EZDAN HOLDING GROUP Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2019

EZDAN HOLDING GROUP Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2019

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Ezdan Holding Group Q.P.S.C.
Doha, State of Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Ezdan Holding Group Q.P.S.C. (the "Company") and its subsidiaries (together with the Company, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

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 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standard 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 Group 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 Group's consolidated financial statements in the State of 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 these 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.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matter (continued)

See Notes 2(d), 3(f), 9 and 29 to the consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group has recognized investment property in the amount of QR 43,933,362 thousand (2018: QR 43,863,571 thousand) which represents 91% of the Group's total assets and is measured at fair value. Estimating the fair value is a complex process involving number of judgments and estimates including key assumptions. Consequently, the valuation of investment property is considered to be a key audit matter.	Our audit procedures in this area included, among others: • Evaluating the competence and capabilities of the external valuation expert appointed by the Group; • Agreeing the property information in the valuation by tracing a sample of inputs to the underlying property records held by the Group; • Involving our own valuation specialist to assist us in the following matters: - assessing the consistency of the valuation basis and appropriateness of the methodology used, based on generally accepted valuation practices; and - evaluating the appropriateness of the assumptions applied to key inputs such as annual cash flows, market prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate), which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Group and the industry. • Evaluating the adequacy of the disclosures in the consolidated financial statements including the disclosures of key assumptions and judgments.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report (the "Annual Report") but does not include the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

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 that we have performed, we conclude that there is a material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

When we read the remaining sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

- Identify and assess the risk 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 the Board of Directors.

- Conclude on the appropriateness of the Board of Directors 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, then we are required to draw attention in our audit'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 the Board of Directors regarding, among other matters, the planned scope and the timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and is therefore the key audit matter. We describe this matter 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.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith. Furthermore, the physical count of inventories was carried out in accordance with established principles. We have read the report of the Board of Directors to be included in the Annual Report and the consolidated financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2019.

30 March 2020
Doha
State of Qatar

KPMG

Yacoub Hobeika
KPMG
Qatar Auditors' Registry Number 289
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

In thousands of Qatari Riyals

	Note	**2019**	2018*
ASSETS			
Cash and bank balances	4	**59,289**	23,562
Trade and other receivables	5	**315,188**	196,349
Inventories	6	**26,221**	28,061
Equity investments	7	**2,259,524**	3,316,717
Equity-accounted investees and joint venture	8	**834,173**	1,425,613
Investment properties	9	**43,933,362**	43,863,571
Property and equipment	10	**765,979**	797,641
TOTAL ASSETS		**48,193,736**	49,651,514
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	11	**2,424,557**	3,149,318
Sukuk and Islamic financing	13	**14,365,348**	15,385,522
TOTAL LIABILITIES		**16,789,905**	18,534,840
EQUITY			
Share capital	14	**26,524,967**	26,524,967
Legal reserve	15	**1,646,982**	1,616,053
Fair value reserves	17	**591,918**	719,779
Foreign currency translation reserve		**(247)**	1,827
Retained earnings		**2,919,245**	2,542,036
Equity attributable to owners of the Company		**31,682,865**	31,404,662
Non-controlling interests	31	**(279,034)**	(287,988)
TOTAL EQUITY		**31,403,831**	31,116,674
TOTAL EQUITY AND LIABILITIES		**48,193,736**	49,651,514

These consolidated financial statements were approved by the Company's Board of Directors and were signed on their behalf by the following on 30 March 2020.

Abdalla Bin Thani Al-Thani	*Tamer Fouad Mahmoud*
Vice Chairman	*Group Chief Financial Officer*

* The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. (See Note 2(e)).

The notes on pages 12 to 72 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019 In thousands of Qatari Riyals

	Note	**2019**	2018*
Rental income	9, 18	**1,266,536**	1,247,454
Other operating revenues	9, 18	**103,728**	126,579
Operating expenses	19(i)	**(246,088)**	(307,000)
OPERATING PROFIT FROM MAIN OPERATIONS		**1,124,176**	1,067,033
Dividend income from equity investments	7	**122,416**	124,055
Net gain on sale of equity-accounted investees	8	**58,182**	-
Share of results of equity-accounted investees and joint venture	8	**57,127**	102,083
NET OPERATING PROFIT		**1,361,901**	1,293,171
Loss from change in fair value of investment property	9	**(100,014)**	-
Other income	20	**61,197**	22,057
Finance costs	21	**(898,637)**	(835,545)
General and administrative expenses	19(ii)	**(68,524)**	(213,612)
Provision for claims		-	(41,056)
Impairment loss of property and equipment	10	-	(23,881)
Depreciation of property and equipment	10	**(33,981)**	(33,895)
Impairment loss of trade and other receivables - net	5	**(3,696)**	(25,414)
PROFIT FOR THE YEAR		**318,246**	141,825
Profit attributable to:			
Owners of the Company		**309,292**	433,749
Non-controlling interests	31	**8,954**	(291,924)
		318,246	141,825
BASIC AND DILUTED EARNINGS PER SHARE	22	**0.012**	0.016

* The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. (See Note 2(e)).

The notes on pages 12 to 72 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPRHENSIVE INCOME

For the year ended 31 December 2019 In thousands of Qatari Riyals

	Note	**2019**	2018*
Profit for the year		**318,246**	141,825
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investments at FVOCI - net change in fair value	7, 17	**(10,950)**	862,852
Equity-accounted investees - share of OCI	17	**511**	1,167
		(10,439)	864,019
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges - effective portion of changes in fair value	17	**(10,844)**	(12,324)
Foreign operations - foreign currency translation differences	17	**(2,074)**	1,673
Other comprehensive (loss) / income for the year		**(23,357)**	853,368
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**294,889**	995,193
Attributable to:			
Owners of the Company		**285,935**	1,287,117
Non-controlling interests		**8,954**	(291,924)
		294,889	995,193

* The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. (See Note 2(e)).

The notes on pages 12 to 72 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019 — In thousands of Qatari Riyals

	Attributable to owners of the Company							
	Share capital	***Legal reserve (1)***	***Fair value reserves***	***Foreign currency translation reserve***	***Retained earnings***	***Total***	***Non-controlling interest***	***Total Equity***
Balance at 1 January 2019	**26,524,967**	**1,616,053**	**719,779**	**1,827**	**2,542,036**	**31,404,662**	**(287,988)**	**31,116,674**
Net profit for the year	-	-	-	-	**309,292**	**309,292**	**8,954**	**318,246**
Other comprehensive income for the Year	-	-	**(21,283)**	**(2,074)**	-	**(23,357)**	-	**(23,357)**
Total comprehensive income for the year	-	-	**(21,283)**	**(2,074)**	**309,292**	**285,935**	**8,954**	**294,889**
Transfers of reserves on disposal of FVOCI (Note 17)	-	-	**(106,578)**	-	**106,578**	-	-	-
Transferred to legal reserve	**-**	**30,929**	**-**	**-**	**(30,929)**	**-**	**-**	**-**
Transferred to Social and Sports Activities Fund (Note 16)	**-**	**-**	**-**	**-**	**(7,732)**	**(7,732)**	**-**	**(7,732)**
Balance at 31 December 2019	**26,524,967**	**1,646,982**	**591,918**	**(247)**	**2,919,245**	**31,682,865**	**(279,034)**	**31,403,831**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
For the year ended 31 December 2019

In thousands of Qatari Riyals

	Attributable to owners of the Company							
	Share capital	***Legal reserve (1)***	***Fair value reserves***	***Foreign currency translation reserve***	***Retained Earnings***	***Total***	***Non-controlling interest***	***Total Equity***
Balance at 1 January 2018	26,524,967	1,572,678	17,326	154	2,037,602	30,152,727	4,137	30,156,864
Adjustment on initial application of IFRS 9	-	-	(153,872)	-	129,534	(24,338)	(201)	(24,539)
Adjusted balance at 1 January 2018	26,524,967	1,572,678	(136,546)	154	2,167,136	30,128,389	3,936	30,132,325
Net profit for the year	-	-	-	-	433,749	433,749	(291,924)	141,825
Other comprehensive income for the Year	-	-	851,695	1,673	-	853,368	-	853,368
Total comprehensive income for the Year	-	-	851,695	1,673	433,749	1,287,117	(291,924)	995,193
Transfers of reserves on disposal of FVOCI (Note 17)	-	-	4,630	-	(4,630)	-	-	-
Transferred to legal reserve	-	43,375	-	-	(43,375)	-	-	-
Transferred to Social and Sports Activities Fund (Note 16)	-	-	-	-	(10,844)	(10,844)	-	(10,844)
Balance at 31 December 2018	26,524,967	1,616,053	719,779	1,827	2,542,036	31,404,662	(287,988)	31,116,674

(1) 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 annual profit should be transferred to legal reserve until the reserve equals 50% of the 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019 In thousands of Qatari Riyals

	Note	2019	2018*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**318,246**	141,825
Adjustments for:			
Loss from change in fair value of investment property	9	**100,014**	-
Dividend income from equity investments	7	**(122,416)**	(124,055)
Share of results of equity-accounted investees and joint venture	8	**(57,127)**	(102,083)
Depreciation of property and equipment	10	**33,981**	33,895
Impairment loss of trade and other receivables	5	**10,599**	29,457
Impairment loss of property and equipment	10	-	23,881
Gain on expropriation of investment property	20	-	(19,054)
Provision for employees' end of service benefits	19	**3,302**	7,890
Reversal of allowance for impairment loss of trade and other receivables	5	**(6,903)**	(4,043)
Reversal of provision for claims	20	**(10,920)**	-
Waive-off of payable to a related party (2)		**(35,400)**	-
Net gain on sale of equity-accounted investees	8	**(58,182)**	-
Profit on Islamic bank accounts	20	**(178)**	(1,051)
Provision for obsolete inventories – net	6	-	680
(Gain) / loss on disposal of property and equipment	10	**(4,796)**	100
Finance costs	21	**898,637**	835,545
		1,068,857	822,987
Changes in:			
Trade and other receivables		**122,574**	40,786
Inventories		**1,840**	(6,476)
Trade and other payables (1)		**1,011,491**	333,087
Cash generated from operating activities		**2,204,762**	1,190,384
Employees' end of service benefits paid	11	**(19,714)**	(24,934)
Net cash flows from operating activities		**2,185,048**	1,165,450
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	10	**(2,364)**	(23,424)
Payments for development of investment property		**(385,420)**	(82,242)
Purchase of equity investments	7	-	(1,039)
Proceeds from sale of equity investments		**12**	18,127
Proceeds from disposal of property and equipment		**4,841**	320
Dividends received	7, 8	**197,855**	203,500
Profit on Islamic bank accounts received		**178**	1,051
Net movement in restricted bank balances		**(3,578)**	2,945
Net cash flows (used in) / from investing activities		**(188,476)**	119,238
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sukuk and Islamic financing	13	**-**	3,000,000
Payments for sukuk and Islamic financing	13	**(1,987,601)**	(4,626,687)
Dividends paid		**(40,797)**	-
Movement in transaction cost		**68,790**	(11,584)
Net cash flows used in financing activities		**(1,959,608)**	(1,638,271)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**36,964**	(353,583)
Net foreign exchange difference		**(4,815)**	8,970
Cash and cash equivalents as of 1 January		**21,937**	366,550
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	**54,086**	21,937

Non- cash transactions:
1) Disposal of subsidiaries by setting of payable balance to a related party (refer Note 25)
2) Waiver off a payable to a related party (refer Note 20)

* The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. (See Note 2(e)).

The notes on pages 12 to 72 are an integral part of these consolidated financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Ezdan Holding Group Q.P.S.C. (the "Company") 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 at Qatar Stock Exchange on 18 February 2008. The Company is domiciled in the State of Qatar and its registered office is at Ezdan Towers, West Bay Doha, State of Qatar.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as "Group").

The principal activity of the Group is management and rentals of real estate properties. The Group is engaged in exerting significant influence and or joint control over other Companies. The Group is also engaged in controlling the subsidiaries by exposing the Company, or having rights, to variable returns from the Company's involvement with the company and has the ability to affect those returns through its power over the company or more by owning at least 51% of its shares, investment in shares, Sukuk, financial securities and other investments inside and outside the State of Qatar.

