Ezdan Holding Group Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017

EY
Building a better working world

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

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

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

Opinion

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 2017, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters	How our audit addressed this key audit matter:
Valuation of Investment Properties	**As part of our audit, we:**
The Group records its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of income. The fair values are determined by external real estate valuation expert appointed by management. These valuations are based on estimates such as estimated rental revenues, occupancy rates, discount rates and market indicators. Since investment properties represent 91% of the total assets of the Group, and its valuation involves computations dependent on estimates, we consider the valuation of investment properties as a key audit matter.	• Evaluated the objectivity, independence and expertise of the external valuation expert appointed by management. • Tested the accuracy and completeness of the underlying data used as inputs for the valuation. • Evaluated the appropriateness of the underlying assumptions and methodology used by the valuators by comparing them to the previous years and market practice. • Involved our internal specialist to evaluate the appropriateness of the underlying assumptions used by the valuator by comparing the assumptions used to internal and external data. • Assessed the adequacy and completeness of the disclosures on the valuation of investment properties, presented in Note 12 of the consolidated financial statements.

Building a better
working world

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

Key Audit Matters (continued)

Impairment of available for sale financial assets:	**As part of our audit, we:**
As mentioned in Note 11 to the consolidated financial statements, the Group's available for sale financial assets (AFS) consist of quoted shares and unquoted shares. The quoted shares are carried at market value depending on Qatar Exchange prices at each reporting date. International Financial Reporting Standards require assessment at each reporting date to determine whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as AFS, an objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its cost. Identifying impairment indication and determination of what is 'significant' or 'prolonged' requires management judgement. In making this judgement, management evaluates, among other factors, the duration or the extent to which the fair value of an investment is less than its cost. Due to the subjectivity in assessment of impairment indicators, use of estimations and assumptions in measuring impairment losses and the magnitude of the account balance, this is considered to be a key audit matter.	• Reviewed management's impairment assessment on investment AFS to determine whether there was objective evidence of impairment on these assets. • Recalculated the impairment allowance computation to assess whether impairment losses for AFS were reasonably determined in accordance with the requirement of IFRS. • Reviewed the related disclosures in the consolidated financial statements to assess whether they are adequate and in accordance with IFRS.

Other information

Other information consists of the information included in the Group's 2017 Annual Report other than the consolidated financial statements and our auditor's report thereon. The management is responsible for the other information. The Group's 2017 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Building a better
working world

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

Report on Other Legal and Regulatory 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 adverse effect on the Company's financial position or performance.

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

Date: 24 January 2018
Doha

Ezdan Holding Group Q.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	2017 QR'000	2016 QR'000
ASSETS			
Cash and bank balances	7	**371,120**	426,177
Receivables and prepayments	8	**307,313**	353,581
Inventories	9	**22,265**	19,208
Available-for-sale financial assets	11	**2,470,953**	6,553,307
Investment properties	12	**43,819,785**	38,919,798
Investments in associates and joint ventures	13	**1,425,907**	3,279,040
Property and equipment	14	**832,413**	41,756
Intangible assets	6	**-**	235,925
TOTAL ASSETS		**49,249,756**	49,828,792
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	15	**2,822,431**	3,328,171
Sukuk and Islamic financing borrowings	16	**16,270,461**	15,926,929
TOTAL LIABILITIES		**19,092,892**	19,255,100
EQUITY			
Share capital	17	**26,524,967**	26,524,967
Legal reserve	18	**1,572,678**	1,403,358
Fair value reserves	21	**17,326**	329,580
Foreign currency translation reserve		**154**	1,954
Retained earnings		**2,037,602**	1,882,299
Equity attributable to equity holders of the parent		**30,152,727**	30,142,158
Non-controlling interests	19	**4,137**	431,534
TOTAL EQUITY		**30,156,864**	30,573,692
TOTAL LIABILITIES AND EQUITY		**49,249,756**	49,828,792

These consolidated financial statements were approved by the Board of Directors on 24 January 2018 and were signed on its behalf by:

Sheikh Abdullah Bin Thani Al-Thani
Vice Chairman

Ali Al-Obaidli
Group Chief Executive Officer

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2017

	Notes	**2017 QR'000**	2016 QR'000
Rental income		**1,487,555**	1,605,044
Dividends income from available-for-sale financial assets		**241,848**	226,892
Net gain on sale of available-for-sale financial assets		**500,221**	755,976
Net gain on sale of investments in associates		**177,777**	210,334
Other operating revenues	22	**228,769**	83,549
Operating expenses	23	**(352,763)**	(336,135)
OPERATING PROFIT FOR THE YEAR		**2,283,407**	2,545,660
Share of results of associates and joint ventures	13	**141,354**	189,804
Gain on acquisition of a subsidiary	6	**-**	41,241
Gain on acquisition of an associate	13	**-**	37,371
Gain (Loss) on revaluation of investment properties	12	**427,748**	(28,173)
Other income	24	**57,461**	15,569
Loss on disposal of subsidiaries	5	**(33,895)**	-
General and administrative expenses	25	**(241,984)**	(297,882)
Depreciation	14	**(15,596)**	(14,696)
Impairment loss of available-for-sale financial assets	21	**(67,487)**	(51,286)
Impairment loss of investments in associates	13	**(162,194)**	-
Finance costs	26	**(703,264)**	(623,253)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**1,685,550**	1,814,355
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	6	**(3,549)**	(9,411)
PROFIT FOR THE YEAR		**1,682,001**	1,804,944
Attributable to:			
Equity holders of the parent		**1,693,201**	1,812,456
Non-controlling interests	19	**(11,200)**	(7,512)
		1,682,001	1,804,944
BASIC AND DILUTED EARNINGS PER SHARE	27	**0.64**	0.68
BASIC AND DILUTED EARNINGS PER SHARE FOR CONTINUING OPERATIONS	27	**0.64**	0.69

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Note	2017 QR'000	2016 QR'000
PROFIT FOR THE YEAR		**1,682,001**	1,804,944
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net loss on available-for-sale financial assets	21	**(326,785)**	(283,232)
Gain on cash flow hedges	21	**17,198**	6,267
Share of net movement in Fair value reserves of associates	21	**(2,667)**	986
Movement in foreign currency translation reserve	21	**(1,800)**	-
Total other comprehensive loss for the year		**(314,054)**	(275,979)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,367,947**	1,528,965
Attributable to:			
Equity holders of the parent		**1,379,147**	1,536,477
Non-controlling interest		**(11,200)**	(7,512)
		1,367,947	1,528,965

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Attributable to the equity holders of the Parent							
	Share capital QR'000	*Legal reserve QR'000*	*Fair value reserves 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 2017	26,524,967	1,403,358	329,580	1,954	1,882,299	30,142,158	431,534	30,573,692
Profit (loss) for the year	-	-	-	-	1,693,201	1,693,201	(11,200)	1,682,001
Other comprehensive loss for the year	-	-	(312,254)	(1,800)	-	(314,054)	-	(314,054)
Total comprehensive income (loss) for the year	-	-	(312,254)	(1,800)	1,693,201	1,379,147	(11,200)	1,367,947
Movement in non-controlling interest	-	-	-	-	-	-	(416,197)	(416,197)
Transferred to legal reserve	-	169,320	-	-	(169,320)	-	-	-
Dividends for 2016 (Note 28)	-	-	-	-	(1,326,248)	(1,326,248)	-	(1,326,248)
Transferred to Social and Sports Activities Fund (Note 20)	-	-	-	-	(42,330)	(42,330)	-	(42,330)
At 31 December 2017	**26,524,967**	**1,572,678**	**17,326**	**154**	**2,037,602**	**30,152,727**	**4,137**	**30,156,864**

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2017

	Attributable to the equity holders of the Parent							
	Share capital QR'000	*Legal reserve QR'000*	*Fair value reserves 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 2016	26,524,967	1,222,112	605,559	1,954	1,622,648	29,977,240	403,991	30,381,231
Profit (loss) for the year	-	-	-	-	1,812,456	1,812,456	(7,512)	1,804,944
Other comprehensive loss for the year	-	-	(275,979)	-	-	(275,979)	-	(275,979)
Total comprehensive income (loss) for the year	-	-	(275,979)	-	1,812,456	1,536,477	(7,512)	1,528,965
Movement in non-controlling interest	-	-	-	-	-	-	35,055	35,055
Transferred to legal reserve	-	181,246	-	-	(181,246)	-	-	-
Dividends for 2015 (Note 28)	-	-	-	-	(1,326,248)	(1,326,248)	-	(1,326,248)
Transferred to Social and Sports Activities Fund (Note 20)	-	-	-	-	(45,311)	(45,311)	-	(45,311)
At 31 December 2016	26,524,967	1,403,358	329,580	1,954	1,882,299	30,142,158	431,534	30,573,692

