The Group uses its related parties in developing its projects, which employs experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process, and utilizes the accumulated experience in contracting for the purpose of reducing development costs as compared to the relevant market.
- A major tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associated property. To reduce this risk, the Group reviews the financial status of all prospective major tenants and decides on the appropriate level of security required via rental deposits or guarantees.
- The exposure of the fair values of the portfolio to market and occupier fundamentals.

Other risks
Other risks to which the Group is exposed are regulatory risk, legal risk, and reputational risk. Regulatory risk is controlled through a framework of compliance policies and procedures. Legal risk is managed through the effective use of internal and external legal advisers. Reputational risk is controlled through the regular examination of issues that are considered to have reputational repercussions for the Group, with guidelines and policies being issued as appropriate.

Capital management
The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares and retained earnings of the Group. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

33 FINANCIAL INSTRUMENT RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Capital management (continued)

The Group's main objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and
- to remain within the Group's quantitative banking covenants and attain a strong credit rating.

Further, the Board seeks to maintain a balance between higher targeted returns and the advantages and security afforded by the strong capital position of the Group.

The Group's net debt to equity ratio at the reporting date was as follows:

	2015 ***QR'000***	*2014* *QR'000*
Islamic financing borrowings	**14,959,607**	12,809,634
Less: cash and cash equivalents	**(618,292)**	(98,098)
Net debt	**14,341,315**	12,711,536
Total equity	**30,381,229**	30,077,181
Net debt to equity ratio at 31 December	**47%**	42%

On the other hand, the Board reviews regularly the borrowing to value ratio, which is calculated as the amount of outstanding debt divided by the fair value of investment properties and available –for- sale financial assets. The Group's policy is to keep average borrowing to value at a low risk ratio.

The Group's borrowing to value ratio at the reporting date was as follows:

	2015 ***QR'000***	*2014* *QR'000*
Islamic financing borrowings	**14,959,607**	12,809,634
Fair value of investment properties and available –for- sale financial assets	**42,433,083**	39,406,985
Borrowing to value ratio at 31 December	**35%**	33%

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

No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 2014. Capital includes share capital and retained earnings and is measured at QR 28,147,615 thousand at 31 December 2015 (31 December 2014: QR 27,754,492 thousand).

34 FAIR VALUES

Accounting classifications and fair values
The fair values of the financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

	2015		*2014*	
	Carrying Values QR'000	***Fair values QR'000***	*Carrying values QR'000*	*Fair Values QR'000*
Financial assets				
Bank balances	**619,406**	**619,406**	297,494	297,494
Available for- sale- financial assets	**5,534,114**	**5,534,114**	5,190,446	5,190,446
Due from related parties	**40,577**	**40,577**	72,562	72,562
Receivables, refundable deposits and other receivables	**72,922**	**72,922**	54,900	54,900
	6,267,019	**6,267,019**	5,615,402	5,615,402
Financial liabilities				
Islamic financing borrowings	**14,959,607**	**14,959,607**	12,809,634	12,809,634
Due to a related party	**350,231**	**350,231**	-	-
Payables and other liabilities	**1,151,441**	**1,151,441**	385,437	385,437
	16,461,279	**16,461,279**	13,195,071	13,195,071

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of the Group's assets by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The following table shows an analysis of assets recorded at fair value by level of the fair value hierarchy:

At 31 December 2015	***Level 1 QR'000***	***Level 2 QR'000***	***Level 3 QR'000***	***Total QR'000***
Investment properties	**-**	**3,196,849**	**33,702,120**	**36,898,969**
Available for- sale- financial assets	**5,534,114**	**-**	**-**	**5,534,114**

At 31 December 2014	*Level 1 QR'000*	*Level 2 QR'000*	*Level 3 QR'000*	*Total QR'000*
Investment properties held for sale	-	-	299,537	299,537
Investment properties	-	2,888,754	31,327,785	34,216,539
Available for- sale- financial assets	5,190,446	-	-	5,190,446

During the years ended 31 December 2015 and 2014, 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.

35 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its business activities and has four reportable segments, as follows:

▪ Residential and commercial properties	:	The segment includes developing, owning, trading and renting of real estates.
▪ Investments	:	The segment is engaged in investing activities including shares and Sukuk.
▪ Hotel and suites	:	The segment includes managing hotels, suites, and restaurants.
▪ Mall	:	The segment includes management of shopping malls.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

All of the assets of the Group are located in the State of Qatar, and hence there is no geographical segmentation for the Group.

35 SEGMENT INFORMATION (CONTINUED)

The following table presents revenues and expenses regarding the Group's operating segments.

31 December 2015	*Residential and commercial properties QR'000*	*Investments QR'000*	*Hotels and suites QR'000*	*Mall QR'000*	*Total QR'000*
Rental income	**1,202,894**	**-**	**238,944**	**108,113**	**1,549,951**
Other operating revenues	**50,624**	**3,754**	**39,118**	**3,889**	**97,385**
Dividends income from available for sale financial assets	**-**	**184,358**	**-**	**-**	**184,358**
Net gain on sale of available for sale financial assets	**-**	**337,269**	**-**	**-**	**337,269**
Share from the results of associates and a joint venture	**-**	**275,834**	**-**	**-**	**275,834**
Gain on sale of investment properties held for sale	**5,481**	**-**	**-**	**-**	**5,481**
Other income	**18,077**	**141**	**-**	**513**	**18,731**
Operating expenses	**(199,799)**	**-**	**(66,227)**	**(30,288)**	**(296,314)**
General and administrative expenses	**(211,879)**	**(3,905)**	**(23,122)**	**(6,609)**	**(245,515)**
Depreciation	**(7,201)**	**-**	**(1,990)**	**(130)**	**(9,321)**
Segment profit	**858,197**	**797,451**	**186,723**	**75,488**	**1,917,859**
Gain on revaluation of investment properties	**600,789**	**-**	**-**	**-**	**600,789**
Impairment loss of available-for-sale-financial assets	**-**	**(53,956)**	**-**	**-**	**(53,956)**
Finance costs	**(398,913)**	**-**	**-**	**-**	**(398,913)**
Net profit	**1,060,073**	**743,495**	**186,723**	**75,488**	**2,065,779**

Note
Inter-segment revenues and expenses are eliminated upon consolidation and considered as immaterial.