The principal subsidiaries of the Group are as follows:

Name of the subsidiary	*Country of incorporation*	*Principal Activity*	*Effective percentage of ownership*	
			31 December 2019	*31 December 2018*
Ezdan Hotels Company W.L.L.	Qatar	Hotel services	**100%**	100%
Ezdan Mall Company W.L.L.	Qatar	Malls management	**100%**	100%
Ezdan Real Estate Company W.L.L.	Qatar	Real estate services	**100%**	100%
Ezdan Palace Hotel Company W.L.L.	Qatar	Hotel services	**100%**	100%
Al Ruba Al Khali Trading Company W.L.L. (1)	Qatar	Investments in shares	**-**	100%
Al Ekleem for Real Estate and Mediation Co. W.L.L.	Qatar	Investments in shares	**100%**	100%
Al Taybin Trading Company W.L.L.	Qatar	Investments in shares	**100%**	100%
Al Namaa for Maintenance Company W.L.L.	Qatar	Investments in shares	**100%**	100%
Shatea Al Nile Company W.L.L.	Qatar	Investments in shares	**100%**	100%
Arkan for Import and Export Company W.L.L.	Qatar	Investments in shares	**100%**	100%
Tareek Al Hak Trading Company W.L.L.	Qatar	Investments in shares	**100%**	100%
Manazel Trading Company W.L.L. (1)	Qatar	Investments in shares	-	100%
Een Jaloot Trading Company W.L.L.	Qatar	Investments in shares	**100%**	100%
Tareek Al-Khair Trading Company W.L.L. (1)	Qatar	Investments in shares	-	100%
Alkora Alzahbya Company W.L.L. (1)	Qatar	Investments in shares	-	100%
Ezdan World W.L.L.	Qatar	Entertainment services	**70%**	70%
Emtedad Real Estate for Projects W.L.L.	Qatar	Real estate development	**67.5%**	67.5%
Ezdan International Limited	Jersey	Investment property management	**100%**	100%
Haloul Ezdan For Trading and Construction Company W.L.L.	Qatar	Building and maintenance works	**100%**	100%
Ezdan for Partnership Company W.L.L.	Qatar	Marketing and management	**100%**	100%
Ezdan for Cleaning Company W.L.L.	Qatar	General cleaning of buildings	**100%**	100%
Ezdan for Landscape Company W.L.L.	Qatar	Sewerage and sanitary contracting services	**100%**	100%
Alraed for Sewerage Company W.L.L.	Qatar	Sewerage and sanitary contracting services	**100%**	100%
Ezdan for Transactions Clearance Company W.L.L.	Qatar	Transaction clearance services	**100%**	100%

The Parent of the Group is Al-Tadawul Trading Group Q.P.S.C. ("Tadawul") which aggregately owns directly and indirectly through its subsidiaries, approximately 54% of the share capital of the Group as at 31 December 2019 (31 December 2018: 54%).

(1) The Group disposed of four subsidiaries during the year (Note 25).

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (Continued)

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 30 March 2020.

2 BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Details of Group's accounting policies are included in Note 3.

This is the first set of the Group's annual financial statements in which IFRS 16 Leases has been applied. The related changes to significant accounting policies are described in Note 2(e).

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, as modified by the derivative financial assets/liabilities, equity investments at fair value through other comprehensive income (FVOCI) and investment property which have been measured at fair value.

c) Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals ("QR"), which is the Company's functional currency. All Group entities except Ezdan International Limited have the Qatari Riyal ("QR") as their functional currency. Ezdan International Limited has Sterling Pound ("GBP") as its functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

d) Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments and estimates that affect the application of Group's 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 estimates are recognised prospectively.

Information about areas that involve a higher degree of judgement or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the consolidated financial statements are as follows:

I. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements:

Revenue recognition

Rental revenue is recognised on a monthly basis based on the period of contract and the space occupied.

Revenue from ancillary services provided to occupants of the property is recognised at a single time when the service is delivered to the customer.

Revenue from sale of goods is recognised when the control of the goods (food and beverages) are transferred to the buyer. The customers take control of the items at the time of delivery of goods. Invoices are generated and revenue is recognised at that point in time. The customers' balances are usually collectible at transaction date.

The Group makes judgments in determining the performance obligations that exist in contract with the customers. Judgments are also applied in determining timing of transfer of control at a point in time or over time. Where the standalone selling price is applicable, management uses estimates to determine it based on the cost plus mark-up depending on the nature of goods and services to be provided to different customers.

2 BASIS OF PREPARATION (Continued)

d) Use of judgments and estimates (continued)

I. Judgements (continued)

Going concern
The management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. The Group has been profitable, and it had positive net assets (equity), and cash flow positions as at the year end. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Business model assessment
Classification and measurement of financial assets depends on the results of "solely payments of principal and interest" (SPPI) and the business model test (refer to the accounting policy "Financial instruments" in Note 3). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

Interests in other entities (equity-accounted investees and joint venture)
Judgment is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Group may obtain control, joint control or significant influence over the entity or arrangement. The Group considers that it has significant influence over investees when it has board representation which allows them to participate in the financial and operating policy decisions but is not control or joint control of those policies. Judgment is also required to assess whether the arrangement is a joint operation or a joint venture. The Group assesses the arrangement as a joint venture since the rights of the Group reside in the net assets of the joint arrangement (i.e. it is the joint arrangement, not the parties to the joint arrangement, that has a direct right to the assets, and obligations for the liabilities of the joint arrangement).

Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets (equity-accounted investees and joint venture and property and equipment, but not inventories and investment property) are reviewed at each reporting date to determine whether there is any indication of impairment. Such indications may include decline in value of asset significantly, significant changes with an adverse effect on the Group have taken place, obsolescence or physical damage of asset, deterioration in the economic performance of the asset etc. If any such indication exists, then the asset's recoverable amount is estimated.

Distinction between property and equipment and investment property
The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Property and equipment or owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.

Group holds some properties that comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use for administrative purposes. These portions could not be sold separately (or leased out separately under a finance lease), so the Group has classified the whole of property as investment property because only an insignificant portion is held for use for administrative purposes. The Group provides ancillary services to the occupants of properties it holds and treats such properties as investment property as the services are insignificant to the arrangement as a whole.

Other provisions and liabilities
Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

2 BASIS OF PREPARATION (Continued)

d) Use of judgments and estimates (continued)

II. Assumptions and estimation uncertainties

Impairment of financial assets measured at amortised cost
The “expected credit loss” (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability and magnitude of default to various categories of financial assets measured at amortised cost (cash at bank and trade and other receivables). Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Group would expect to receive.

Fair value of cash flow hedges
The Group uses derivative financial instruments to manage its exposure to the variability of its bank loans due to fluctuations in interest rates. All such derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and recognized in other comprehensive income. Their fair values are estimated using models and valuation methods due to the absence of quoted prices or other observable, market-corroborated data. These contracts are valued using models with inputs that include price curves for each of the different products that are built up from active market pricing data and extrapolated to the expiry of the contracts using the maximum available external pricing information

Fair value of unquoted equity investments
Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. 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 judgments 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.

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

Fair value measurement of investment property
The Group carries its investment property at fair value, with changes in fair value being recognized in profit or loss. The Group engages independent external valuers to determine the fair value. The valuers used recognized valuation techniques such as income (discounted cash flow [DCF]), market and residual approaches.

Depreciation of property and equipment
Items of property and equipment are depreciated over their estimated individual useful lives. The determination of useful lives is based on the expected usage of the asset, physical wear and tear, and technological or commercial obsolescence, and impacts the annual depreciation charge recognized in profit or loss. Management reviews annually the useful lives of these assets. Future depreciation charge could be materially adjusted where management believes the useful lives differ from previous estimates.

2 BASIS OF PREPARATION (Continued)

d) Use of judgments and estimates (continued)

II. Assumptions and estimation uncertainties (continued)

Legal proceedings
From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. The management applies significant assumptions in measuring the risks of exposure to contingent liabilities and provisions related to existing legal proceedings and other unsettled claims. The management's judgment is required in estimating the probability of a successful claim against the Group or crystallising of a material obligation, and in determining the probable amount of the final settlement or obligation. The Group makes provisions against legal cases for all present obligations based on their prior experience on similar cases and advice sought from the legal advisers.

e) Changes in significant accounting policies

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below:

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 "Determining Whether an Arrangement contains a Lease". The Group now assesses whether a contract is or contains, a lease based on the definition of a lease, as explained in Note 3(v).

On transition to IFRS 16, the Group elected to apply the practical expedients to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

B. Group as a Lessee

As a lessee, the Group leases warehouses under non - cancellable operating lease agreements. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. IFRS 16 requires the recognition of right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Accordingly, the Group has not recognized any right-of-use assets and lease liabilities.

All the Group's leases are of short term, and the Group has elected to use recognition exemption for these short-term leases. Accordingly, there is no impact on transition to IFRS 16.

C. Group as a Lessor

The Group leases out its investment property and has classified these leases as operating leases. The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. Accordingly, the Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. However, the Group has applied IFRS 15 "Revenue from Contracts with Customers" to allocate consideration in the contract to each lease and non-lease component.

2 BASIS OF PREPARATION (Continued)

f) New and amended standards and an interpretation to a standard not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") and an interpretation to a standards that are available for early adoption for financial years beginning after 1 January 2019 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

Effective for year beginning 1 January 2020	• *Amendments to references to conceptual framework in IFRS standards*
Effective for year beginning 1 January 2022	• *IFRS 17 "Insurance Contracts"*
Effective date deferred indefinitely / available for optional adoption	• *Amendments to IFRS 10 "Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture*

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the Group's consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of the Group applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements, except for the changes in accounting policies described under Note 2(f).

a) Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see section on "Subsidiaries" below).

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Equity-accounted investees and joint venture

Equity-accounted investees 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.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of consolidation (continued)

Equity-accounted investees and joint venture (continued)

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

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

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

Under the equity method, the investment in an equity-accounted investee 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 equity-accounted investees or a joint venture since the acquisition date. Goodwill relating to the equity-accounted investees or a joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

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

The aggregate of the Group's share of results of equity-accounted investees and joint ventures is shown on the face of the consolidated statement of profit or loss.

The financial statements of the equity-accounted investees 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 equity-accounted investees and a joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the equity-accounted investees and joint venture are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees or a joint venture and its carrying value, then recognises the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the equity-accounted investees or a joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the equity-accounted investees 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 of profit or loss.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial instruments (continued)

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

A financial asset is classified at:

- Amortised cost – if it meets both of the following conditions and is not designated as at FVTPL:
  - o it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - o its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- FVOCI - if it meets both of the following conditions and is not designated as at FVTPL:
  - o it is held within a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and
  - o its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
- FVTPL – All financial assets not classified as measured at amortised cost or FVOCI as described above.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

On initial recognition, the Group may irrecoverably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group has classified on initial recognition its cash and cash equivalents and trade and other receivables at amortised cost.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets – Business model assessment (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- Financial assets FVTPL -These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. The Group does not hold such assets.

- Debt instruments at FVTOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Group does not hold such assets.

- Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never derecognised to profit or loss. The Group hold such assets.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial instruments (continued)

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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 management 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 comprehensive 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.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial instruments (continued)

Derivative financial instruments, including hedge accounting (continued)

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 in the consolidated statement of profit or loss.

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 the consolidated statement of profit or loss. Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in the consolidated statement of profit or loss.

c) Impairment

Non-derivative financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost (cash at bank and receivables). The Group does not hold debt investments measured at amortised cost or contract assets.

The Group measures loss allowance either at an amount equal to:

- lifetime ECLs, which are those ECLs that result from all possible default events over the expected life of a financial instruments; or

- 12-month ECLs, which includes the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for receivables are always measured at an amount equal to lifetime ECLs.

Loss allowances on bank balances are always measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the customer is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Impairment (continued)

Non-derivative financial assets (continued)

Credit-impaired financial assets (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being more than 120 days past due (more than 365 days for mall operations); or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (equity-accounted investees and joint venture, property and equipment, but not inventories and investment property) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For 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 Cash Generating Units (CGUs).

The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

d) 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 and unrestricted balances held with banks 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.

e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Inventories (continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. A provision is made for any write-down of inventories to net realisable value and such a provision is reflected as an expense in profit or loss in the period of write-down. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised in profit or loss in the period in which the reversal occurs.

f) Investment property

Investment property 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 property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property 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 property are included in the consolidated statement of profit or loss in the period in which they arise. Fair values are determined based on revaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment property 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 consolidated statement of profit or loss 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 properties to owner- occupied property;
(b) commencement of development with a view to sale, for a transfer from investment properties 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 profit or loss.