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	Notes	***2017 QR'000***	*2016 QR'000*
OPERATING ACTIVITIES			
Profit for the year		**1,682,001**	1,804,944
Adjustments for:			
(Gain) loss on revaluation of investment properties	12	**(427,748)**	28,173
Depreciation	14	**15,596**	15,732
Gain on acquisition of a subsidiary	6	**-**	(41,241)
Gain on acquisition of an associate	13	**-**	(37,371)
Loss on disposal of subsidiaries	5	**33,895**	-
Provision for employees' end of service benefits		**11,635**	11,426
Share of results of associates and joint ventures	13	**(141,354)**	(193,198)
Allowance for impairment of receivables	25	**1,565**	37,552
Provision for inventory slow moving items	25	**4,683**	-
Reversal of allowance for impairment of receivables	8	**(9,391)**	-
Government compensation	12	**(171,971)**	-
Impairment loss of available-for-sale financial assets	21	**67,487**	51,286
Impairment loss of investment in associates	13	**162,194**	-
Profit on Islamic bank accounts	24	**(42,872)**	(12,599)
Net gain on sale of available-for-sale-financial assets		**(500,221)**	(755,976)
Net gain on sale of investments in associates		**(177,777)**	(210,334)
Finance costs	26	**703,264**	623,253
		1,210,986	1,321,647
Working capital changes:			
Receivables and prepayments		**69,509**	189,181
Inventories		**(7,740)**	1,072
Payables and other liabilities		**221,806**	1,216,864
Cash from operations		**1,494,561**	2,728,764
Employees' end of service benefits paid		**(7,569)**	(2,647)
Net cash flows from operating activities		**1,486,992**	2,726,117
INVESTING ACTIVITIES			
Purchase of property and equipment	14	**(32,309)**	(29,524)
Payments for development of investment properties		**(254,459)**	(1,853,213)
Payments for purchase of completed investment properties	12	**(3,064,117)**	(151,306)
Purchase of available-for-sale-financial assets		**(300,261)**	(4,290,020)
Proceeds from sale of available-for-sale-financial assets		**3,171,350**	3,729,654
Proceed from sale of investments in associates		**533,210**	586,724
Payments for purchase of investments in associates and joint ventures		**-**	(342,451)
Acquisition of a subsidiary net of cash acquired		**-**	(151,766)
Dividends received from associates	13	**109,624**	205,633
Profit on Islamic bank accounts received		**42,872**	15,329
Net movement in restricted bank balances		**(1,465)**	(1,582)
Net cash flows from (used in) investing activities		**204,445**	(2,282,522)
FINANCING ACTIVITIES			
Proceeds from Sukuk and Islamic financing borrowings	16	**1,992,865**	3,821,699
Payments for Sukuk and Islamic financing borrowings	16	**(2,402,140)**	(3,522,113)
Dividends paid		**(952,379)**	(937,088)
Net movement non-controlling interest		**(384,505)**	(1,313)
Net cash flows used in financing activities		**(1,746,159)**	(638,815)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(54,722)**	(195,220)
Net foreign exchange difference		**(1,800)**	-
Cash and cash equivalents as of 1 January		**423,072**	618,292
CASH AND CASH EQUIVALENTS AS OF 31 DECEMBER	7	**366,550**	423,072

The attached notes from 1 to 35 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 was 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 30503, 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 principal subsidiaries of the Group are as follows:

Name of the Company	*Share capital*	*Country of incorporation*	*Effective percentage of ownership*	
			31December 2017	*31 December 2016*
Ezdan Hotels Company W.L.L.	QR 200,000	Qatar	**100%**	100%
Ezdan Mall Company W.L.L.	QR 200,000	Qatar	**100%**	100%
Ezdan Real Estate Company W.L.L.	QR 200,000	Qatar	**100%**	100%
Al Ruba Al khali Trading Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Al Ekleem for Real Estate and Mediation Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Al Taybin Trading Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Al Namaa for Maintenance Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Shatea Al Nile Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Arkan for Import and Export Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Tareek Al Hak Trading Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Manazel Trading Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Een Jaloot Trading Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Tareek Al-Khair Trading Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Alkora Alzahbya Co. W.L.L.	QR 200,000	Qatar	**100%**	100%
Ezdan International Limited	GPB 10,000	Jersey	**100%**	100%
Emtedad Real Estate for Projects W.L.L.	QR 200,000	Qatar	**67.50%**	67.5%
Ezdan World W.L.L.	QR 200,000	Qatar	**70%**	70%

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 Group as at 31 December 2017 (31 December 2016: 54%).

2 BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements of the Group for the year ended 31 December 2017 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.

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

Functional and presentation currency
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.

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 4.

3 SIGNIFICANT ACCOUNTING POLICIES

New and amended standards and interpretations adopted by the Group
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as of 1 January 2017.

The following amended accounting standards became effective in 2017 and have been adopted by the Group in the preparation of these Consolidated Financial Statements as applicable. Although these new standards and amendments applied for the first time in 2017, they did not have any a material impact on the annual Consolidated Financial Statements of the Group.

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative
Annual Improvements Cycle - 2014-2016
Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

The Group has not early adopted any other standards, interpretation or amendment that has been issued but is no yet effective.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group is currently evaluating the impact of these standards. The intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, which replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Group has performed a detailed impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018 when the Group will adopt IFRS 9. Overall, the Group expects no significant impact on its statement of financial position and consolidated statement of equity except for the effect of applying the impairment requirements of IFRS 9. The Group expects an increase in the loss allowance resulting in a negative impact on equity as discussed below. In addition, the Group will implement changes in classification of certain financial instruments.

(a) Classification and measurement

The Group does not expect a significant impact on its consolidated financial position or consolidated statement of equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale with gains and losses recorded in OCI and should be recognised in other comprehensive income. Amounts presented in other comprehensive income should not be subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity . The AFS reserve of QR (7,522) related to those quoted shares in amount, which is currently presented as accumulated OCI, will be reclassified to retained earnings. The equity shares in unquoted shares are intended to be held for the foreseeable future. No impairment losses were recognised in profit or loss during prior periods for these investments. The Group will apply the option to present fair value changes in OCI. Tenant receivables and due from related parties are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of tenant receivables and due from related parties concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for the tenant receivables is not required.

(b) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its tenant receivables and due from related parties, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all receivables. The Group has determined that, due to the unsecured nature of its receivables, the loss allowance will increase by QR 13,429 thousand with corresponding related decrease in the enquiry with the same amount.

(c) Hedge accounting

The Group determined that all existing hedge relationships that are currently designated in effective hedging relationships will continue to qualify for hedge accounting under IFRS 9. The Group has chosen not to retrospectively apply IFRS 9 on transition to the hedges where the Group excluded the forward points from the hedge designation under IAS 39. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying the hedging requirements of IFRS 9 will not have a significant impact on Group's consolidated financial statements.

(d) Other adjustments

In addition to the adjustments described above, on adoption of IFRS 9, other items of the consolidated financial statements such as investments in the associate and joint venture, will be adjusted as necessary.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

IFRS 9 Financial Instruments (continued)
In summary, the impact of IFRS 9 adoption is expected to be, as follows:

Impact on equity as of 31 December 2017:	**QR'000**
Receivables and prepayments	(13,429)
Retained earnings	(13,429)

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised 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 new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group will continue to assess the potential effect of IFRS 15 on its consolidated financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group will apply these amendments when they become effective.

IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2
The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group is assessing the potential effect of the amendments on its consolidated financial statements.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

IFRS 16 Leases (continued)
Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. In 2018, the Group will continue to assess the potential effect of IFRS 16 on its consolidated financial statements.

Transfers of Investment Property — Amendments to IAS 40
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if it is possible without the use of hindsight. Effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed. The Group will apply amendments when they become effective. However, since Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements.

Annual Improvements 2014-2016 Cycle (issued in December 2016)

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:
- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 January 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact. These amendments are not applicable to the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the Interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the interpretation
Or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The Interpretation is effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its consolidated financial statements.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries ("the Group") as at 31 December 2017. 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
- 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

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.

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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. 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.

Profit or loss and each component of Other Comprehensive Income ('OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is 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 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.

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 the changes in fair value recognised in the statement of profit or loss.

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 reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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 (CGU) and plan 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 joint ventures
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 ventures. 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (continued)
The consolidated statement of income reflects the Group's share of the results of operations of the associates and joint ventures. 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 joint ventures is shown on the face of the consolidated statement of income.

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 joint ventures 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 ventures, 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.

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)
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 consolidated statement of 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 labour, 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.

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
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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

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.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

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.

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 Sukuk 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 liabilities
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.

Sukuk and Islamic financing borrowings
Sukuk and 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities (continued)

Sukuk and Islamic financing borrowings (continued)
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 Sukuk and 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.

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

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 consolidated 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derivative financial instruments, including hedge accounting (continued)

Cash flow hedge (continued)
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.

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs (continued)
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.

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)

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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current versus non-current classification (continued)
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.

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

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 consolidated 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 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.

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 152,114 thousand and QR 34,683 thousand respectively (31 December 2016: QR 121,592 thousand and QR 9,627 thousand respectively), and an allowance for impairment of tenants receivable amounted QR 94,514 thousand (31 December 2016: QR 96,699 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 26,948 thousand (31 December 2016: QR 19,208 thousand) with a provision for obsolete and slow moving inventories amounting to QR 4,683 thousand (31 December 2016: Nil). 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.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Valuation of properties (continued)

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.