35 SEGMENT INFORMATION (CONTINUED)

31 December 2014	*Residential and commercial properties QR'000*	*Investments QR'000*	*Hotels and suites QR'000*	*Mall QR'000*	*Total QR'000*
Rental income	1,051,480	-	216,863	100,522	1,368,865
Other operating revenues	29,316	2,226	29,673	3,427	64,642
Dividends income from available for sale financial assets	-	167,194	-	-	167,194
Net gain on sale of available for sale financial assets	-	270,004	-	-	270,004
Share from the results of associates and a joint venture	-	324,119	-	-	324,119
Gain on sale of investment properties held for sale	24,383	-	-	-	24,383
Gain on acquisition of associate	-	8,461	-	-	8,461
Other income	8,927	355	40	1,564	10,886
Operating expenses	(206,292)	-	(59,466)	(31,216)	(296,974)
General and administrative expenses	(219,870)	(3,337)	(16,959)	(15,192)	(255,358)
Depreciation	(6,758)	-	(2,279)	(134)	(9,171)
Segment profit	681,186	769,022	167,872	58,971	1,677,051
Gain on revaluation of investment properties	53,457	-	-	-	53,457
Impairment loss of available-for-sale-financial assets	-	(44,699)	-	-	(44,699)
Finance costs	(325,444)	-	-	-	(325,444)
Net profit	409,199	724,323	167,872	58,971	1,360,365

35 SEGMENT INFORMATION (CONTINUED)

The following table presents assets and liabilities of the Group's operating segments as of 31 December 2015 and 31 December 2014.

31 December 2015	*Residential and commercial properties QR'000*	*Investments QR'000*	*Hotels and suites QR'000*	*Mall QR'000*	*Total QR'000*
Segment assets					
Cash and bank balances	**577,885**	**33,396**	**1,858**	**6,676**	**619,815**
Receivables and prepayments	**566,798**	**3,774**	**25,656**	**3,830**	**600,058**
Inventories	**10,811**	**-**	**9,469**	**-**	**20,280**
Due from related parties	**2,483**	**38,088**	**6**	**-**	**40,577**
Investments in associates, a joint venture and available-for-sale-financial assets	**-**	**8,736,770**	**-**	**-**	**8,736,770**
Investment properties	**30,367,813**	**-**	**4,847,288**	**1,683,868**	**36,898,969**
Property and equipment	**17,502**	**-**	**4,367**	**426**	**22,295**
Total assets	**31,543,292**	**8,812,028**	**4,888,644**	**1,694,800**	**46,938,764**
Segment liabilities					
Payables and other liabilities	**1,167,318**	**-**	**35,378**	**44,999**	**1,247,695**
Due to a related party	**350,231**	**-**	**-**	**-**	**350,231**
Islamic financing borrowings	**14,959,607**	**-**	**-**	**-**	**14,959,607**
Total liabilities	**16,477,156**	**-**	**35,378**	**44,999**	**16,557,533**

35 SEGMENT INFORMATION (CONTINUED)

31 December 2014	*Residential and commercial properties QR'000*	*Investments QR'000*	*Hotels and suites QR'000*	*Mall QR'000*	*Total QR'000*
Segment assets					
Cash and bank balances	288,354	386	3,370	5,675	297,785
Receivables and prepayments	104,738	90,383	13,789	3,466	212,376
Inventories	13,574	-	8,128	-	21,702
Due from related parties	27,638	32,893	12,031	-	72,562
Investment properties held for sale	299,537	-	-	-	299,537
Investments in associates and joint ventures and available-for-sale-financial assets	150,581	8,093,699	-	-	8,244,280
Investment properties	28,216,315	-	4,460,250	1,539,974	34,216,539
Property and equipment	22,941	-	4,759	359	28,059
Total assets	29,123,678	8,217,361	4,502,327	1,549,474	43,392,840
Segment liabilities					
Payables and other liabilities	434,597	-	32,636	38,792	506,025
Islamic financing borrowings	12,809,634	-	-	-	12,809,634
Total liabilities	13,244,231	-	32,636	38,792	13,315,659

36 COMPARATIVE FIGURES

Comparative figures presented for 2014 have been reclassified where necessary to preserve consistency with the 2015 figures. Such reclassifications did not have any effect on the consolidated net profit or shareholders' equity for the comparative year.

37 EVENTS AFTER THE REPORTING PERIOD

*On 3 February 2016, the Group entered into agreement to acquire additional 25.5 % interest in Dar Al Arab W.L.L., an associate company of the Group and obtained power over Dar Al Arab W.L.L. with a 74.5% interest .

**On 3 February 2016, the Group entered into agreement to acquire additional 14.78% interest in Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L. , an associate of the Group and reached to 44.78% of an interest of the Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L..