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 profit or loss.

g) Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Property and equipment (continued)

Recognition and measurement (continued)
Cost includes expenditure that is directly attributable to the acquisition of the asset. The capital work in progress includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that computers and office equipment.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Subsequent expenditure
Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

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

Depreciation
Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property and equipment for current and comparative periods are as follows:

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

Land and capital work in progress are not depreciated. Once assets within capital work in progress are completed, they are reclassified to the relevant category of other property and equipment stated above and depreciated accordingly once they are put into use.

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

Impairment
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.

Allocation of depreciation expense
Depreciation is allocated to operating and general and administrative expenses on the basis of relative usage of assets for these purposes.

h) Share capital

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

i) 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 lessors are reasonably certain that the tenant will exercise that option.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Revenue recognition (continued)

Rental income (continued)
Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of profit or loss when they arise.

Dividend income from equity investments
Dividend income is recognised when the Group's right to receive the payment is established which is generally when shareholders approve the dividend.

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 Group acts as principal in this respect.

Sale of goods
Revenue is recognized when the control of the goods are transferred to the buyer.

Other income
Revenue is recognized when earned.

j) Expense recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statement of financial position as an asset, such as in the case of asset impairments.

k) Foreign currency transactions and balances

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 profit or loss.

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.

l) Borrowing costs

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Borrowing costs (continued)

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

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

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

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are expensed in profit or loss using the effective interest method.

m) 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.

n) 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.

o) 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 consolidated statement of profit or loss net of any reimbursement.

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.

p) 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 Group 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.

q) Dividends

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.

r) Income tax

Taxes are calculated based on tax laws and regulations in jurisdictions in which the Group operates. A tax provision is made based on an evaluation of the expected tax liability.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Operating segments

The Group's operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 30 to the consolidated financial statements. The Chief Executive Officer (the chief operating decision maker) reviews management reports on a regular basis.

The measurement policies the Group used for segment reporting under IFRS 8 are the same as those used in the consolidated financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods. All inter-segment transfers are carried out at arm's length prices.

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

t) Current versus non-current classification

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

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

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

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

The Group classifies all other liabilities as non-current.

u) Contingent assets and liabilities

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

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.

v) Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. The details of accounting policies under IAS 17 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Leases (continued)

Policy applicable from 1 January 2019 (continued)

Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Right-of-use assets that meet the definition of investment property are presented within investment property.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Leases (continued)

Policy applicable from 1 January 2019 (continued)

Group as a lessor (continued)

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘rental revenues’.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that the other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to current market price per unit of the output.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Leases (continued)

Policy applicable before 1 January 2019 (continued)

Group as a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Group as a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

w) Fair value measurement

The Group measures financial instruments such as derivatives, equity investment financial assets and non- financial assets such as investment property 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 29.

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.

If an asset or liability measured at fair value has a bid price and an ask price, then the Group measures assets at a bid price and liabilities at an ask price.

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.

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3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

w) Fair value measurement (continued)

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 Group 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 CASH AND BANK BALANCES

	2019	2018
Cash on hand	**292**	339
Cash at banks and other financial institutions		
Current accounts	**43,555**	11,105
Saving and call accounts	**10,239**	10,493
Margin accounts	**5,203**	1,625
Total cash at banks and other financial institutions (Note 28)	**58,997**	23,223
Cash and cash equivalents	**59,289**	23,562
Less: restricted bank balances (1)	**(5,203)**	(1,625)
Cash and cash equivalents	**54,086**	21,937

(1) Restricted bank balances represent cash margin (letter of guarantees) and are not available for use by the Group.

5 TRADE AND OTHER RECEIVABLES

	2019	2018
Tenant receivables – net	**53,769**	45,657
Receivable from government on expropriation of investment property (Notes 9 and 20)	**50,366**	50,366
Advances to suppliers and contractors (1)	**9,856**	39,166
Due from related parties - net (Note 12(b))	**177,996**	29,219
Refundable deposits – net	**10,899**	13,954
Derivative financial assets (Note 24)	-	10,844
Prepaid expenses	**4,237**	5,614
Accrued income	-	202
Net other receivables and debit balances	**8,065**	1,327
	315,188	196,349

(1) Due from related parties included in advances to suppliers and contractors are disclosed in (Note 12(b.ii)).

Receivables amounting to QR 14,679 were derecognized on disposal of subsidiaries (Note 25).

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5 TRADE AND OTHER RECEIVABLES (Continued)

Trade and other receivables are segregated between current and non-current as follows:

2019	**Current**	**Non-current**	**Total**
Tenant receivables – net	**53,769**	-	**53,769**
Receivable from government on expropriation of investment property	**50,366**	-	**50,366**
Advances to suppliers and contractors	**9,856**	-	**9,856**
Due from related parties - net	**177,996**	-	**177,996**
Refundable deposits – net	-	**10,899**	**10,899**
Prepaid expenses	**4,237**	-	**4,237**
Net other receivables and debit balances	**8,065**	-	**8,065**
	304,289	**10,899**	**315,188**

2018	Current	Non-current	Total
Tenant receivables – net	45,657	-	45,657
Receivable from government on expropriation of investment property	50,366	-	50,366
Advances to suppliers and contractors	39,166	-	39,166
Due from related parties - net	29,219	-	29,219
Refundable deposits – net	-	13,954	13,954
Derivative financial assets	745	10,099	10,844
Prepaid expenses	5,614	-	5,614
Accrued income	202	-	202
Net other receivables and debit balances	1,327	-	1,327
	172,296	24,053	196,349

The movements in the allowance for impairment of trade and other receivable were as follows:

	2019	2018
At 1 January	**125,686**	99,679
Adjustments on initial application of IFRS 9		
- Tenant receivables	**-**	(4,347)
- Due from related parties	**-**	4,940
Adjusted balance at 1 January	**125,686**	100,272
Provision made during the year	**10,599**	29,457
Provision reversed	**(6,903)**	(4,043)
Provision derecognized on disposal of subsidiaries (Note 25)	**(504)**	-
Provision written-off	**(27,736)**	-
At 31 December	**101,142**	125,686

The allowance for impairment is consists of:

	2019	2018
Tenants receivables	**93,194**	109,025
Due from related parties	**-**	6,701
Refundable deposits	**1,627**	1,627
Other receivables	**6,321**	8,333
	101,142	125,686

For the year ended 31 December 2019 In thousands of Qatari Riyals

6 INVENTORIES

	2019	2018
Consumables	**21,024**	26,680
Buildings and maintenance materials	**5,197**	6,744
Inventories, gross	**26,221**	33,424
Less: Provision for obsolete inventories	**-**	(5,363)
Inventories, net	**26,221**	28,061

In 2019, inventories of QR 23,217 (2018: QR 32,088) were recognised as an expense during the year and included in 'Operating expenses' (Note 19).

	2019	2018
Inventories carried at cost		
Consumables	**21,024**	15,954
Buildings and maintenance materials	**5,197**	6,744
Inventories carried at NRV		
Consumables	**-**	5,363
Inventories, net	**26,221**	28,061

The movements in the provision for obsolete inventories were as follows:

	2019	2018
At 1 January	**5,363**	4,683
Provision made during the year (Note 19(ii))	-	687
Provision written off	**(5,363)**	-
Provision reversed (Note 20) (1)	-	(7)
At 31 December	-	5,363

(1) Reversal of provision was due to the sale of old inventory items against which provision was made in prior years.

7 EQUITY INVESTMENTS

	2019	2018
At 1 January	**3,316,717**	2,470,953
Purchases	-	1,039
Disposals as part of disposal of subsidiaries (Note 25)	**(1,046,230)**	**-**
Other disposals	**(13)**	(18,127)
Net change in fair value (Note 17)	**(10,950)**	862,852
At 31 December	**2,259,524**	3,316,717

The equity investments consist of:

	2019	2018
Quoted shares (1) (Note 28 (a))	**2,259,524**	3,262,460
Unquoted shares (2)	**-**	54,257
	2,259,524	3,316,717

(1) The quoted shares are the Group's equity investments that are designated by the Group as FVTOCI. The pledges on these equity investments are disclosed in Note 13.

For the year ended 31 December 2019 In thousands of Qatari Riyals

7 EQUITY INVESTMENTS (Continued)

Quoted shares: concentration of investment portfolio

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

Listed shares located in State of Qatar	**2019**	2018
Banks and financial institutions	**2,189,815**	3,179,762
Consumer goods and services	**34,489**	38,423
Transportation	**19,238**	21,000
Industries	**14,727**	18,343
Telecommunication	**575**	1,362
Real estate	**680**	1,219
Insurance	-	2,351
	2,259,524	3,262,460

(2) Unquoted shares represent Group's investments in Dar Al Arab W.L.L. and Dar Al-Sharq for Printing, Publishing and Distribution W.L.L. with fair market value of QR 19,254 and QR 35,003, respectively as at 31 December 2018. Fair valuation technique used for the valuation of these investments was discounted cash flow model under Level 3 fair value hierarchy (Note 29). In 2019, the Group's investments in unquoted shares were derecognised as the subsidiary that held the shares was disposed by the Group (Note 25).

The Group generated dividend income from the equity investments amounting to QR 122,416 (2018: QR 124,055) during the year. In the prior year, the Group recognized net loss on sale of equity investments amounting to QR 4,630.

8 EQUITY-ACCOUNTED INVESTEES AND JOINT VENTURE

The Group has following equity-accounted investees and joint venture:

	Country of incorporation	***Ownership interest***			
		2019	2018	**2019**	2018
Associates:					
Qatar International Islamic Bank Q.P.S.C. (i) (Note 12(c.ii))	Qatar	**6.04%**	10.00%	**562,439**	919,796
Medicare Group Q.P.S.C. (ii)	Qatar	**2.00%**	12.50%	**40,395**	251,580
Qatar Islamic Insurance Company Q.P.S.C. (iii)	Qatar	**4.92%**	7.33%	**48,788**	71,556
Total of associates				**651,622**	1,242,932
Joint venture:					
White Square Real Estate W.L.L. (iv)	Qatar	**32.50%**	32.50%	**182,551**	182,681
				834,173	1,425,613

A. Associates

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

QIIB was incorporated under Amiri Decree No.52 of 1990. QIIB operates through its head office located on Grand Hamad Street in Doha and 19 local branches. The QIIB is listed and its shares are traded on the Qatar Stock Exchange. QIIB 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 QIIB and regulations of Qatar Central Bank.

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8 EQUITY-ACCOUNTED INVESTEES AND JOINT VENTURE (Continued)

A. Associates (continued)

(ii) Medicare Group Q.P.S.C. (MCGS)

MCGS 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. It's registered office is located at P.O. Box 6401, Doha, State of Qatar. Its main activity is to operate a specialised hospital and promote medical services in State of Qatar.

(iii) Qatar Islamic Insurance Company Q.P.S.C. (QISI)

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

On April 2019, the Group's equity interest in its associates, QIIB, MCGS and QISI, decreased from 10% to 6.04%, 12.50% to 2% and 7.33% to 4.92%, respectively as the Group disposed the subsidiaries that held the shares in its associates (see Note 25). The Group recognised net gain on sale of equity accounted investees amounting to QR 58,182 during the year.

Although the Group holds less than 20% of the ownership interest and voting rights of QIIB, MCGS and QISI, the Group has the ability to exercise significant influence through its nominated members in Board of Directors of the aforesaid equity-accounted investees, hence, the equity method has been applied.

B. Joint venture

(iv) White Square Real Estate W.L.L. (White Square)

White Square is a limited liability company registered and incorporated in the State of Qatar under the Commercial Registration No. 51302. White Square is structured as a joint venture company between the Company and Mr. Ibrahim Rashid Al-Mohannadi for the purpose of constructing and management of an investment property. White Square is principally engaged in real estate trading, development and rental activities.

C. Fair value disclosure of equity accounted investees and joint venture

The total fair market value of the associates amounted to QR 981,278 (2018: QR 1,281,918) as at reporting date. Fair value is directly observable from stock exchange (Level 1). Fair value of joint venture is not available as it is not a listed entity.