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, or '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.

Impairment of investment in associates and joint ventures

The Group assess at each reporting date whether there is an objective evidence indicating that an impairment loss should be recorded for its investments in associates and joint ventures. The Group compares the carrying value of the investment with the recoverable value as indicated in applicable IFRS.
At the report date the Group has realised an impairment loss amounting to QR 162,194 thousand (31 December 2016: Nil)

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.

5 DISPOSAL OF SUBSIDIARIES

In accordance with the Extra Ordinary General Assembly meetings held on 20 November 2013 and 13 August 2017, the shareholders of the Group approved the purchase of the share of SAK Holdings Group W.L.L. in the development of investment property ("the Project") at a value of QR 6,087,384 thousand. The development is carried out by a subsidiary of the Group, Emtedad Real Estate for Projects W.L.L.

The Group appointed a valuation expert to assess the value of the Project and entered into a settlement agreement with SAK Holdings Group W.L.L. As part of the agreement, the Group partially settled in 2 October 2017 the purchase consideration by cash amounting to QR 3,064,117 thousand and in kind in the form of subsidiaries companies having an estimated value of QR 2,805,926 thousand. The valuation of these subsidiaries was carried out by an independent valuation expert appointed by the Group's management.

The net assets, purchase price, and loss on disposal of these subsidiaries were as follows:

	Assets QR'000	*Liabilities QR'000*	*Net assets QR'000*	*Selling price QR'000*	*Gain/(loss) QR'000*
Name of the Company					
Ethmar for Trading and Construction Co. W.L.L.	1,016,334	(10,094)	1,006,240	1,016,221	9,981
Al Manara for Medical Equipment Co. W.L.L.	269,257	-	269,257	181,777	(87,480)
Al Etkan Trading Co. W.L.L.	791,230	(3,490)	787,740	877,547	89,807
Al Kara Trading Co. W.L.L.	521,848	-	521,848	453,156	(68,692)
Amaken for Electronic W.L.L.	120,561	(459)	120,102	130,741	10,639
Gulf Imtiaz for Trading W.L.L.	37,038	(19)	37,019	40,300	3,281
High Trade for Trading W.L.L	97,635	(20)	97,615	106,184	8,569
	2,853,903	**(14,082)**	**2,839,821**	**2,805,926**	**(33,895)**

The disposal was not treated as discontinued operations as it doesn't represents a separate line of business or geographical area of operations. The above subsidiaries did not constitute a business, as they were for the purpose of investing activities only.

6 DISCONTINUED OPERATIONS

The Group lost control over the financing and operational decisions of Dar Al Arab W.L.L. as a result of the disposal of the subsidiaries as mentioned in Note 5, since the Group invested indirectly in Dar Al Arab through these subsidiaries.

Dar Al-Arab W.L.L. was incorporated in the State of Qatar as a Limited Liability Company under Commercial Registration Number 27324 on 3 September 2004. The registered office of the Company is located at P.O. Box 22612, Doha, State of Qatar. The main activities of Dar Al-Arab W.L.L. include the publication of Al Arab newspaper.

Dar Al Arab W.L.L. has been classified as discontinued operations and no longer presented in the segment note.

6 DISCONTINUED OPERATIONS (CONTINUED)

The results of Dar Al Arab W.L.L. is as follows:

	2 October 2017 QR'000	*31 December 2016 QR'000*
Revenue	**23,985**	27,816
Cost of sale	**(24,226)**	(34,471)
	(241)	(6,655)
Other income	**164**	311
Share of results of associates	**1,336**	3,394
General and Administrative expense	**(4,808)**	(6,461)
Loss for the period/year	**(3,549)**	(9,411)

Net cash flows

	2 October 2017 QR'000	*31 December 2016 QR'000*
Operating activities	**1,243**	(20,821)
Investing activities	**2,479**	(105)
Financing activities	**(924)**	12,148
Net cash inflow/(outflow)	**2,798**	(8,778)

In prior year the Group obtained control over Dar Al Arab, and 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 Dar Al Arab W.L.L. PPA identifies the values paid for the tangible assets, intangible assets and the goodwill arising on the acquisition.

The total goodwill arising from the acquisition of Dar Al Arab W.L.L., amounting to QR 141,170 thousand, and intangibles amounting to 94,755 is recognised in the consolidated statement of financial position as at 31 December 2016.

The gain on re-measuring the existing interest previously held before the date of acquisition to fair value of QR 41,241 thousand is included in the Group's consolidated statement of income for the year ended 31 December 2016.

7 CASH AND CASH EQUIVALENTS

	2017 ***QR'000***	*2016* *QR'000*
Cash on hand	**548**	1,354
Cash at banks		
Term deposits	**200,000**	10,054
Saving and call accounts	**155,416**	374,894
Current accounts	**10,586**	36,770
Margin accounts	**4,570**	3,105
Total cash and bank balances	**371,120**	426,177
Less: restricted bank balances	**(4,570)**	(3,105)
Cash and cash equivalents	**366,550**	423,072

8 RECEIVABLES AND PREPAYMENTS

	2017 ***QR'000***	*2016* *QR'000*
Net tenant receivables	**57,600**	24,893
Advances to suppliers and contractors *(Note i)*	**66,951**	183,806
Prepaid expenses	**97,701**	89,215
Refundable deposits	**18,617**	18,555
Due from related parties (Note 10)	**34,683**	9,627
Derivative financial assets (Note 29)	**23,167**	5,970
Accrued income	**1,541**	499
Notes receivable	**-**	378
Net other receivables and debit balances	**7,053**	20,638
	307,313	353,581

Note i:
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 2017	***Current*** ***QR'000***	***Non-current*** ***QR'000***	***Total*** ***QR'000***
Net tenants receivable	**57,600**	**-**	**57,600**
Advances to suppliers and contractors	**66,951**	**-**	**66,951**
Prepaid expenses	**-**	**97,701**	**97,701**
Refundable deposits	**-**	**18,617**	**18,617**
Due from related parties	**34,683**	**-**	**34,683**
Derivative financial assets	**23,168**	**-**	**23,168**
Accrued income	**1,541**	**-**	**1,541**
Net other receivables and debit balances	**7,052**	**-**	**7,052**
	190,995	**116,318**	**307,313**

8 RECEIVABLES AND PREPAYMENTS (CONTINUED)

31 December 2016	*Current QR'000*	*Non-current QR'000*	*Total QR'000*
Net tenants receivable	24,893	-	24,893
Advances to suppliers and contractors	183,806	-	183,806
Prepaid expenses	89,215	-	89,215
Refundable deposits	-	18,555	18,555
Due from related parties	9,627	-	9,627
Derivative financial assets	5,970	-	5,970
Accrued income	499	-	499
Notes receivable	378	-	378
Net other receivables and debit balances	20,638	-	20,638
	335,026	18,555	353,581

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

	2017 QR'000	*2016 QR'000*
At 1 January	**103,169**	65,534
Allowance for impairment of receivables	**6,248**	32,066
Allowance for impairment of other receivables	**-**	5,486
Reversal of allowance for impairment of receivables	**(9,391)**	-
Additional allowance from acquisition of subsidiary	**-**	983
Write-off	**(347)**	(900)
Net movement in allowance for impairment of receivables	**(3,490)**	37,635
At 31 December	**99,679**	103,169

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*
2017	**117,952**	**4,498**	**16,008**	**53,791**	**5,580**	**38,075**
2016	73,713	6,790	10,799	22,120	4,292	29,712

9 INVENTORIES

	2017	*2016*
	QR'000	*QR'000*
Consumables	**9,982**	10,717
Buildings and maintenance materials	**16,966**	8,491
	26,948	19,208
Less: Provision for slow moving inventories	**(4,683)**	-
	22,265	19,208

The movement in the provision for obsolete and slow moving inventories is as follows:

	2017	*2016*
	QR'000	*QR'000*
At 1 January	**-**	-
Charge for the year	**4,683**	-
	4,683	-

10 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent the Parent of the Group, the major shareholders, associated companies, joint ventures, 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

		2017	*2016*
	Relationship	***QR'000***	*QR'000*
The Curve Hotel Company W.L.L.	Other related party	**22,380**	8,909
Dar Al Arab W.L.L.	Other related party	**12,012**	-
White Square Real Estate Company W.L.L.	Joint venture	**275**	65
Other related parties		**16**	653
		34,683	9,627

Due from related party balances are current.