D. Reconciliation of summarized financial information for equity accounted investees and joint venture

Reconciliation of the summarized financial information presented to the carrying amount of its interests in equity-accounted investees and joint venture is as follows:

	2019	2018
At 1 January	**1,425,613**	1,425,907
Adjustment on initial application of IFRS 9	-	(23,946)
Adjusted balance	**1,425,613**	1,401,961
Dividends received	**(75,439)**	(79,445)
Share of results	**57,127**	102,083
Share of net movement in other comprehensive income (Note 17)	**511**	1,167
Share of the net movement of translation reserve	**(9)**	(153)
Disposals during the year (Note 25)	**(573,630)**	-
At 31 December	**834,173**	1,425,613

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8 EQUITY-ACCOUNTED INVESTEES AND JOINT VENTURE (Continued)

E. Summarized financial information for associates

Summarized statement of financial position of associates as at 31 December 2019:

	QIIB	***MCGS***	***QISI***	***Total***
Non-current assets	**21,949,476**	**963,510**	**270,756**	**23,183,742**
Current assets	**32,987,847**	**189,992**	**186,505**	**33,364,344**
Non-current liabilities	**(10,146,427)**	**(149,110)**	**-**	**(10,295,537)**
Current liabilities	**(38,524,853)**	**(124,642)**	**(39,720)**	**(38,689,215)**
Net assets (100%)	**6,266,043**	**879,750**	**417,541**	**7,563,334**
Percentage ownership interest	**6.04%**	**2.00%**	**4.92%**	
Group's share of net assets	**378,469**	**17,595**	**20,543**	**416,607**
Goodwill	**183,970**	**22,800**	**28,245**	**235,015**
Carrying value of investment	**562,439**	**40,395**	**48,788**	**651,622**

Summarized statement of financial position of associates as at 31 December 2018:

	QIIB	*MCGS*	*QISI*	*Total*
Non-current assets	20,833,122	849,243	289,470	21,971,835
Current assets	28,746,918	210,085	166,619	29,123,622
Non-current liabilities	(6,165,871)	(76,208)	-	(6,242,079)
Current liabilities	(37,263,997)	(110,657)	(54,800)	(37,429,454)
Net assets (100%)	6,150,172	872,463	401,289	7,423,924
Percentage ownership interest	10%	12.5%	7.33%	
Group's share of net assets	615,017	109,080	29,427	753,524
Goodwill	304,779	142,500	42,129	489,408
Carrying value of investment	919,796	251,580	71,556	1,242,932

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8 EQUITY-ACCOUNTED INVESTEES AND JOINT VENTURE (Continued)

E. Summarized financial information for associates (continued)

Summarized statement of profit or loss and other comprehensive income of associates for the year ended 31 December 2019:

	QIIB	***MCGS***	***QISI***	***Total***
Revenues	**2,500,072**	**500,990,393**	**126,249**	**503,616,714**
Profit from continuing operations	**811,374**	**187,150**	**81,687**	**1,080,211**
Other comprehensive income	**1,573**	**21,450**	**(467)**	**22,556**
Total comprehensive income	**812,947**	**208,600**	**81,220**	**1,102,767**
Group's share of comprehensive income	**95**	**429**	**(23)**	**501**
Group's share of total comprehensive income	**49,007**	**3,743**	**4,019**	**56,769**
Dividends	**60,548**	**10,554**	**3,850**	**74,952**

Summarized statement of profit or loss and other comprehensive income of associates for the year ended 31 December 2018:

Revenues	2,161,821	494,535	113,344	2,769,700
Profit from continuing operations	780,762	146,069	96,902	1,023,733
Other comprehensive (loss) / income	(1,630)	10,360	(1,623)	7,107
Total comprehensive income	779,132	156,429	95,279	1,030,840
Group's share of comprehensive (loss) / income	(162)	1,295	(119)	1,014
Group's share of total comprehensive income	78,075	18,259	7,106	103,440
Dividends	60,548	14,072	3,850	78,470

The following table analyses, in aggregate, the carrying amount and share of profit and OCI of associates.

	2019	2018
Carrying amount of interests in associates	**651,622**	1,242,932
Share of:		
– Profit from continuing operations	**1,080,211**	1,023,733
– OCI	**22,556**	7,107
	1,102,767	1,030,840

For the year ended 31 December 2019 In thousands of Qatari Riyals

8 EQUITY-ACCOUNTED INVESTEES AND JOINT VENTURE (Continued)

F. Summarized financial information for joint venture

Summarized statement of financial position of Joint Venture:

	2019	2018
Percentage ownership interest	**32.5%**	32.5%
Non-current assets	1,010,619	1,012,796
Current assets – cash and cash equivalents	976	3,610
Other current assets	7,060	7,032
Non-current financial liabilities (excluding trade and other payables and provisions)	(428,467)	(390,121)
Other non-current liabilities	(887)	(971)
Current financial liabilities (excluding trade and other payables and provisions)	(13,758)	(58,022)
Other current liabilities	(13,848)	(12,229)
Net assets (100%)	561,695	562,095
Group's share of net assets (32.5%)	182,551	182,681
Elimination of unrealised profit on downstream sales	-	-
Goodwill	-	-
Carrying amount of interest in joint venture	182,551	182,681

Summarized statement of profit or loss and other comprehensive income are as follows:

	2019	2018
Revenues	55,813	54,926
Depreciation and amortization	(2,196)	(2,516)
Interest expense	(25,358)	(24,053)
Profit and total comprehensive income (100%)	1,099	3,526
Group's share of total comprehensive income (32.5%)	358	(1,357)
Dividends received by the Group	487	975

The Group also recognized its share on the operating results of its equity-accounted investees / joint venture amounting to QR 57,127 (2018: QR 102,083) during the year.

No impairment loss was recognized on equity-accounted investees during the year.

All the associates and joint venture are accounted for using the equity method of accounting.

The pledges on the equity-accounted investees are disclosed in Note 13.

For the year ended 31 December 2019 In thousands of Qatari Riyals

9 INVESTMENT PROPERTY

I. Reconciliation of carrying amount

The movements in the investment property during the year are as follows:

	2019	2018
At 1 January	**43,863,571**	43,819,785
Loss from change in fair value of investment property (1)	**(100,014)**	-
Development costs during the year (Note 12(a))	**100,871**	82,242
Acquisition of vacant land	**50,959**	-
Expropriation of investment property (Notes 5 and 20) (2)	**-**	(31,312)
Foreign exchange adjustment	**3,555**	(7,144)
Capitalized finance costs on investment property under development (Note 21) (3)	**14,420**	-
At 31 December	**43,933,362**	43,863,571

(1) In 2018, there was no change in fair valuation as there was no significant changes in cash flows upon which fair valuation was based.

(2) A land with a fair value of QR 31,312 was expropriated by the government as a part of urban development. The Group has recorded QR 50, 366 as a receivable from government on expropriation of land (Note 5) and a gain on expropriation QR 19,054 (Note 20).

(3) 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 4.68% during the year. There were no capitalization of finance costs in the comparative year.

Investment property consists of:

	2019	2018
Completed properties	**41,130,122**	41,020,221
Vacant land	**1,052,580**	2,698,180
Projects under development	**1,750,660**	145,170
	43,933,362	43,863,571

Investment property are located in State of Qatar and United Kingdom.

The mortgages on the investment property are disclosed in Note 13.

II. Reconciliation of fair value of investment property

	2019	2018
Fair value of investment property as received from valuer	**43,929,807**	43,870,715
Other adjustments	**3,555**	(7,144)
Fair value of investment property as disclosed in the financial statements	**43,933,362**	43,863,571

9 INVESTMENT PROPERTY (Continued)

Investment property are stated at fair value, which has been determined based on valuation performed by accredited independent valuers as at 31 December 2019 and 2018. 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 property 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 2017 (the "Red Book").

III. Valuation Process

The Group's management determines the valuation policies and procedures for property valuations. Each year, the management, after approval of the Audit committee, appoints the external valuers responsible for the valuations of the Group's investment property. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management engages independent and competent third-party valuation experts to countercheck the appropriateness of the methodologies used and appropriateness of the assumptions used; and to help them identify if there is any contradictory information and to reduce the estimation uncertainty involved in the estimation process.

The management decides after discussion with the external valuers:
- the valuation method to be applied for each property (the methods that are applied for fair value measurements categorised within Level 3 of the fair value hierarchy are the discounted cash flow method and the income capitalisation method; for fair value measurements in Level 2 of the fair value hierarchy, the market comparison approach is used) and;
- the assumptions made for unobservable inputs that are used in valuation methods (the major unobservable inputs are estimated rental value, rent growth per annum, long term vacancy rate, discount rate and exit yield)

Description of valuation techniques used by the Group and key inputs to valuation of the investment property are disclosed in Note 29.

Income approach
Income approach is a valuation method appraisers and real estate investors use to estimate the value of income producing real estate. It is based upon the premise of anticipation i.e., the expectation of future benefits. This method of valuation relates value to two things: the "market rent" that a property can be expected to earn and, the "reversion" (resale) when a property is sold.

The most commonly used technique for assessing market value within the income approach is discounted cash flow. This is a financial modelling technique based on explicit assumptions regarding the prospective cash-flow to a property or business and the costs associated with being able to generate the income. To this assessed cash-flow a market-derived discount rate is applied to establish a present value of the income stream. This net present value ("NPV") is an indication of market value.

Market approach
Market approach or direct comparison method is based on comparing the subject asset with identical or similar assets (or liabilities) for which price information is available, such as a comparison with market transactions in the same, or closely similar (i.e. similar properties that have actually been sold in arms'-length transactions or are offered for sale), type of asset (or liability) within an appropriate time horizon. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar assets (or liabilities) in an open and competitive market. Generally, the opinion on value is based on evidence of open market transactions in similar property with adjustments of the comparable to differentiate the differences between the subject property and the comparable. The market approach of valuation has primarily been adopted for plots of land in Qatar and residential properties in United Kingdom.

Residual valuation approach
Where the nature of the development is such that there are no (or limited) transactions to use for the market comparable method, the residual method provides an alternative valuation approach. As per the residual approach, costs of the proposed completed development (including developer's profit) to be deducted from the market value of the proposed completed development (known as gross development value) to arrive at the underlying residual asset value.

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9 INVESTMENT PROPERTY (Continued)

IV. Amounts recognised in profit or loss

The following amounts are recognized in consolidated statement of profit or loss:

	2019	2018
Rental income and other operating revenues	**1,370,264**	1,374,033
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	**(215,644)**	(271,847)
Profit arising from investment property carried at fair value	**1,154,620**	1,102,186

V. Reconciliation of fair values categorized within level 3

The reconciliation of fair values categorized within level 3 is as follows:

	2019	2018
Balance as at 1 January	**41,165,391**	40,641,319
Loss on valuation recognized in profit or loss	**(100,014)**	480,286
Reclassification from level 2 (1)	**1,696,559**	-
Addition	**115,291**	82,242
Disposal	**-**	(31,312)
Others	**3,555**	(7,144)
Balance as at 31 December	**42,880,782**	41,165,391

(1) Reclassification from level 2 to level 3 pertain to vacant land which was measured using market approach (level 2) in the prior year, however, due to ongoing construction of residential properties on the same land during the year, the market approach is no longer appropriate, and fair value of these properties were measured using discounted cash flow approach (level 3).

The capital expenditure and operating lease commitments of the Group are disclosed in Note 27.

10 PROPERTY AND EQUIPMENT

I. Reconciliation of carrying amount

	Land	**Buildings**	**Motor vehicles**	**Furniture, fixtures and office equipment**	**Total**
Cost					
At 1 January 2019	**407,660**	**362,302**	**10,457**	**162,516**	**942,935**
Additions	-	**604**	**-**	**1,760**	**2,364**
Disposals	-	-	**(1,132)**	**(44,977)**	**(46,109)**
At 31 December 2019	**407,660**	**362,906**	**9,325**	**119,299**	**899,190**
Accumulated depreciation					
At 1 January 2019	-	**16,904**	**7,804**	**120,586**	**145,294**
Charge for the year	-	**18,164**	**956**	**14,861**	**33,981**
Disposals	-	-	**(1,131)**	**(44,933)**	**(46,064)**
At 31 December 2019	-	**35,068**	**7,629**	**90,514**	**133,211**
Carrying amounts					
31 December 2019	**407,660**	**327,838**	**1,696**	**28,785**	**765,979**

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10 PROPERTY AND EQUIPMENT (continued)

I. Reconciliation of carrying amount (continued)

	Land	Buildings	Motor vehicles	Furniture, fixtures and office equipment	Capital work in progress	Total
At 1 January 2018	407,660	12,852	10,906	119,043	371,864	922,325
Additions	-	-	517	4,213	18,694	23,424
Disposals	-	-	(1,663)	(1,151)	-	(2,814)
Reclassifications	-	349,450	-	41,108	(390,558)	-
Other reclassifications	-	-	697	(697)	-	-
At 31 December 2018	407,660	362,302	10,457	162,516	-	942,935
Accumulated depreciation						
At 1 January 2018	-	5,251	7,101	77,560	-	89,912
Charge for the year	-	11,653	1,700	20,542	-	33,895
Impairment	-	-	290	23,591	-	23,881
Disposals	-	-	(1,566)	(828)	-	(2,394)
Reclassifications	-	-	279	(279)	-	-
At 31 December 2018	-	16,904	7,804	120,586	-	145,294
Carrying amounts						
31 December 2018	407,660	345,398	2,653	41,930	-	797,641

The Group recognized net gain on disposal of property and equipment amounting to QR 4,796 (2018: net loss QR 100) during the year.