Due to related parties

		2017	*2016*
	Relationship	***QR'000***	*QR'000*
SAK Holding Group W.L.L.*	Other related party	**1,558,880**	1,479,631
Haloul for Real Estate Investment W.L.L.	Other related party	**-**	30,979
Dar Al-Sharq for Printing, Publishing and Distribution W.L.L.	Associate	**-**	16,651
Al Waraq for Printing Press W.L.L.	Joint venture	**-**	10,625
		1,558,880	1,537,886

* This amount represents the remaining balance due to SAK Holding Group W.L.L. in relation to the settlement agreement with the Group and the balance is non-current

10 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Due to related parties (continued)

	2017	*2016*
	QR'000	*QR'000*
The maturity of due to related parties as follows:		
Non-current	**1,558,880**	1,510,610
Current	**-**	27,276
	1,558,880	1,537,886

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

	2017	*2016*
	QR'000	*QR'000*
Islamic financing borrowings from an associate bank	**2,880,900**	2,894,458
Contractors and suppliers	**-**	633,780
Retention payable	**-**	289,091
Advances to suppliers and contractors	**2,799**	79,410

Related party transactions

Transactions with related parties during the year are as follows:

	2017	*2016*
	QR'000	*QR'000*
Construction of investment properties *(Note i)*	**65,154**	1,542,151
Finance costs capitalized to properties under development	**7,564**	7,187
Finance costs charged to the consolidated statement of income	**107,375**	100,699
Rental income	**5,789**	7,261

Note i

The Group entered into several construction contracts with SAK Trading and Contracting Company W.L.L. to construct investment properties owned by a subsidiary of the Group. The Group has contractual commitments amounting to QR Nil thousand (2016: QR 306,443 thousand) to SAK Trading and Contracting Company W.L.L. in relation to these construction contracts at 31 December 2017 (Note 31).

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 2017 and 2016, 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.

10 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Compensation of directors and other key management personnel

	2017 QR'000	*2016 QR'000*
Board of Directors' remuneration (*) (Note 25)	**-**	12,983
Total key management and executive committee benefits	**41,777**	41,582
	41,777	54,565

* According to article 119 of Qatari Commercial Law No 11 of 2015, the Group has provided QR Nil (2016: QR 12,983 thousand) as Board of Directors' remuneration .

11 AVAILABLE- FOR- SALE FINANCIAL ASSETS

	2017 QR'000	*2016 QR'000*
Quoted shares (Note i)	**2,367,648**	4,050,440
Unquoted shares (Note ii)	**103,305**	-
Funds (Note iii)	**-**	2,502,867
	2,470,953	6,553,307

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

	2017 QR'000	*2016 QR'000*
Balance at 1 January	**319,263**	602,495
Net loss on available for sale financial assets (Note 21)	**(326,785)**	(283,232)
	(7,522)	319,263

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 and geographical concentration. The industry and geographical concentration of the investment portfolio is as follows:

	2017 QR'000	*2016 QR'000*
Listed shares located in State of Qatar		
Banks and financial institutions	**2,267,344**	3,970,379
Consumer goods and services	**35,009**	2,173
Industries	**26,013**	26,008
Transportation	**22,972**	20,975
Telecommunication	**7,595**	25,260
Real estate	**5,091**	-
Insurance	**3,624**	5,645
	2,367,648	4,050,440
Funds	**-**	2,502,867

11 AVAILABLE- FOR- SALE FINANCIAL ASSETS (CONTINUED)

Notes:

(i) All of listed shares of the Group are local shares listed at Qatar Exchange.

(ii) Unquoted shares represents the Group remaining investments in Dar Al Arab W.L.L. (Note 6) and Dar Al-Sharq for Printing, Publishing and Distribution W.L.L. (Note 13)

(iii) During the period the Group through its subsidiaries sold units held in Funds located in the Cayman Islands.

(iv) The mortgages on available for sale financial assets are disclosed in Note 16.

12 INVESTMENT PROPERTIES

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

	2017 ***QR'000***	*2016* *QR'000*
At 1 January	**38,919,798**	36,898,969
Development costs during the year	**360,110**	1,853,213
Purchase of completed investment properties (Note *ii*)	**4,657,866**	151,306
Capitalized finance costs on properties under development (Note 26) (*Note iii)*	**49,543**	44,483
Gain (loss) on revaluation of investment properties	**427,748**	(28,173)
Addition of a land as a compensation from government (Note *v*)	**171,971**	-
Transfer to property and equipment (Note vi)	**(779,524)**	-
Foreign exchange adjustment	**12,273**	-
At 31 December	**43,819,785**	38,919,798

Investment properties consists of:

	2017 ***QR'000***	*2016* *QR'000*
Completed properties	**37,587,135**	26,401,981
Projects under development	**3,535,133**	9,801,707
Vacant lands	**2,697,517**	2,716,110
	43,819,785	38,919,798

Notes:

(i) Investment properties are located in the State of Qatar, and the United Kingdom.

(ii) With reference to Note 5, the amount represents the Group's purchase of SAK Holding Group share's completed investment properties.

(iii) 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 4.6% (2016: 4.19%).

(iv) The mortgages on the investment properties are disclosed in Note 16.

(v) Previously the government claimed a land from the Group as a part of urban development, and in return a land located in Al Wukair was provided as a compensation during the year.

12 INVESTMENT PROPERTIES (CONTINIED)

(vi) During the year, the Group transferred an investment property under development to property and equipment as it represent a Hotel that will be operating during next year. The transfer was made at the carrying value on the date of the transfer.

(vii) Investment properties are stated at fair value, which has been determined based on valuation performed by accredited independent valuer as at 31 December 2017 and 2016. The valuer, 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”).

	2017 ***QR’000***	*2016* *QR’000*
Rental income derived from investment properties	**1,487,555**	1,605,044
Direct operating expenses generating rental income	**(317,946)**	(312,471)
Profit arising from investment properties carried at fair value	**1,169,609**	1,292,573

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.

13 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The group has following investment in associates and joint ventures:

	Country of incorporation	*Ownership interest* 2017 %	*Ownership interest* 2016 %	*2017 QR'000*	*2016 QR'000*
Qatar International Islamic Bank Q.S.C. (i)	Qatar	**10.00%**	20.00%	**926,377**	1,910,973
Medicare Group Q.S.C. (ii)	Qatar	**12.50%**	13.25%	**246,097**	266,859
White Square Real Estate W.L.L. (iii)	Qatar	**32.50%**	32.50%	**185,013**	185,663
Qatar Islamic Insurance Company Q.S.C. (iv)	Qatar	**7.33%**	10.00%	**68,420**	114,464
Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L. (v)	Qatar	**-**	44.78%	**-**	536,684
Islamic Holding Group Q.S.C. (vi)	Qatar	**-**	21.55%	**-**	75,740
Widam for Food Company Q.S.C. (vii)	Qatar	**-**	3.01%	**-**	35,849
Al Waraq for Printing Press W.L.L. (viii)	Qatar	**-**	51.00%	**-**	152,808
				1,425,907	3,279,040

Notes:

(i) *Qatar International Islamic Bank Q.S.C. (QIIB)*

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). The Group has the ability to exercise significant influence through its nominated members in board of directors of QISI, hence the equity method has been applied.

(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. Although the Group holds less than 20% of the ownership interest and voting rights of MCGS. The Group has the ability to exercise significant influence through its nominated members in board of directors of QISI, hence the equity method has been applied.

(iii) *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.

(iv) *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. Although the Group holds less than 20% of the ownership interest and voting rights of QISI. The Group has the ability to exercise significant influence through its nominated members in board of directors of QISI, hence the equity method has been applied.

13 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Notes:

(v) *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. With reference to Note 5 the Group has lost its significant influence over Dar Al Sharq as a result of the disposal of its subsidiaries. The Group has an ownership of 6% and it was treated as available for sale financial assets as at 31 December 2017.

(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. With reference to Note 5 the Group has lost its significant influence over IHGS as a result of the disposal of its subsidiaries. The Group has an ownership of 16.4% and it was treated as available for sale financial assets as at 31 December 2017.

(vii) *Widam for Food Company Q.S.C. (Widam)*
Widam Food Company Q.S.C. was established as a Qatari Shareholding Company in accordance with resolution no. 75 in 2003 issued by the minister of Economy and Finance. Widam Food Company Q.S.C. is registered in Qatar under Commercial Registration Number 26911. The registered office of the Company is located at P.O. Box 22240, Doha, State of Qatar. The principle activities of Widam Food Company Q.S.C. include import and trade of livestock, meat and feeds, in addition slaughter of sheep and cattle and supplying the local market with fresh meat and related products. With reference to Note 5 the Group has lost its significant influence over Widam as a result of the disposal of its subsidiaries. The Group has an ownership of 2.9% and it was treated as available for sale financial assets as at 31 December 2017.

Last year the Group recognised a gain of QR 37,371 thousand as a result of re-measuring fair value of its existing interest before gaining the significance influence. The gain represents Fair value reserves of available-for-sale financial assets at date of acquisition. 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 2016.

(viii) *Al Waraq for Printing Press W.L.L. (Al Waraq)*
Al Waraq for Printing Press W.L.L. (the "Company") was established as a Limited Liability Company registered and incorporated in the state of Qatar under the Commercial Registration No. 52822. The Company is incorporated a joint venture between Dar Al Arab W.L.L. and Dar Al-Sharq for Printing, Publishing and Distribution W.L.L. With reference to Note 5 the Group has fully disposed of its investment over Al Waraq, as a result of disposal of the subsidiaries.