11 TRADE AND OTHER PAYABLES

	2019	2018
Due to related parties (Note 12(c.i))	**1,306,535**	1,944,192
Dividend payables (Note 23)	**717,042**	757,839
Tenants' deposits	**140,696**	148,528
Payables to contractors and suppliers (1)	**52,336**	68,113
Unearned rent income	**48,981**	57,168
Retention payable (1)	**25,935**	41,824
Accrued expenses	**29,280**	34,742
Derivative financial liabilities (Note 24)	**35,984**	-
Provision for Social and Sports Activities Fund (Note 16)	**7,732**	10,844
Provision for employees' end of service benefits (Note 19) (2)	**7,175**	23,587
Advances received from customers	**-**	2,700
Other payables	**52,861**	59,781
	2,424,557	3,149,318

(1) Due to related parties' balances included in payable to contractors and suppliers, and retention payable are disclosed in (Note 12(c.ii)).

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11 TRADE AND OTHER PAYABLES (Continued)

(2) The movements in the employees' end of service benefits were as follows:

	2019	2018
At 1 January	**23,587**	39,131
Provision made during the year (Note 19)	**3,302**	7,890
Transferred from a related party	**-**	1,500
Provision paid	**(19,714)**	(24,934)
At 31 December	**7,175**	23,587

The maturity of the trade and other payables are as follows:

2019	**Current**	**Non-current**	**Total**
Due to related parties	**1,306,535**	-	**1,306,535**
Dividend payables	**717,042**	-	**717,042**
Tenants' deposits	**140,696**	-	**140,696**
Payables to contractors and suppliers	**52,336**	-	**52,336**
Unearned rent income	**48,981**	-	**48,981**
Retention payable	-	**25,935**	**25,935**
Accrued expenses	**29,280**	-	**29,280**
Derivative financial liabilities	**35,984**	-	**35,984**
Provision for Social and Sports Activities Fund	**7,732**	-	**7,732**
Provision for employees' end of service benefits	-	**7,175**	**7,175**
Other payables	**52,861**	-	**52,861**
	2,391,447	**33,110**	**2,424,557**

2018	Current	Non-current	Total
Due to related parties	1,944,192	-	1,944,192
Dividend payables	757,839	-	757,839
Tenants' deposits	148,528	-	148,528
Payables to contractors and suppliers	68,113	-	68,113
Unearned rent income	57,168	-	57,168
Retention payable	-	41,824	41,824
Accrued expenses	34,742	-	34,742
Provision for Social and Sports Activities Fund	10,844	-	10,844
Provision for employees' end of service benefits	-	23,587	23,587
Advances received from customers	2,700	-	2,700
Other payables	59,781	-	59,781
	3,083,907	65,411	3,149,318

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12 RELATED PARTIES DISCLOSURES

(a) Related party transactions

Transactions with related parties are as follows:

	2019	2018
Transactions with entities under common control:		
Development costs of investment property (1)	**88,362**	81,071
Capitalized finance costs	**12,221**	-
Transactions with associates:		
Expensed-out finance costs (2)	**103,569**	109,756
Capitalized finance costs (2)	**253**	-
Transactions with subsidiaries:		
Rental income	**3,004**	5,538
Management fees	**409**	2,526
Transactions with key management personnel:		
Allowances of Board of Directors – short term benefits (Notes 12(d) and 19(ii)) (3)	-	15,896
Allowances of key management personnel (Notes 12(d) and 19(ii))	**4,738**	36,400
Transaction with other related party:		
Other income (Note 20)	**35,400**	-
Financing received	**886,135**	385,000

(1) The Group entered into a construction agreement with SAK Trading and Contracting Company W.L.L. an entity under common control to construct specific investment property (Note 9).

(2) The Group had secured Islamic finance borrowing from its equity-accounted investee (Note 12(c.ii)).

(3) As per AGM of the Group held on 11 March 2019, no allowances were approved for board of directors for the year ended 31 December 2019.

(b.i) Due from related parties

	2019	2018
Entities under common control:		
SAK Holding W.L.L. (1)	**176,172**	-
The Curve Hotel Company W.L.L.	**1,561**	21,938
Dar Al Arab W.L.L. (2)	**-**	13,719
White Square Real Estate Company W.L.L.	**263**	263
Due from related parties, gross	**177,996**	35,920
Less: allowance for impairment of due from related parties (Note 5)	**-**	(6,701)
Due from related parties, net (Note 5)	**177,996**	29,219

(1) In 2019, the Group entered into an agreement that the balances of entities under the control of SAK Holding W.L.L. will be absorbed by the latter.

(2) The Group derecognised due from Dar Al Arab as the subsidiary which was the counterparty was disposed on April 2019 (Note 25).

The above balances bear no interest or securities and are receivable on demand.

(b.ii) Other related party receivable

	2018
Entities under common control:	
SAK Contracting and Trading W.L.L. (Notes 5 and 12 (b.1))	25,977
SAK Security Services W.L.L. (Notes 5 and 12 (b.1))	3,959
	29,936

There are no other related party receivables as at 31 December 2019.

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12 RELATED PARTIES DISCLOSURES (Continued)

(c.i) Due to related parties

	2019	2018
Entity under common control:		
SAK Holding Group W.L.L. (1)	**-**	1,559,192
Other related party	**1,306,535**	385,000
	1,306,535	1,944,192

(1) This amount represents the remaining balance due to SAK Holding Group W.L.L. in relation to the settlement agreement with the Group (Notes 11 and 25).

The above balance bears no interest or securities and payable on demand.

(c.ii) Other related party payables

	2019	2018
Equity accounted investee (QIIB):		
Secured Islamic financing borrowings from QIIB (Note 8)	**1,942,217**	1,946,000
Trade payables to QISI (Note 11)	**4,697**	2,259
Other related parties:		
SAK Contracting and Trading W.L.L. (Note 12 (b.i))	-	480
SAK Security Services W.L.L. (Note 12 (b.i))	-	1,419

(d) Compensation of directors and other key management personnel

The compensation of Board Directors and other key management personnel during the year is as follows (Notes 12(a) and 19(ii)):

	2019	2018
Allowances of Board of Directors – short term benefits (Notes 12(a) and 19(ii))	-	15,896
Allowances of key management personnel – short term benefits (Notes 12(a) and 19(ii))	**4,738**	36,400
	4,738	52,296

No compensation of board of directors were incurred during the current year.

13 SUKUK AND ISLAMIC FINANCING

The movements on the sukuk and Islamic financing during the year were as follows:

	2019	2018
At 1 January	**15,479,319**	16,270,461
Additions	-	3,000,000
Finance costs (Note 21)	**898,637**	835,545
Repayments	**(1,987,601)**	(4,626,687)
Total	**14,390,355**	15,479,319
Less: transaction costs (1)	**(25,007)**	(93,797)
At 31 December	**14,365,348**	15,385,522

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13 SUKUK AND ISLAMIC FINANCING (Continued)

(1) Movement of transaction cost is as follows:

	2019	2018
Opening balance	**93,797**	82,213
Additional payment	-	43,608
Amortization	**(68,790)**	(32,024)
Closing balance	**25,007**	93,797

The maturity of these borrowings are as follows:

	2019	2018
Current portion	**2,443,453**	1,182,859
Non-current portion	**11,921,895**	14,202,663
	14,365,348	15,385,522

Terms and conditions of the outstanding borrowing facilities were as follows:

Type of facility	*Currency*	*Condition*	*Profit rates / terms*	**2019**	2018
Ijara	QR	Secured	QMRL rate	**4,147,928**	5,703,851
Murabaha	QR	Secured	QMRL rate	**4,515,172**	3,065,294
Ijara	USD	Secured	1M/3M LIBOR	**285,852**	2,525,201
Murabaha	USD	Secured	1Y/3 M LIBOR	**1,776,679**	524,088
Sukuk financings	USD	Unsecured	4.375% / 4.875%	**3,664,724**	3,660,885
				14,390,355	15,479,319

The sukuk and Islamic financing have been obtained for the purpose of financing the obligations of the Group. All the contracts carry profits at commercial rates.

On 29 March 2018, the Group obtained Islamic financing borrowing from a local bank amounting to QR 3,000,000. The purpose of the borrowing is to refinance some existing borrowings and the contract carry profits at commercial rates. The borrowing is secured by mortgage on some investment property.

As part of a Sharia's approved programme to issue QAR 7,283,000 (USD 2,000,000) Sukuks through a special purpose entity ("Ezdan Sukuk Company Ltd."), two tranches of Sukuks of QR 1,820,750 (USD 500,000) each were issued on behalf of the Group with total issuance cost of QR 10,086 and QR 9,959, respectively. The Sukuks were issued at an annual fixed profit rate of 4.375% and 4.875% paid semi-annually with a tenor of five years maturing in May 2021 and April 2022. The Sukuks are listed on the Irish Stock Exchange. The Group has undertaken to repurchase the assets at the same issuance price.

As at 31 December 2019, the Group had secured borrowings against mortgages on different types of investment property (Note 9) owned by the Group with a fair market value of QR15,452,980 (2018: QR 15,698,618) and pledge against quoted shares included in the consolidated financial statements within the equity investments and equity-accounted investees (Notes 7 and 8) with fair market value of QR 539,826 (2018: QR 663,929).

Terms and conditions of pledge include the restriction to the Group to dispose or sell these shares.

Sukuks of the Group are listed on Irish Stock Exchange. The fair values of these Sukuk are disclosed in Note 29.

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13 SUKUK AND ISLAMIC FINANCING (Continued)

The maturity profiles of the facilities are as follows:

2019	**1 year**	**2-5 years**	**Over 5 years**	**Total**
Type of facility				
Ijara (USD)	**285,852**	-	-	**285,852**
Ijara (QR)	**226,692**	**1,044,984**	**2,876,252**	**4,147,928**
Murabaha (USD)	**1,441,346**	**238,146**	**97,187**	**1,776,679**
Murabaha (QR)	**491,345**	**1,965,849**	**2,057,978**	**4,515,172**
Sukuk financings (USD)	**23,224**	**3,641,500**	-	**3,664,724**
	2,468,459	**6,890,479**	**5,031,417**	**14,390,355**

2018	1 year	2-5 years	Over 5 years	Total
Type of facility				
Ijara (USD)	852,837	866,674	805,690	2,525,201
Ijara (QR)	230,091	1,512,463	3,961,297	5,703,851
Murabaha (USD)	142,551	204,573	176,964	524,088
Murabaha (QR)	31,792	2,153,248	880,254	3,065,294
Sukuk financings (USD)	19,385	3,641,500	-	3,660,885
	1,276,656	8,378,458	5,824,205	15,479,319

Some of the Group’s borrowings agreements are subject to covenant clauses, whereby the Group is required to meet certain key financial ratios. As at 31 December 2019, the Group did not fulfil certain financial ratios as required in the contracts for some agreements. However, all contractual obligations from borrowings were paid on a timely basis during 2019 and management expects that the Group will be able to meet all contractual obligations from borrowings on a timely basis going forward. Management is in the process of renegotiating the financial ratios of certain borrowing agreements with concerned lenders and expects that revised ratios for temporary period will be in place during 2020.

14 SHARE CAPITAL

	2019	2018
Authorised, issued and fully paid up:		
26,524,966,910 shares of QR 1 each) (2018: 2,652,496,691 shares of QR 10 each)	**26,524,967**	26,524,967

All ordinary shares rank equally with regard to the Company’s residual assets.

15 NATURE AND PURPOSE OF RESERVES

I. Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

II. Fair value reserve

The fair value reserve comprises:
– the cumulative net change in the fair value of equity securities designated at FVOCI; and
– the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

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15 NATURE AND PURPOSE OF RESERVES (Continued)

III. Legal reserve

In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 ("Law") 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.

16 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 QR7,732 (2018: QR 10,844) equivalent to 2.5% of the consolidated net profit for the year for the support of sports, cultural, social and charitable activities (Note 11).

17 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2019	2018
Fair value reserve:		
At 1 January	**719,779**	17,326
Adjustment on initial application of IFRS 9	-	(153,872)
Adjusted balance	**719,779**	(136,546)
Movements (see below analysis)	**(21,283)**	851,695
Reclassification of fair value reserve on disposal of equity investments	**(106,578)**	4,630
At 31 December	**591,918**	719,779

	2019	2018
Fair value reserve movement on equity investments:		
- Net (loss) / gain on equity investments	**(10,950)**	862,852
Change in fair value of cash flow hedges	**(10,844)**	(12,324)
Share of net movement in fair value reserves of equity-accounted investees (Note 8)	**511**	1,167
Movement of fair value reserve	**(21,283)**	851,695
Foreign currency translation reserve		
Foreign operations - foreign currency translation differences	**(2,074)**	1,673
Other comprehensive (loss) / income for the year	**(23,357)**	853,368

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18 RENTAL INCOME AND OTHER OPERATING REVENUES

Revenue streams

The Group's operations and main revenue streams are those described below. Apart from income from investments and leasing, Group has revenue from contracts with customers.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

A. Disaggregation of revenue based on major revenue streams:

	Revenue streams				
For the year ended 31 December 2019	*Residential and commercial property*	*Investments*	*Hotel and suites*	*Malls*	*Total*
Rental income (under IFRS 16)	**1,029,358**	**-**	**170,675**	**66,503**	**1,266,536**
Revenue under IFRS 15					
Major service lines					
Food and beverage	-	-	**29,964**	-	**29,964**
Health club	-	-	**3,858**	-	**3,858**
Internet	-	-	**1,922**	-	**1,922**
Laundry	-	-	**1,081**	-	**1,081**
Entertainment	-	-	-	**377**	**377**
Provision of utilities services	**37,471**	-	-	-	**37,471**
Common area charges	-	-	-	**15,882**	**15,882**
Marketing services	-	-	-	**3,358**	**3,358**
Others	**8,848**	-	**696**	**271**	**9,815**
Revenue under IFRS 15	**46,319**	-	**37,521**	**19,888**	**103,728**
Income from investments and other income					
Dividend income from equity accounted investees	-	**122,416**	-	-	**122,416**
Share of results of equity-accounted investees and joint venture	-	**57,127**	-	-	**57,127**
Net gain on sale of equity-accounted investees	-	**58,182**	-	-	**58,182**
Other income	**60,192**	**996**	**7**	**2**	**61,197**
	60,192	**238,721**	**7**	**2**	**298,922**
External revenue as reported in Note 30	**1,135,869**	**238,721**	**208,203**	**86,393**	**1,669,186**

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18 RENTAL INCOME AND OTHER OPERATING REVENUES (Continued)

A. Disaggregation of revenue based on major revenue streams (continued):

	Revenue streams				
For the year ended 31 December 2018	*Residential and commercial property*	*Investments*	*Hotel and suites*	*Malls*	*Total*
Rental income (under IAS 17)	1,028,037	-	153,757	65,660	1,247,454
Revenue under IFRS 15					
Major service lines					
Food and beverage	-	-	25,050	-	25,050
Health club	-	-	7,950	-	7,950
Internet	-	-	5,717	-	5,717
Laundry	-	-	1,597	-	1,597
Entertainment	-	-	-	747	747
Provision of utilities services	49,659	-	-	-	49,659
Common area charges	-	-	-	17,986	17,986
Marketing services	-	-	-	4,186	4,186
Others	5,732	-	2,827	5,128	13,687
Revenue under IFRS 15	55,391	-	43,141	28,047	126,579
Income from investments and other income	-	124,055	-	-	124,055
Share of results of equity-accounted investees and joint venture	-	102,083	-	-	102,083
Other income	21,939	99	15	4	22,057
	21,939	226,237	15	4	248,195
External revenue as reported in Note 30	1,105,367	226,237	196,913	93,711	1,622,228

B. Disaggregation of revenue under IFRS 15 based on timing of revenue recognition:

	For the year ended 31 December		**Timing of revenue recognition**
	2019	2018	
Food and beverage	**29,964**	25,050	**Point in time**
Health club	**3,858**	7,950	**Over the time**
Internet	**1,922**	5,717	**Over the time**
Laundry	**1,081**	1,597	**Point in time**
Entertainment	**377**	747	**Over the time**
Provision of utilities services	**37,471**	49,659	**Over the time**
Common area charges	**15,882**	17,986	**Over the time**
Marketing services	**3,358**	4,186	**Over the time**
Others	**9,815**	13,687	**Over the time**
Revenue under IFRS 15	**103,728**	126,579	

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19 EXPENSES

(i) Operating expenses:

	2019	2018
Utilities	**76,373**	82,273
Staff cost (1)	**50,176**	75,085
Repairs and maintenance (Note 6)	**23,217**	32,088
Sewage	**22,514**	22,107
Air conditioning	**21,090**	23,543
Security	**10,574**	13,149
Cleaning	**11,071**	13,006
Food and beverage	**8,561**	10,860
Rent	**629**	10,596
Laundry and dry cleaning	**4,907**	5,301
Registration fees	**5,662**	5,049
Advertising costs	**1,637**	3,992
Commission	**1,763**	1,256
Other operating expenses	**7,914**	8,695
	246,088	307,000

(ii) General and administrative expenses:

	2019	2018
Staff cost and board allowances (1) (2)	**30,151**	128,240
Professional expenses	**11,994**	14,677
Fines and penalties	-	10,650
Registration fees	**8,384**	8,385
Bank charges	**3,987**	4,517
Information system	**2,045**	3,958
Rent	**1,717**	3,603
Insurance	**3,818**	3,440
Advertising costs	**1,106**	2,934
Communication	**2,068**	2,611
Printing and stationery	**736**	1,506
Provision for slow-moving and obsolete inventories (Note 6)	-	687
Loss from foreign currency exchange, net	-	18,267
Other general and administrative expenses	**2,518**	10,137
	68,524	213,612

(1) The account includes a provision for employees' end of service benefits of QR 3,302 (2018: QR 7,890) during the year (Note 11).

(2) The account charged under general and administrative expense also includes allowances of Board of Directors and key management personnel amounting to QR 4,738 (2018: QR 52,296) (Note 12(d)).

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20 OTHER INCOME

	2019	2018
Gain on expropriation of investment property (Notes 5 and 9)	-	19,054
Profit on Islamic bank accounts	**178**	1,051
Reversal of provision for obsolete inventories (Note 6)	-	7
Reversal of provision for claims (1)	**10,920**	-
Waive-off of payable to a related party (Note 12 (a))	**35,400**	-
Miscellaneous income	**14,699**	1,945
	61,197	22,057

(1) This relates to settlement of provision based on receipt of final figures against outstanding claims.

21 FINANCE COSTS

	2019	2018
Finance costs		
Profits charged on Sukuk and Islamic Financing (Note 13)	**862,653**	835,545
Cash flow hedges – ineffective portion of change in fair value	**35,984**	-
Finance costs – impact in profit and loss	**898,637**	835,545
Capitalized finance costs on investment property under development (Note 9)	**14,420**	-
	913,057	835,545

22 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders of the Company by the weighted average number of shares outstanding during the year. There were no potentially dilutive shares outstanding at any time during the year and, therefore, the dilutive earnings per share are equal to the basic earnings per share.

On 18 March 2019, the Extraordinary General Meeting of the Group approved the par value of the ordinary share to be QR 1 instead of QR 10, as per the instructions of Qatar Financial Markets Authority (QFMA), and amendment of the related Articles of Association. The share split was implemented on 2 July 2019 and the total number of shares were increased from 2,652,496 to 26,524,967 ordinary shares. Consequently, earnings per share has been restated for prior year to reflect this.

	2019	2018
Profit (loss) attributable to ordinary shareholders		
Profit attributable to equity holders of the parent	**309,292**	433,749
Profit attributable to equity holders of the parent from continuing operations	**309,292**	433,749
Weighted-average number of ordinary shares (basic)		
Weighted average number of shares outstanding during the year (thousands of shares)	**26,524,967**	26,524,967
Basic and diluted earnings per share (QR)	**0.012**	0.016
Basic and diluted earnings per share from continuing operations (QR)	**0.012**	0.016

23 DIVIDENDS

No dividends have been declared during the year. The outstanding dividend amounting to QR 717,042 (2018: QR 757,839) as at 31 December 2019 pertain to dividends declared in prior years (Note 11).

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24 DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into profit rate swap (PRS) contracts effective up to 2024 in order to hedge against the profit rate risk arising from certain sukuk and Islamic financing obtained at variable profit rates. Under the terms of the PRS contracts, the Group pays fixed rate of profit and will receive floating profit based on 1M/3M LIBOR. The terms of the PRS have been negotiated to match the terms of the sukuk and Islamic financing.

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

2019	**Positive / (negative) fair value**	**Notional amount**	**Within 3 Months***	**3 to 12 months**	**1 to 5 years**	**More than 5 years**
PRS contracts 2	**253**	**105,675**	**253**	-	-	-
PRS contracts 3	**534**	**202,425**	**534**	-	-	-
PRS contracts 4	**(36,771)**	**(1,385,132)**	**(36,771)**	-	-	-
	(35,984)	**(1,077,032)**	**(35,984)**	-	-	-

2018	Positive fair value	Notional amount	Within 3 Months	3 to 12 months	1 to 5 years	More than 5 years
PRS contracts 1	745	149,944	-	745	-	-
PRS contracts 2	2,370	264,187	-	-	2,370	-
PRS contracts 3	4,419	472,324	-	-	4,419	-
PRS contracts 4	3,310	1,675,090	-	-	-	3,310
	10,844	2,561,545	-	745	6,789	3,310

*On 10 February 2020, the Group has settled and paid the fair value of cash flow hedge.

Negative fair value for the current year is included in Trade and other payables (Note 11). Positive fair value as occurred in prior year was included in Trade and other receivables (Note 5).

25 DISPOSAL OF SUBSIDIARIES

The Group entered into an agreement with SAK Holding Group W.L.L. on 7 April and 8 April 2019 to dispose of the following subsidiaries. Sale proceeds from the transaction were settled against the balance payable to SAK Holding Group W.L.L. and constitutes a non-cash transaction.

Gain on disposal of subsidiaries / associates is computed as follows:

	Sale Price	***Net Assets***	***Gain / (Loss)***
Alkora Alzahbya Company W.L.L.	**459,257**	**(433,960)**	**25,297**
Al Ruba Al Khali Trading Company W.L.L.	**453,115**	**(457,499)**	**(4,384)**
Manazel Trading Company W.L.L.	**404,658**	**(378,945)**	**25,713**
Tareek Al-Khair Trading Company W.L.L.	**374,382**	**(362,826)**	**11,556**
	1,691,412	**(1,633,230)**	**58,182**

In the consolidated financial statements of the Group, some of the equity investments held by the subsidiaries are classified as associates due to existence of significant influence. The whole of gain on disposal of QR 58,182 pertains to the partial disposal of these equity accounted investees. Carrying amount of these equity accounted investees disposed of amounted to QR 573,630. For the subsidiaries, net assets comprise of FVOCI equity investments, which are carried at fair value, and the sale price determined is also fair value of these assets, accordingly there is no gain on disposal of subsidiaries.

On disposal, the Group transferred fair value reserves relating to FVOCI equity investments QR 106,577 to retained earnings.

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25 DISPOSAL OF SUBSIDIARIES (Continued)

As a result of disposal, the following assets were derecognised from the books of the Group.

	2019
Equity investments (Note 7)	**1,046,230**
Equity accounted investees (Note 8)	**573,630**
Receivables and prepayments (Note 5)	**14,679**
Provision against receivables (Note 5)	**(504)**
Others	**(805)**
	1,633,230

26 CONTINGENT LIABILITIES

	2019	2018
Bank guarantees	**8,183**	11,688

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

27 COMMITMENTS

(i) Capital expenditure commitments

The Group has contractual commitments to contractors and suppliers amounting to QR 1,520,442 (2018: QR 56,562) for development of investment property projects (Note 9).

(ii) Operating lease commitments – Group as a lessor

The Group leases out residential and commercial properties under non-cancelable operating lease agreements (Note 9).

Rent income recognized to profit or loss during the year is disclosed in Note 9 as “Rental income”.