Reconciliation of the summarized financial information presented to the carrying amount of its interests in associates and joint ventures is as follows:

	2017 ***QR'000***	*2016* *QR'000*
Balance at 1 January	**3,279,040**	3,202,656
Dividends received	**(109,624)**	(205,633)
Share of results	**141,354**	189,804
Share of results from associate in discontinued operation	**-**	3,394
Disposals during the year	**(1,555,636)**	(376,389)
Share of net movement in other comprehensive (loss) income (Note 21)	**(2,667)**	986
Impairment loss of investment in associates	**(162,194)**	-
Transfer to available for sale financial assets	**(164,366)**	-
Additions during the year	**-**	492,866
Transfer to subsidiary	**-**	(28,644)
Balance at 31 December	**1,425,907**	3,279,040

13 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Set out below are the summarized financial information for investments in associates and joint ventures which are accounted for using equity method

Summarized Statement of financial position:

	2017				
	QIIB QR'000	***MCGS QR'000***	***QISI QR'000***	***White Square QR'000***	***Total QR'000***
Total assets	**46,505,519**	**1,017,968**	**881,206**	**1,024,141**	**49,428,834**
Total liabilities	**(40,289,541)**	**(189,193)**	**(522,691)**	**(454,870)**	**(41,456,295)**
Equity	**6,215,978**	**828,775**	**358,515**	**569,271**	**7,972,539**
Group's interest	**621,598**	**103,597**	**26,291**	**185,013**	**936,499**
Goodwill	**304,779**	**142,500**	**42,129**	**-**	**489,408**
Carrying value of investment	**926,377**	**246,097**	**68,420**	**185,013**	**1,425,907**

	2016								
	QIIB QR'000	*MCGS QR'000*	*QISI QR'000*	*Dar Al Sharq QR'000*	*White Square QR'000*	*IHGS QR'000*	*Widam QR'000*	*Al Waraq QR'000*	*Total QR'000*
Total assets	42,822,456	1,063,102	822,769	563,762	1,005,538	368,697	520,853	287,925	47,455,102
Total liabilities	(36,851,013)	(189,065)	(478,200)	(70,411)	(434,269)	(225,935)	(170,585)	(22,890)	(38,442,368)
Equity	5,971,443	874,037	344,569	493,351	571,269	142,762	350,268	265,035	9,012,734
Group's interest	1,194,289	115,810	34,457	220,923	185,663	30,761	10,537	135,168	1,927,608
Goodwill	716,684	151,049	80,007	315,761	-	44,979	25,312	17,640	1,351,432
Carrying value of investment	1,910,973	266,859	114,464	536,684	185,663	75,740	35,849	152,808	3,279,040

13 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Share of associates and joint ventures summarized income statement and statement of comprehensive income.

	2017							
	QIIB QR'000	***MCGS QR'000***	***QISI QR'000***	***Dar Al Sharq QR'000***	***White Square QR'000***	***IHGS QR'000***	***Widam QR'000***	***Total QR'000***
Revenue and gains	**2,149,578**	**351,246**	**111,898**	**46,489**	**35,948**	**6,727**	**917,140**	**3,619,026**
Profit (loss) for the year	**882,209**	**48,038**	**66,446**	**14,553**	**(1,999)**	**1,530**	**80,146**	**1,090,923**
Total comprehensive income (loss)	**345**	**(1,198)**	**-**	**(1,669)**	**-**	**(104)**	**(41)**	**(2,667)**
Group's share of results for the year	**120,279**	**6,277**	**6,210**	**6,517**	**(650)**	**310**	**2,411**	**141,354**
Dividends	**90,071**	**11,187**	**5,250**	**-**	**-**	**1,220**	**1,896**	**109,624**

Note:
The Group ownership in the above associates changed during the year as result of the disposal of the subsidiaries (Note 5).

	2016									
	QIIB QR'000	*MCGS QR'000*	*QISI QR'000*	*Dar Al Sharq QR'000*	*White Square QR'000*	*IHGS QR'000*	*Widam QR'000*	*Al Waraq QR'000*	*Dar Al Arab QR'000*	*Total QR'000*
Revenue and gains	1,770,644	482,297	104,275	246,407	-	17,602	792,226	66,749	2,721	3,482,921
Profit (loss) for the year	726,690	65,960	61,920	77,135	(21,322)	4,003	69,231	7,439	(1,374)	989,682
Total comprehensive income (loss)	2,230	(245)	142	(963)	-	-	(178)	-	-	986
Group's share of results for the year	145,338	8,740	6,182	34,201	(6,930)	863	2,083	3,394	(673)	193,198
Dividends	137,148	36,298	14,293	11,750	-	2,144	-	4,000	-	205,633

13 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Notes:

(i) The mortgages on investments in associates are disclosed in Note 16.

(ii) The Group carried out an impairment testing for the carrying value of the associates at 31 December 2017. 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. The Group determined that there is an impairment loss amounting to QR 162,194 thousand which represents the difference between the carrying amount and the recoverable amounts of these associates.

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.

14 PROPERTY AND EQUIPMENT

	Buildings QR'000	*Motor vehicles QR'000*	*Furniture, fixtures and office equipment QR'000*	*Capital work in progress QR'000*	*Total QR'000*
Cost					
At 1 January 2017	16,775	10,363	98,260	-	125,398
Additions	-	2,340	29,458	-	31,798
Disposals	(3,923)	(1,797)	(8,675)	-	(14,395)
Transferred from investment properties (Note 12)	-	-	-	779,524	779,524
At 31 December 2017	12,852	10,906	119,043	779,524	922,325
Depreciation					
At 1 January 2017	5,353	6,250	72,039	-	83,642
Charge for the year	643	1,818	13,135	-	15,596
Disposals	(745)	(967)	(7,614)	-	(9,326)
At 31 December 2017	5,251	7,101	77,560	-	89,912
Net carrying amount 31 December 2017	**7,601**	**3,805**	**41,483**	**779,524**	**832,413**

14 PROPERTY AND EQUIPMENT (CONTINUED)

	Buildings QR'000	*Motor vehicles QR'000*	*Furniture, fixtures and office equipment QR'000*	*Total QR'000*
Cost				
At 1 January 2016	12,852	7,445	61,555	81,852
Additions	-	1,090	28,434	29,524
Additions from acquisition of subsidiary	3,923	1,828	8,271	14,022
At 31 December 2016	16,775	10,363	98,260	125,398
Depreciation				
At 1 January 2016	3,964	3,756	51,837	59,557
Charge for the year	844	1,754	13,134	15,732
Depreciation relating to acquisition of subsidiary	545	740	7,068	8,353
At 31 December 2016	5,353	6,250	72,039	83,642
Net carrying amount				
31 December 2016	11,422	4,113	26,221	41,756

15 PAYABLES AND OTHER LIABILITIES

	2017 QR'000	*2016 QR'000*
Due to a related party/ due to related parties (Note 10)	**1,558,880**	1,537,886
Dividends Payables	**763,030**	389,160
Tenants deposits	**144,830**	154,289
Contractors and suppliers payable *(Note i)*	**103,767**	711,249
Unearned rents	**63,873**	51,248
Accrued expenses	**52,899**	77,382
Provision for Social and Sports Activities Fund	**42,330**	45,311
Provision for end of services benefits	**39,131**	39,176
Retention payable *(Note i)*	**31,852**	298,723
Advances from customers	**2,698**	2,698
Notes payable	**-**	2,826
Other payables	**19,141**	18,223
	2,822,431	3,328,171

15 PAYABLES AND OTHER LIABILITIES (CONTINUED)

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

31 December 2017	***Current QR'000***	***Non-current QR'000***	***Total QR'000***
Due to related parties	**-**	**1,558,880**	**1,558,880**
Contractors and suppliers payable *(Note i)*	**103,767**	**-**	**103,767**
Dividends Payables	**763,030**	**-**	**763,030**
Retention payable *(Note i)*	**-**	**31,852**	**31,852**
Tenants deposits	**-**	**144,830**	**144,830**
Accrued expenses	**52,899**	**-**	**52,899**
Unearned rents	**63,873**	**-**	**63,873**
Provision for Social and Sports Activities Fund	**42,330**	**-**	**42,330**
Provision for end of services benefits	**-**	**39,131**	**39,131**
Advances from customers	**2,698**	**-**	**2,698**
Other payables	**19,141**	**-**	**19,141**
	1,047,738	**1,774,693**	**2,822,431**

31 December 2016	*Current QR'000*	*Non-current QR'000*	*Total QR'000*
Due to related parties	27,276	1,510,610	1,537,886
Contractors and suppliers payable *(Note i)*	77,469	633,780	711,249
Dividends Payables	389,160	-	389,160
Retention payable *(Note i)*	-	298,723	298,723
Tenants deposits	-	154,289	154,289
Accrued expenses	77,382	-	77,382
Unearned rents	51,248	-	51,248
Provision for Social and Sports Activities Fund	45,311	-	45,311
Provision for end of services benefits	-	39,176	39,176
Notes payable	2,826	-	2,826
Advances from customers	2,698	-	2,698
Other payables	18,223	-	18,223
	691,593	2,636,578	3,328,171