The future aggregate minimum lease receivables under non-cancelable operating leases are as follows:

	2019	2018
No later than one year	**635,305**	687,779
Later than one year and no later than five years	**308,659**	267,247
More than five years	**257,608**	225,054
	1,201,572	1,180,080

28 FINANCIAL INSTRUMENTS

(a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

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 risk. Further quantitative disclosures are included throughout these consolidated financial statements.

The management has the overall responsibility for the establishment and oversight of the Group’s risk management framework. The Group’s risk management policies are established to identify and analyse the risks faced by the Group and to monitor risks.

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28 FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management (continued)

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.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Group's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

	2019	2018
Tenants receivables	**146,963**	154,682
Due from related parties	**177,996**	35,920
Refundable deposits	**12,526**	15,581
Accrued income	**-**	202
Other receivables	**14,386**	9,660
Cash at bank	**58,997**	23,223
At 31 December	**410,868**	239,268

Tenants' receivables

The Group renders services to around 20 thousand customers with its largest ten customers accounting for 17% (2018: 17%) of its tenants receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which help reduce the Group's credit risk exposure in case of defaults by the tenants. The Group has a rigorous policy of credit screening prior to providing services on credit. Management evaluates the creditworthiness of each client prior to entering into contracts. Management also periodically reviews the collectability of its tenants' receivables and has a policy to provide any amounts whose collection is no longer probable and to write-off as bad debts any amounts whose recovery is unlikely. As a result, management believes that there is no significant credit risk on its tenants' receivables as presented on the consolidated statement of financial position.

More than 30% of the Group's customers have been transacting with the Group for over three years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a government or non-government entity, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

The Group's most significant customers are corporates and individuals.

The Group uses an allowance matrix to measure the ECLs of tenants' receivables.

The following table provides information about the exposure to credit risk and ECLs for tenants' receivables:

As at 31 December 2019:

	Weighted average loss rate (1)	**Gross carrying amount**	**Loss allowance**
Not past due	**0%**	**31,455**	**-**
1-30 days past due	**12%**	**7,460**	**912**
31-60 days past due	**12%**	**3,129**	**381**
61-90 days past due	**7%**	**5,656**	**390**
90 -120 days past due	**33%**	**4,028**	**1,317**
Above 120 days (2)	**94%**	**62,657**	**58,860**
Above 365 days (3)	**100%**	**4,841**	**4,841**
Specific provision (4)	**96%**	**27,737**	**26,493**
Total (Note 5)	**63%**	**146,963**	**93,194**

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28 FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management (continued)

Credit risk (continued)

Tenants' receivables (continued)

As at 31 December 2018:

	Weighted average loss rate (1)	Gross carrying amount	Loss allowance
Not past due	2.16%	23,753	514
1-30 days past due	5.36%	11,858	636
31-60 days past due	7.47%	4,202	314
61-90 days past due	21.51%	3,658	787
90 -120 days past due	70.91%	1,729	1,226
Above 120 days (2)	96.58%	71,016	68,586
Above 365 days (3)	88.05%	12,585	11,081
Specific provision (4)	100.00%	25,881	25,881
Total (Note 5)	70.48%	154,682	109,025

(1) Loss rates are calculated using a 'net flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Net flow rates are calculated based on common credit risk characteristics.

(2) This represents default period for residential, commercial and hotel segments.

(3) This represents default period for mall segment.

(4) This represents provision made by management for customers where the recoverability is doubtful or balances are considered credit-impaired.

The movements in the provision for impairment of tenants' receivables are disclosed in Note 5.

Due from related parties

Management believes that there is no significant credit risk in its receivables from the related parties because these counterparties are under the control of the Group's shareholders, who are financially healthy (Note 5).

Refundable deposits

Credit risks are considered to be minimal as the refundable deposits are collectible from a government agency.

Accrued income and other receivables

Credit risks on these receivables are considered to be minimal as these are substantially recovered on monthly basis and based on historical payment behaviour and analysis of customer credit base.

Cash at bank

The Group's cash at bank is held with banks that are independently rated by credit rating agencies as follows:

	2019	2018
Credit ratings (by Moody's)		
A1	**602**	7,631
A2	**38,852**	11,259
A3	**5,996**	1,778
Aa3	**12,348**	888
Baa2	**1,199**	1,667
At 31 December (Note 4)	**58,997**	23,223

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28 FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management (continued)

Credit risk (continued)

Cash at bank (continued)

The Group has balances with credit worthy and reputable banks in Qatar with high credit ratings. Therefore, management believes that credit risk in respect of these balances is minimal.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarizes the contractual undiscounted maturities of the Group's financial liabilities at the reporting date. The Group's financial liabilities include any contractual interest payments.

	Carrying amounts	**Contractual cash flows**	**Less than 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
2019						
Non-derivative financial liabilities						
- Due to related parties (1)	**1,306,535**	**(1,306,535)**	**(1,306,535)**	-	-	-
- Tenants' deposits (2)	**140,696**	**(140,696)**	**(140,696)**	-	-	-
- Payables to contractors and suppliers (3)	**52,336**	**(52,336)**	**(52,336)**	-	-	-
- Retention payable (4)	**25,935**	**(25,935)**	-	**(25,935)**	-	-
- Other payables (4)	**52,861**	**(52,861)**	**(52,861)**	-	-	-
- Sukuk and Islamic financing (5)	**14,390,355**	**(17,972,666)**	**(3,014,743)**	**(3,252,416)**	**(5,281,603)**	**(6,423,904)**
	15,968,718	**(19,551,029)**	**(4,567,171)**	**(3,278,351)**	**(5,281,603)**	**(6,423,904)**

	Carrying amounts	Contractual cash flows	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years
2018						
Non-derivative financial liabilities						
- Due to related parties (1)	1,944,192	(1,944,192)	-	(1,944,192)	-	-
- Tenants' deposits (2)	148,528	(148,528)	(148,528)	-	-	-
- Payables to contractors and suppliers (3)	68,113	(68,113)	(68,113)	-	-	-
- Retention payable (4)	41,824	(41,824)	-	(41,824)	-	-
- Other payables (4)	59,781	(59,781)	(59,781)	-	-	-
- Sukuk and Islamic financing (5)	15,479,319	(18,808,758)	(1,896,628)	(6,331,128)	(5,521,114)	(5,059,888)
	17,741,757	(21,071,196)	(2,173,050)	(8,317,144)	(5,521,114)	(5,059,888)

(1) Management believes that there is no significant liquidity risk in its due to related parties because these pertain mainly to SAK Holding Group W.L.L. in 2018. These payables have no definite payment terms and considered payable upon demand.
(2) Liquidity risk on tenant deposits is minimal as these represents small amounts from large number of tenants.
(3) The Group received services and goods from various suppliers and contractors with its top ten suppliers accounting to 78% (2018: 46%) of its payables to contractors and suppliers during the year.
(4) Liquidity risk in retention payable and other payable is minimal as the 100% (2018:97%) of the retention payable pertains to only one contractor (2018: two contractors) during the year while 66% (2018: 67%) of other payables pertain to only three contractors (2018: one contractor).
(5) Sukuk and Islamic financing are obtained from several banks during the year. Management believes that there is minimal liquidity risk as there is no impact on cash flows in case of non-compliance of loan covenants as per loan agreement.

For the year ended 31 December 2019 In thousands of Qatari Riyals

28 FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management (continued)

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 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.

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

	2019	2018
Islamic financing borrowings	**6,577,703**	6,114,583

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
At 31 December 2019	**(16,444)**
At 31 December 2018	(15,286)

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28 FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management (continued)

Market risk (continued)

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.

	Change in equity prices	***Effect on equity***	
		2019	2018
Quoted equity investments (Note 7)	+10%	**225,952**	326,246

(b) Capital management

The Group'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 share capital, reserves and retained earnings of the Group. The management 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 of directors seeks to maintain a balance between higher targeted returns and the advantages and security afforded by the strong capital position of the Group.

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

	2019	2018
Sukuk and Islamic financing (Note 13)	**14,390,355**	15,479,319
Less: cash and cash equivalents (Note 4)	**(54,086)**	(21,937)
Net debt	**14,336,269**	15,457,382
Total equity	**31,403,831**	31,116,674
Net debt to equity ratio at 31 December	**46%**	50%

On the other hand, the Group reviews regularly the borrowing to value ratio, which is calculated as the amount of outstanding debt divided by the fair value of investment property and equity investments. The Group's policy is to keep average borrowing to value at a low risk ratio.

For the year ended 31 December 2019 In thousands of Qatari Riyals

28 FINANCIAL INSTRUMENTS (Continued)

(b) Capital management (continued)

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

	2019	2018
Sukuk and Islamic financing (Note 13)	**14,390,355**	15,479,319
Fair values of:		
- Investment property (Note 9)	**43,933,362**	43,863,571
- Equity investments (Note 7)	**2,259,524**	3,316,717
Total	**46,192,886**	47,180,288
Borrowing to fair value ratio at 31 December	**31%**	33%

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

The Group's capital management policy remained unchanged since the previous year.

The Group is subject to externally imposed capital requirements.

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29 FAIR VALUES AND RISK MANAGEMENT

FINANCIAL INSTRUMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financials assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			*Fair Values*			
	FVOCI – equity investment	*Fair value –Hedging instruments*	*Amortized cost*	*Level 1*	*Level 2*	*Level 3*	*Total*
As at 31 December 2019							
Financial assets measured at fair value							
Equity securities	**2,259,524**	-	**-**	**2,259,524**	**-**	**-**	**2,259,524**
Financial assets not measured at fair value							
Trade and other receivables	**-**	**-**	**301,095**	**-**	**-**	**-**	**-**
Cash and cash equivalents	**-**	**-**	**58,997**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value							
Derivative	**-**	**35,984**	**-**	**-**	**35,984**	**-**	**35,984**
Financial liabilities not measured at fair value							
Sukuk and Islamic financing – listed	**-**	**-**	**3,664,724**	**3,269,703**	-	-	**3,269,703**
Sukuk and Islamic financing – others	-	-	**10,699,821**	-	-	-	-
Trade and other payables	**-**	**-**	**2,295,405**	**-**	**-**	**-**	**-**

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29 FAIR VALUES AND RISK MANAGEMENT (Continued)

FINANCIAL INSTRUMENTS (Continued)

Accounting classification and fair values (continued)

	Carrying amount			*Fair Value*			
	FVOCI – equity investment	*Fair value – Hedging instruments*	*Amortized cost*	*Level 1*	*Level 2*	*Level 3*	*Total*
As at 31 December 2018							
Financial assets measured at fair value							
Equity securities	3,316,717	-	-	3,262,460	-	54,257	3,316,717
Derivative	-	10,844	-	-	10,844	-	10,844
Financial assets not measured at fair value							
Trade and other receivables	-	-	140,523	-	-	-	-
Cash and cash equivalents	-	-	23,223	-	-	-	-
Financial liabilities not measured at fair value							
Sukuk and Islamic financing – listed	-	-	3,671,664	2,998,658	-	-	2,998,658
Sukuk and Islamic financing – others	-	-	12,098,858	-	-	-	-
Trade and other payables	-	-	3,020,277	-	-	-	-

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29 FAIR VALUES AND RISK MANAGEMENT (Continued)

INVESTMENT PROPERTY

		Fair Values			
	Carrying amount	***Level 1***	***Level 2***	***Level 3***	***Total***
As at 31 December 2019					
Completed properties	**41,130,122**	-	-	**41,130,122**	**41,130,122**
Vacant land	**1,052,580**	-	**1,052,580**	**-**	**1,052,580**
Projects Under development	**1,750,660**	-	-	**1,750,660**	**1,750,660**
	43,933,362	-	**1,052,580**	**42,880,782**	**43,933,362**

	Carrying amount	*Level 1*	*Level 2*	*Level 3*	*Total*
As at 31 December 2018					
Completed properties	41,020,221	-	-	41,020,221	41,020,221
Vacant land	2,698,180	-	2,698,180	-	2,698,180
Projects Under development	145,170	-	-	145,170	145,170
	43,863,571	-	2,698,180	41,165,391	43,863,571

In 2019, a reclassification was made from level 2 to level 3 amounting to QR 1,696,559 (Refer Note 9). There were no transfers between level 2 and level 3 during prior year.

All the Group's investment property that are measured at fair value, the current use of the properties is their highest and best use.

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29 FAIR VALUES AND RISK MANAGEMENT (Continued)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values at 31 December 2019 and 2018 for assets and liabilities measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 3.