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

16 SUKUK AND ISLAMIC FINANCING BORROWINGS

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

	2017 QR'000	*2016 QR'000*
At 1 January	**15,926,929**	14,959,607
Additional facilities obtained during the year	**1,992,865**	3,821,699
Finance costs (Note 26)	**752,807**	667,736
Repayments of outstanding facilities during the year	**(2,402,140)**	(3,522,113)
At 31 December	**16,270,461**	15,926,929

16 SUKUK AND ISLAMIC FINANCING BORROWINGS (CONTINUED)

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

	2017 QR'000	*2016 QR'000*
Current portion	**2,795,427**	2,001,203
Non-current portion	**13,475,034**	13,925,726
	16,270,461	15,926,929

Terms and conditions of the outstanding facilities were as follows:

Type of facilities	***Currency***	***Profit rates charged***	***2017 QR'000***	*2016 QR'000*
Secured Murabaha	QR	QMRL rate	**4,661,852**	5,121,466
Secured Ijara	QR	QMRL rate	**3,839,774**	3,996,516
Secured Murabaha	USD	1Y/3 M LIBOR	**636,923**	649,314
Secured Ijara	USD	1M /3M LIBOR	**3,475,027**	4,338,517
Sukuk financing	USD	4.375%/ 4.875%	**3,656,885**	1,821,116
			16,270,461	15,926,929

Note i:
The Sukuk and Islamic financing borrowings have been obtained for the purpose of refinancing of the Group's debts. All contracts carry profits at commercial rates.

Note ii:
The group obtained 2 new Islamic financing borrowing during the year as follows:

Islamic Borrowing Finance 1
During the year, as part of a Sharia' approved programme to issue QAR 7,283,000 thousand (USD 2,000,000 thousand) Sukuks through a special purpose entity ("Ezdan Sukuk Company Ltd"), a second tranche of QR 1,820,750 thousand (USD 500,000 thousand) Sukuks were issued on behalf of the Group with total issuance cost of QAR 9,959 thousand. The Sukuk were issued at an annual fixed profit rate of 4.875% paid semi-annually with a tenor of 5 years maturing in April 2022. The Sukuks are listed on the Irish Stock Exchange and were issued on a capacity of assets' backed Sukuk. The Group has undertaken to repurchase the assets at the same issuance price.

Islamic Borrowing Finance 2
During the year, the Group obtained short term Murabaha finance facility amounting to QR 182,075 thousand withdrawn through two tranches . The Islamic borrowings carries a commercial rate. The Group will repay both tranches during 2018.

Note iii:
As at 31 December 2017, the Group had secured borrowings against mortgages on different types of investment properties owned by the Group with a carrying value of QR 15,525,486 thousand (31 December 2016: QR 15,525,486 thousand) and mortgage against quoted shares included in the consolidated financial statements within available-for-sale financial assets and investments in associates with carrying value of QR 600,531 thousand at 31 December 2017 (31 December 2016: QR 1,237,419 thousand).

16 SUKUK AND ISLAMIC FINANCING BORROWINGS (CONTINUED)

The maturity profiles of the facilities are as follows:

31 December 2017	***1 year QR'000***	***2-5 years QR'000***	***Over 5 years QR'000***	***Total QR'000***
Secured Murabaha (QR)	**784,887**	**2,934,385**	**942,580**	**4,661,852**
Secured Ijara (QR)	**696,255**	**2,147,453**	**996,066**	**3,839,774**
Secured Murabaha (USD)	**330,550**	**306,373**	**-**	**636,923**
Secured Ijara (USD)	**968,351**	**1,701,435**	**805,241**	**3,475,027**
Sukuk financing (USD)	**15,384**	**3,641,501**	**-**	**3,656,885**
	2,795,427	**10,731,147**	**2,743,887**	**16,270,461**

31 December 2016	*1 year QR'000*	*2-5 years QR'000*	*Over 5 years QR'000*	*Total QR'000*
Secured Murabaha (QR)	578,532	2,853,594	1,689,340	5,121,466
Secured Ijara (QR)	344,828	2,104,881	1,546,807	3,996,516
Secured Murabaha (USD)	198,656	434,107	16,551	649,314
Secured Ijara (USD)	878,821	2,461,173	998,523	4,338,517
Sukuk financing (USD)	366	1,820,750	-	1,821,116
	2,001,203	9,674,505	4,251,221	15,926,929

17 SHARE CAPITAL

	2017 QR'000	*2016 QR'000*
Authorised, issued and fully paid up:		
2,652,496,691 shares of QR 10 each	**26,524,967**	26,524,967

18 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.

19 NON-CONTROLLING INTERESTS

Proportion of equity interest held by non-controlling interest are as follows:

Name of subsidiaries:	***2017***	*2016*
Emtedad Real Estate for Projects W.L.L.	**32.50%**	32.50%
Dar Al Arab W.L.L. (Note 6)	**-**	25.50%
Ezdan World W.L.L.	**30%**	30%

Loss allocated to non-controlling interests	***2017 QR'000***	*2016 QR'000*
Ezdan World W.L.L.	**(5,770)**	(4,970)
Dar Al Arab W.L.L.	**(905)**	(2,400)
Emtedad Real Estate for Projects W.L.L.	**(4,525)**	(142)
	(11,200)	(7,512)

Accumulated non-controlling interests	***2017 QR'000***	*2016 QR'000*
Emtedad Real Estate for Projects W.L.L.	**14,818**	403,847
Dar Al Arab W.L.L. (Note 6)	**-**	32,596
Ezdan World W.L.L.	**(10,681)**	(4,909)
	4,137	431,534

The financial information of group's subsidiaries that have material non-controlling interests are provided below. The summarised financial information below represents amounts before intragroup eliminations.

	2017 QR'000	*2016 QR'000*
Total assets	**2,506,469**	9,034,946
Total liabilities	**57,708**	7,792,335
Equity attributable to the parent	**2,444,624**	1,242,611
Non-controlling interests	**4,137**	431,534

19 NON-CONTROLLING INTERESTS (CONTINUED)

	2017 ***QR'000***	*2016* *QR'000*
Rental revenue and other operating revenue	**23,894**	25,605
Revaluation loss	**(12,767)**	-
Operating expenses	**(29,081)**	(25,039)
General and administrative expenses	**(15,204)**	(17,571)
Loss for the year	**(33,158)**	(17,005)
Loss attributable to parent of the Company	**(22,863)**	(11,892)
Loss attributable to non-controlling interests	**(10,295)**	(5,113)
Loss for the year	**(33,158)**	(17,005)

	2017 ***QR'000***	*2016* *QR'000*
Net cash from (used in) operation activities	**25,844**	(547)
Net cash used in investing activities	**(24,843)**	(20,637)
Net cash (used in) from financing activities	**(1,603)**	21,063
Net decrease/increase in cash and cash equivalents	**(602)**	973

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 42,330 thousands (2016: QR 45,311 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

	2017 ***QR'000***	*2016* *QR'000*
Beginning balance	**329,580**	605,559
Movement	**(312,254)**	(275,979)
Ending balance	**17,326**	329,580

	2017 ***QR'000***	*2016* *QR'000*
Fair value reserves movement		
Available-for-sale financial assets:		
Net (gain) loss on available-for-sale financial assets	**(212,619)**	356,686
Net gain on disposal of available-for-sale financial assets reclassified to consolidated statement of income	**(181,653)**	(691,204)
Reclassification of impairment losses on available-for-sale financial assets charged to consolidated statement of income	**67,487**	51,286
Net loss on available-for-sale financial assets (Note 11)	**(326,785)**	(283,232)
Movement in foreign currency reserve	**(1,800)**	-
Gain on cash flow hedges	**17,198**	6,267
Share of net movement in fair value reserves of associates (Note 13)	**(2,667)**	986
Total other comprehensive loss for the year	**(314,054)**	(275,979)

22 OTHER OPERATING REVENUES

	2017 *QR'000*	*2016* *QR'000*
Compensation from government (*Note i)*	**171,971**	6,116
Food and beverage revenue	**21,748**	17,046
Entertainment revenue	**10,684**	2,290
Health club income	**6,521**	8,136
Internet income	**6,349**	8,082
Property management fees	**5,159**	6,307
Laundry revenue	**1,288**	1,622
Rebate commission	**1,286**	7,279
Others	**3,763**	26,671
	228,769	83,549

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

	2017 *QR'000*	*2016* *QR'000*
Staff costs	**94,045**	90,485
Electricity and water	**59,929**	61,040
Sewage expenses	**36,321**	40,659
Maintenance expenses	**45,138**	41,121
Cleaning	**23,565**	20,092
Air-conditioning	**25,105**	20,454
Security	**21,475**	21,465
Food and beverage	**9,203**	7,072
Laundry and dry cleaning	**5,830**	5,662
Generators and equipment rental	**2,260**	2,733
Operating lease expenses	**10,108**	14,422
Commission	**913**	1,157
Other expenses	**18,871**	9,773
	352,763	336,135