Type	***Valuation technique***	***Significant unobservable inputs***	***Inter-relationship between significant unobservable inputs and fair value measurement***
Investment property – Vacant land and residential – State of Qatar/ commercial properties in UK	*Market comparison technique:* The fair values are calculated as derived from the current market prices available for the properties or nearby / adjacent properties adjusted for any differences with the comparable properties.	Not Applicable	Not Applicable
Investment property –completed properties and projects under development– State of Qatar	*Discounted cash flows*: The valuation model considers the present value of expected net cash flows generated from investment property discounted using weighted average cost of the capital of the Group.	Expected net cash flows: (31 December 2019: from positive net cash flows of QR 585,974 to positive net cash flows of QR 2,152,129 from year 2020 to 2024 and a terminal value of QR 34,591,129; 31 December 2018: from positive net cash flows of QR 1,375,715 to positive net cash flows of QR 2,401,337 from year 2019 to 2023 and a terminal value of QR 33,026,229) Weighted average cost of capital: (31 December 2019: 7% to 9.00%, 31 December 2018: 8.14% to 8.36%) Terminal growth rate: (31 December 2019: 2.80%, 31 December 2018: 3.00%)	The estimated fair value would increase (decrease) if: - Expected net cash flows were higher (lower); - Weighted average cost of capital were lower (higher); or - Terminal growth rate were higher (lower).
Equity securities – unquoted	*Discounted cash flows*: The valuation model considers the present value of expected cash flows discounted using weighted average cost of capital of the Companies being valued.	*Expected cash flows:* (31 December 2019: Not Applicable, 31 December 2018: from negative cash flows of QR 10,368 to positive cash flows of QR 11,727 from year 2019 to 2023 and a terminal value of QR 35,947) *Weighted average cost of capital:* (31 December 2019: Not Applicable, 31 December 2018: 13%) *Terminal growth rate:* (31 December 2019: Not Applicable, 31 December 2018: 3%) (The Group has disposed of all unquoted equity investments during the period as part of disposal of subsidiaries (Note 25).	The estimated fair value would increase (decrease) if: - Expected cash flows were higher (lower); - Weighted average cost of capital were lower (higher); or - Terminal growth rate were higher (lower).
Derivative	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimated cash flows are discounted using a risk-adjusted discount rate. The fair value estimate is subject to credit risk adjustment that reflects the credit risk of the Group and of the counter party.	Expected cash flows (QR 1,258 to QR 6,147) Risk adjusted discount rate (31 December 2019: Not applicable, 31 December 2018: 10.2%)	The estimated fair value would increase (decrease) if: - Expected cash flows were higher (lower); or - Risk adjusted discount rate were lower (higher)

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29 FAIR VALUES AND RISK MANAGEMENT (Continued)

Sensitivity Information for investment property

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the Group's investment property are:

- Projected rental revenue per annum
- Projected rent growth per annum
- Projected occupancy per annum
- Projected operating expenses per annum
- Discount rate
- Exit / terminal yield rate

Significant increases (decreases) in project rental value per annum, projected rent growth per annum and projected occupancy rate per annum (and exit or terminal yield) in isolation would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in projected operating expenses per annum and discount rate in isolation would result in a significantly lower (higher) fair value measurement.

A quantitative sensitivity analysis is as shown below:

As at 31 December 2019	**Sensitivity Level**	**Completed properties**	**Projects under Development**
Projected rental revenue per annum	+/- 0.5%	**984,677**	**110,272**
Projected rent growth per annum	+/- 0.5%	**984,677**	**110,272**
Projected occupancy per annum	+/- 0.5%	**202,110**	**23,848**
Projected operating expenses per annum	+/- 0.5%	**(189,128)**	**(16,690)**
Discount rate	+/- 0.5%	**(864,903)**	**(118,364)**
Exit / terminal yield rate	+/- 0.5%	**(3,373,802)**	**(193,379)**

As at 31 December 2018	Sensitivity Level	Completed properties	Projects under Development
Projected rental revenue per annum	+/- 0.5%	541,639	1,891
Projected rent growth per annum	+/- 0.5%	541,639	1,891
Projected occupancy per annum	+/- 0.5%	121,725	80
Projected operating expenses per annum	+/- 0.5%	(135,112)	(712)
Discount rate	+/- 0.5%	(865,401)	(2,848)
Exit / terminal yield rate	+/- 0.5%	(2,904,838)	(9,502)

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30 OPERATING SEGMENTS

Basis for segmentation

For management purposes, the Group is organised into business units based on its business activities and has four reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

Reportable segments	**Operations**
a. Residential and commercial properties	Developing, owning, and renting of real estate properties.
b. Investments	Investing activities including shares.
c. Hotel and suites	Managing hotels, suites and restaurants.
d. Malls	Management of shopping malls.

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

The 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.

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

	Residential and commercial properties	Investments	Hotel and suites	Malls	Adjustments and eliminations	Total
31 December 2019						
Rental income	1,037,333	-	177,018	66,503	(14,318)	1,266,536
Dividends income from equity investments	-	122,416	-	-	-	122,416
Share from the results of equity-accounted investees and joint venture	-	57,127	-	-	-	57,127
Net gain on sale of equity-accounted investees	-	58,182	-	-	-	58,182
Loss on revaluation of investment property	(100,014)	-	-	-	-	(100,014)
Other operating revenues	46,319	-	37,521	19,888	-	103,728
Other income	60,192	996	7	2	-	61,197
Operating expenses	(145,710)	-	(75,477)	(32,877)	7,976	(246,088)
General and administrative expenses	(64,110)	(181)	(10,205)	-	5,972	(68,524)
Depreciation	(31,878)	-	(1,974)	(129)	-	(33,981)
Segment profit	802,132	238,540	126,890	53,387	(370)	1,220,579
Finance costs	(898,637)	-	-	-	-	(898,637)
Impairment loss of trade and other receivables	(4,118)	-	422	-	-	(3,696)
Net profit	(100,623)	238,540	127,312	53,387	(370)	318,246

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30 OPERATING SEGMENTS (Continued)

31 December 2018	Residential and commercial properties	Investments	Hotel and suites	Malls	Adjustments and eliminations	Total
Rental income	1,043,907	-	180,085	65,660	(42,198)	1,247,454
Dividends income from equity investments	-	124,055	-	-	-	124,055
Share from the results of equity-accounted investees and joint venture	-	102,083	-	-	-	102,083
Other operating revenues	55,335	-	43,144	28,100	-	126,579
Other income	18,645	98	3,310	4	-	22,057
Operating expenses	(189,305)	-	(88,096)	(41,489)	11,890	(307,000)
General and administrative expenses	(195,554)	(550)	(32,023)	-	14,515	(213,612)
Provision for claims	(41,056)	-	-	-	-	(41,056)
Impairment loss of property and equipment	(23,881)	-	-	-	-	(23,881)
Depreciation	(31,416)	-	(2,318)	(161)	-	(33,895)
Segment profit	636,675	225,686	104,102	52,114	(15,793)	1,002,784
Finance costs	(835,545)	-	-	-	-	(835,545)
Impairment loss of trade and other receivables	(19,633)	(503)	3,295	(8,573)	-	(25,414)
Net profit	(218,503)	225,183	107,397	43,541	(15,793)	141,825

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30 OPERATING SEGMENTS (Continued)

The following table presents assets and liabilities of the Group's operating segments as at reporting dates.

31 December 2019	Residential and commercial properties	Investments	Hotel and suites	Malls	Adjustments and eliminations	Total
Segment assets						
Cash and bank balances	**48,688**	**73**	**5,506**	**5,022**	-	**59,289**
Trade and other receivables	**2,460,369**	-	**66,686**	**82,786**	**(2,294,653)**	**315,188**
Inventories	**4,990**	-	**21,024**	**207**	-	**26,221**
Equity investments	-	**2,259,524**	-	-	-	**2,259,524**
Equity-accounted investees and joint venture	-	**834,173**	-	-	-	**834,173**
Investment properties	**37,262,872**	-	**4,326,850**	**2,343,640**	-	**43,933,362**
Property and equipment	**8,521**	-	**757,373**	**85**	-	**765,979**
Total assets	**39,785,440**	**3,093,770**	**5,177,439**	**2,431,740**	**(2,294,653)**	**48,193,736**
Segment liabilities						
Trade and other payables	**3,569,625**	**969,444**	**133,272**	**46,869**	**(2,294,653)**	**2,424,557**
Sukuk and Islamic financing	**14,365,348**	-	-	-	-	**14,365,348**
Total liabilities	**17,934,973**	**969,444**	**133,272**	**46,869**	**(2,294,653)**	**16,789,905**

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 2019 (31 December 2018: 100%) and approximately 99.97 % (31 December 2018: 99.97%) of its assets.

For the year ended 31 December 2019 In thousands of Qatari Riyals

30 OPERATING SEGMENTS (Continued)

31 December 2018	Residential and commercial properties	Investments	Hotel and suites	Malls	Adjustments and eliminations	Total
Segment assets						
Cash and cash equivalents	18,976	142	2,156	2,288	-	23,562
Trade and other receivables	2,364,943	4,981,158	80,299	86,836	(7,316,887)	196,349
Inventories	6,530	-	21,317	214	-	28,061
Equity investments	-	3,316,717	-	-	-	3,316,717
Equity-accounted investees and joint venture	-	1,425,613	-	-	-	1,425,613
Investment properties	35,075,936	-	5,233,095	3,554,540	-	43,863,571
Property and equipment	11,204	-	786,183	254	-	797,641
Total assets	37,477,589	9,723,630	6,123,050	3,644,132	(7,316,887)	49,651,514
Segment liabilities						
Trade and other payables	10,178,126	130	136,993	135,163	(7,301,094)	3,149,318
Sukuk and Islamic financing	15,385,522	-	-	-	-	15,385,522
Total liabilities	25,563,648	130	136,993	135,163	(7,301,094)	18,534,840

Major customer

Revenues from one customer of the Group’s residential and commercial properties segment represented approximately 3.5% (2018: 3.9%) of the Group’s total rental revenue.

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31 NON-CONTROLLING INTERESTS

The financial information of Group's subsidiaries are provided below. The summarized financial information below represent amounts before intragroup eliminations.

31 December 2019	Emtedad Real Estate for Projects W.L.L.	Ezdan World W.L.L.	Intragroup eliminations	Total
NCI percentage	32.50%	30.00%		
Non-current assets	1,774,490	-		
Current assets	260	1,100		
Non-current liabilities	-	-		
Current liabilities	(93,707)	(68,410)		
Net assets	1,681,043	(67,310)		
Net assets attributable to NCI	546,339	(20,193)	(805,180)	(279,034)
Revenue	-	-		
Profit	22,931	5,005		
OCI	-	-		
Total comprehensive income	22,931	5,005		
Profit allocated to NCI	7,453	1,501	-	8,954
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	(277,955)	(9,021)		
Cash flows from investment activities	(77,047)	-		
Cash flows from financing activities	355,061	9,031		
Net decrease in cash and cash equivalents	59	10		

31 December 2018	Emtedad Real Estate for Projects W.L.L.	Ezdan World W.L.L.	Intragroup eliminations	Total
NCI percentage	32.50%	30.00%		
Non-current assets	1,660,040	40		
Current assets	2,999	22,231		
Current liabilities	(4,927)	(21,831)		
Net assets	1,658,112	440		
Net assets attributable to NCI	538,886	132	(827,006)	(287,988)
Revenue	-	-		
Profit	(864,957)	(36,043)		
Total comprehensive income	(864,957)	(36,043)		
Profit allocated to NCI	(281,111)	(10,813)	-	(291,924)
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	-	(4,811)		
Cash flows from financing activities	-	4,495		
Net decrease in cash and cash equivalents	-	(316)		

The NCI of the Group is negative due to share of its accumulated losses from subsidiaries of the Group.

32 COMPARATIVE FIGURES

The comparative figures for the previous year have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications did not affect the previously reported profit, gross assets or equity.

33 SUBSEQUENT EVENTS

a) In February 2020, the group has restructured local borrowings of QR 4.5 billion by extending contract period and the contract carry profit at commercial rates. In addition, the Group has obtained a new facility of QR 2 billion with local bank to settle borrowing with international bank and the new contract carry profit at commercial rates.

b) The coronavirus outbreak since early 2020 have brought about additional uncertainties in certain segments of Group's operating environment. The Group has been closely monitoring the impact of the developments on those segments and will keep its contingency measures under review as the situation evolves. As far as those segments are concerned, the outbreak may cause waiver of rent for certain period from the customers having potential impact of closures and as per the directives of government. As the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects are unknown.

Independent auditor's report on pages 1, 2, 3, 4 and 5.