24 OTHER INCOME

	2017 *QR'000*	*2016* *QR'000*
Profit on Islamic bank accounts (Note 26)	**42,872**	12,599
Miscellaneous income	**14,589**	2,970
	57,461	15,569

25 GENERAL AND ADMINISTRATIVE EXPENSES

	2017 **QR'000**	2016 QR'000
Staff costs	**126,063**	131,673
Executive Committee benefits	**35,400**	34,693
Consulting, legal & professional expenses	**21,088**	23,711
Advertising and marketing	**11,402**	11,406
Qatar Exchange registration fees	**8,408**	8,364
Allowance for impairment of tenants receivable	**6,248**	37,231
Information systems expenses	**5,901**	6,806
Communication	**4,941**	5,936
Lease expenses	**4,780**	2,640
Provision for slow moving inventory (Note 9)	**4,683**	-
Bank charges	**3,612**	3,119
Insurance	**3,248**	4,387
Printing & Stationery	**1,323**	1,391
Board of Directors remunerations (Note 10)	**-**	12,983
Donations	**-**	1,000
Other expenses	**4,887**	12,542
	241,984	297,882

26 FINANCE COSTS AND INCOME

	2017 **QR'000**	2016 QR'000
Finance costs		
Profits charged by banks on Sukuk and Islamic financing borrowings (Note 16)	**752,807**	667,736
Less: capitalized finance costs (Note 12)	**(49,543)**	(44,483)
Banks profits charged to the consolidated statement of income	**703,264**	623,253
Finance income		
Profit on Islamic bank accounts (Note 24)	**42,872**	12,599

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.

	2017	2016
Profit attributable to equity holders of the parent (QR'000)	**1,693,201**	1,812,456
Profit attributable to equity holders of the parent from continuing operations (QR'000)	**1,695,845**	1,819,471
Weighted average number of shares outstanding during the year (thousands of share)	**2,652,497**	2,652,497
Basic and diluted earnings per share (QR)	**0.64**	0.68
Basic and diluted earnings per share from continuing operations (QR)	**0.64**	0.69

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 16 April 2017, the shareholders approved a cash dividend of QR 0.50 per share totaling to QR 1,326,248 thousand for the year ended 2016 (2016:QR 0.50 per share totalling to QR 1,326,248 thousand for the year ended 2015).

29 DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into profit rate swap contracts effective up to 2024 in order to hedge against the profit rate risk arising from certain Sukuk and 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 1M/3M LIBOR. The terms of the profit rate swap contracts have been negotiated to match the terms of the Sukuk and Islamic financing borrowings .

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

At 31 December 2017	***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***
PRS contracts 1	**1,808**	**449,832**	**-**	**-**	**1,808**	**-**
PRS contracts 2	**4,821**	**422,700**	**-**	**-**	**4,821**	**-**
PRS contracts 3	**8,765**	**742,223**	**-**	**-**	**8,765**	**-**
PRS contracts 4	**7,773**	**1,675,090**	**-**	**-**	**-**	**7,773**
	23,167	**3,289,845**	**-**	**-**	**15,394**	**7,773**

Positive fair value is included in the receivables and prepayments in Note 8.

At 31 December 2016	*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*
PRS contracts 1	63	749,721	-	-	63	-
PRS contracts 2	2,261	581,212	-	-	2,261	-
PRS contracts 3	3,646	1,012,123	-	-	3,646	-
	5,970	2,343,056	-	-	5,970	-

30 CONTINGENT LIABILITIES

	2017 QR'000	*2016 QR'000*
Bank guarantees	**4,570**	3,105

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 COMMITMENTS

	2017 *QR'000*	*2016* *QR'000*
Contractual commitments to contractors and suppliers for development of projects	**48,781**	478,110

Note
Contractual commitments to contractors and suppliers amounted to QR Nil (2016: QR 306,443) is relating to Emtedad Real Estate for Projects W.L.L., a subsidiary of the Group for more than one year.

Legal cases
As at 31 December 2017, various legal cases were initiated by third parties against the Group. In the opinion of the Group's lawyers it would be difficult to reliably estimate the compensation that may be awarded. However, the Group's lawyers believe, based on previous experience and available information, that the Group is unlikely to incur losses as a result of these claims. No provision has been made in the consolidated financial statements.

32 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).

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

Credit risk (continued)

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:

	2017 ***QR'000***	*2016* *QR'000*
Banks balances (excluding cash)	**370,572**	424,823
Receivables, refundable deposits and other receivables	**83,269**	64,086
Due from related parties	**34,683**	9,627
	488,524	498,536

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.

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 2017	***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	**371,120**	**371,120**	**371,120**	-	-	-
Due from related parties	**34,683**	**34,683**	**34,683**	-	-	-
Net tenants receivable	**57,600**	**57,525**	**57,525**	-	-	-
Refundable deposits	**18,617**	**18,617**	-	-	**18,617**	-
Derivative financial assets	**23,168**	**23,168**	**23,168**	-	-	-
Other receivables	**7,052**	**7,052**	**7,052**	-	-	-
	512,240	**512,165**	**493,548**	-	**18,617**	-
Financial Liabilities						
Sukuk and Islamic financing borrowings	**16,270,461**	**(17,723,830)**	**(3,040,301)**	**(3,892,825)**	**(7,947,741)**	**(2,842,963)**
Due to related parties	**1,558,880**	**(1,558,880)**	-	**(1,558,880)**	-	-
Contractors and suppliers payable	**103,767**	**(103,767)**	**(103,767)**	-	-	-
Retention payable	**31,852**	**(31,852)**	-	**(31,852)**	-	-
Tenants deposits	**144,830**	**(144,830)**	**(144,830)**	-	-	-
Accrued expenses	**52,899**	**(52,899)**	**(52,899)**	-	-	-
Other payables	**19,141**	**(19,141)**	**(19,141)**	-	-	-
Provision for Social and Sports Activities Fund	**42,330**	**(42,330)**	**(42,330)**	-	-	-
	18,224,160	**(19,677,529)**	**(3,403,268)**	**(5,483,557)**	**(7,947,741)**	**(2,842,963)**

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

Liquidity risk (continued)

31 December 2016	*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	426,177	426,177	426,177	-	-	-
Due from related parties	9,627	9,627	9,627	-	-	-
Net tenants receivable	24,893	24,893	24,893	-	-	-
Refundable deposits	18,555	18,555	-	-	18,555	-
Derivative financial assets	5,970	5,970	5,970	-	-	-
Other receivables	20,638	20,638	20,638	-	-	-
	505,860	505,860	487,305	-	18,555	-
Financial Liabilities						
Sukuk and Islamic financing borrowings	15,926,929	(17,453,427)	(2,220,700)	(4,354,759)	(6,435,929)	(4,442,039)
Due to related parties	1,537,886	(1,537,886)	(27,276)	(1,510,610)	-	-
Contractors and suppliers payable	711,249	(711,249)	(77,469)	(633,780)	-	-
Retention payable	298,723	(298,723)	-	(298,723)	-	-
Tenants deposits	154,289	(154,289)	(154,289)	-	-	-
Accrued expenses	77,382	(77,382)	(77,382)	-	-	-
Other payables	18,221	(18,221)	(18,221)	-	-	-
Provision for Social and Sports Activities Fund	45,311	(45,311)	(45,311)	-	-	-
	18,769,990	(20,296,488)	(2,620,648)	(6,797,872)	(6,435,929)	(4,442,039)

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.

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 and 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 MRL 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.

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

Market risk (continued)
At the reporting date the profit rate profile of the Group's interest bearing financial instruments was:

	2017 QR'000	*2016 QR'000*
Term deposits	**200,000**	10,054
Islamic financing borrowings	**(8,773,804)**	(10,109,297)

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 2017	**(21,435)**
At 31 December 2016	(25,248)

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 2017***	*Effect on equity QR'000 2016*
Available for sale financial assets	**+10%**	**236,765**	655,331

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.

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

Operational risk (continued)
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 most of 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.

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.

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

Capital management (continued)

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

	2017 ***QR'000***	*2016* *QR'000*
Sukuk and Islamic financing borrowings	**16,270,461**	15,926,929
Less: cash and cash equivalents	**(366,550)**	(423,072)
Net debt	**15,903,911**	15,503,857
Total equity	**30,156,864**	30,573,692
Net debt to equity ratio at 31 December	**53%**	51%

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:

	2017 ***QR'000***	*2016* *QR'000*
Sukuk and Islamic financing borrowings	**16,270,461**	15,926,929
Fair value of investment properties and available –for- sale financial assets	**46,290,738**	45,473,105
Borrowing to value ratio at 31 December	**35%**	35%

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 2017 and 2016. Capital includes share capital, retained earnings and legal reserve is measured at QR 30,135,247 thousand at 31 December 2017 (31 December 2016: QR 29,810,624 thousand).

33 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:

	2017		*2016*	
	Carrying values QR'000	***Fair values QR'000***	*Carrying values QR'000*	*Fair Values QR'000*
Financial assets				
Bank balances	**370,572**	**370,572**	424,823	424,823
Available for- sale- financial assets	**2,470,953**	**2,470,953**	6,553,307	6,553,307
Due from related parties	**34,683**	**34,683**	9,627	9,627
Receivables, refundable deposits, derivative financial assets and other receivables	**106,362**	**106,362**	70,056	70,056
	2,982,570	**2,982,570**	7,057,813	7,057,813
Financial liabilities				
Sukuk and Islamic financing borrowings	**16,270,461**	**16,270,461**	15,926,929	15,926,929
Due to a related party	**1,558,880**	**1,558,880**	1,537,886	1,537,886
Payables and other liabilities, excluding unearned rent, and advances from customers	**1,157,846**	**1,157,846**	1,736,337	1,736,337
	18,987,187	**18,987,187**	19,201,152	19,201,152

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 2017	***Level 1 QR'000***	***Level 2 QR'000***	***Level 3 QR'000***	***Total QR'000***
Available for- sale- financial assets	**2,367,648**	**103,305**	**-**	**2,470,953**

At 31 December 2016	*Level 1 QR'000*	*Level 2 QR'000*	*Level 3 QR'000*	*Total QR'000*
Available for- sale- financial assets	4,050,440	2,502,867	-	6,553,307

During the years ended 31 December 2017 and 2016, 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.

34 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.
- Distribution and publishing of news papers — The segment includes printing, publishing and distribution of newspapers

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.

34 SEGMENT INFORMATION (CONTINUED)

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

31 December 2017	*Residential and commercial properties QR'000*	*Investments QR'000*	*Hotels and suites QR'000*	*Malls QR'000*	*Adjustments and eliminations QR'000*	*Total QR'000*
Rental income	**1,186,236**	**-**	**203,480**	**145,244**	**(47,405)**	**1,487,555**
Other operating revenues	**176,209**	**1,286**	**39,996**	**11,790**	**(512)**	**228,769**
Dividends income from available for sale financial assets	**-**	**241,848**	**-**	**-**	**-**	**241,848**
Net gain on sale of available for sale financial assets	**-**	**464,932**	**-**	**-**	**35,289**	**500,221**
Net gain on sale of investments in associates	**-**	**177,777**	**-**	**-**	**-**	**177,777**
Share from the results of associates and joint ventures	**-**	**141,354**	**-**	**-**	**-**	**141,354**
Other income	**45,469**	**70**	**-**	**1,303**	**10,619**	**57,461**
Operating expenses	**(206,688)**	**-**	**(81,826)**	**(79,502)**	**15,253**	**(352,763)**
General and administrative expenses	**(234,814)**	**(2,350)**	**(30,356)**	**(7,129)**	**32,665**	**(241,984)**
Depreciation	**(5,275)**	**-**	**(2,096)**	**(8,225)**	**-**	**(15,596)**
Segment profit	**961,137**	**1,024,917**	**129,198**	**63,481**	**45,909**	**2,224,642**
Gain on revaluation of investment properties	**427,748**	**-**	**-**	**-**	**-**	**427,748**
Impairment loss of available-for-sale-financial assets	**-**	**(67,487)**	**-**	**-**	**-**	**(67,487)**
Loss on disposal of subsidiaries	**-**	**-**	**-**	**-**	**(33,895)**	**(33,895)**
Impairment loss of investments in associates	**-**	**(162,194)**	**-**	**-**	**-**	**(162,194)**
Finance costs	**(703,264)**	**-**	**-**	**-**	**-**	**(703,264)**
Loss from discontinued operations	**-**	**-**	**-**	**-**	**(3,549)**	**(3,549)**
Net profit	**685,621**	**795,236**	**129,198**	**63,481**	**8,465**	**1,682,001**

34 SEGMENT INFORMATION (CONTINUED)

31 December 2016	*Residential and commercial properties QR'000*	*Investments QR'000*	*Hotels and suites QR'000*	*Malls QR'000*	*Publishing and Distribution QR'000*	*Adjustments and eliminations QR'000*	*Total QR'000*
Rental income	1,258,986	-	242,308	145,390	-	(41,640)	1,605,044
Other operating revenues	19,561	20,570	38,180	6,917	27,816	(29,495)	83,549
Dividends income from available for sale financial assets	-	226,892	-	-	-	-	226,892
Net gain on sale of available for sale financial assets	-	755,976	-	-	-	-	755,976
Net gain on sale of investments in associates	-	210,334	-	-	-	-	210,334
Share from the results of associates and joint ventures	-	189,804	-	-	-	-	189,804
Gain on acquisition of a subsidiary	-	41,241	-	-	-	-	41,241
Gain on acquisition of an associate	-	37,371	-	-	-	-	37,371
Other income	14,635	45	-	895	306	(312)	15,569
Operating expenses	(212,787)	-	(78,525)	(61,534)	(34,472)	51,183	(336,135)
General and administrative expenses	(257,659)	(1,911)	(38,573)	(16,361)	(5,425)	22,047	(297,882)
Depreciation	(7,163)	-	(2,111)	(5,422)	(1,036)	1,036	(14,696)
Segment profit	815,573	1,480,322	161,279	69,885	(12,811)	2,819	2,517,067
Loss on revaluation of investment properties	(28,173)	-	-	-	-	-	(28,173)
Impairment loss of available-for-sale-financial assets	-	(51,286)	-	-	-	-	(51,286)
Finance costs	(623,253)	-	-	-	-	-	(623,253)
Net profit	164,147	1,429,036	161,279	69,885	(12,811)	2,819	1,814,355

34 SEGMENT INFORMATION (CONTINUED)

The following table presents assets and liabilities of the Group's operating segments as of 31 December 2017 and 31 December 2016.

31 December 2017	*Residential and commercial properties QR'000*	*Investments QR'000*	*Hotels and suites QR'000*	*Mall QR'000*	*Adjustments and eliminations QR'000*	*Total QR'000*
Segment assets						
Cash and bank balances	**357,535**	**67**	**1,489**	**12,029**	**-**	**371,120**
Receivables and prepayments	**248,577**	**4,763,820**	**27,188**	**89,042**	**(4,821,314)**	**307,313**
Inventories	**11,075**	**-**	**11,190**	**-**	**-**	**22,265**
Investments in associates and joint ventures	**-**	**1,425,907**	**-**	**-**	**-**	**1,425,907**
Available-for-sale-financial assets	**-**	**2,470,953**	**-**	**-**	**-**	**2,470,953**
Investment properties	**37,624,894**	**-**	**4,936,638**	**1,258,253**	**-**	**43,819,785**
Property and equipment	**15,434**	**-**	**784,355**	**32,624**	**-**	**832,413**
Total assets	**38,257,515**	**8,660,747**	**5,760,860**	**1,391,948**	**(4,821,314)**	**49,249,756**
Segment liabilities						
Payables and other liabilities	**7,537,430**	**-**	**66,702**	**67,526**	**(4,849,227)**	**2,822,431**
Sukuk and Islamic financing borrowings	**16,270,461**	**-**	**-**	**-**	**-**	**16,270,461**
Total liabilities	**23,807,891**	**-**	**66,702**	**67,526**	**(4,849,227)**	**19,092,892**

Geographically, the Group operates in the State of Qatar and the United Kingdom. Qatar operations contributed approximately 100% of the Group's profit for the year ended 31 December 2017 (31 December 2016: 100%), and approximately 99.97 % (31 December 2016: 99.72%) of its assets.

34 SEGMENT INFORMATION (CONTINUED)

31 December 2016	*Residential and commercial properties QR'000*	*Investments QR'000*	*Hotels and suites QR'000*	*Mall QR'000*	*Publishing and Distribution QR'000*	*Adjustments and eliminations QR'000*	*Total QR'000*
Segment assets							
Cash and bank balances	357,512	35,308	2,605	14,178	16,574	-	426,177
Receivables and prepayments	913,626	99,888	171,436	75,092	30,802	(937,263)	353,581
Inventories	8,491	-	10,244	473	-	-	19,208
Investments in associates and joint ventures	-	3,279,040	-	-	-	-	3,279,040
Available-for-sale-financial assets	-	6,553,151	-	-	156	-	6,553,307
Investment properties	32,748,228	-	4,919,660	1,251,910	-	-	38,919,798
Goodwill	-	-	-	-	-	141,170	141,170
License	-	-	-	-	-	94,755	94,755
Property and equipment	16,873	-	3,639	15,659	5,585	-	41,756
Total assets	34,044,730	9,967,387	5,107,584	1,357,312	53,117	(701,338)	49,828,792
Segment liabilities							
Payables and other liabilities	3,178,133	840,782	27,952	56,314	156,278	(931,288)	3,328,171
Sukuk and Islamic financing borrowings	15,926,929	-	-	-	-	-	15,926,929
Total liabilities	19,105,062	840,782	27,952	56,314	156,278	(931,288)	19,255,100

35 COMPARATIVE FIGURES

Comparative figures presented for 2016 have been reclassified where necessary to preserve consistency with the 2017 figures. Such reclassifications did not have any effect on the consolidated net profit or shareholders' equity for the comparative year.