Barwa Real Estate Company Q.S.C.

Consolidated financial statements

31 December 2015

Barwa Real Estate Company Q.S.C.
Consolidated financial statements
For the year ended 31 December 2015

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Independent auditor's report to the shareholders of Barwa Real Estate Company Q.S.C.

Report on the consolidated financial statements

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

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

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Independent auditor's report to the shareholders of Barwa Real Estate Company Q.S.C. (continued)

Report on other legal and regulatory requirements

Further, as required by the Qatar Commercial Companies Law No.11 of 2015 we report that:

1. We have obtained all the information we considered necessary for the purpose of our audit;
2. The Group has maintained proper books of account and the consolidated financial statements are in agreement therewith.
3. The financial information included in the Board of Directors' report is in agreement with the books and records of the Group.

In addition, we report that nothing has come to our attention which causes us to believe that the Group has breached any of the applicable provisions of the Qatar Commercial Companies Law No. 11 of 2015, or of the Company's Articles of Association, which would materially affect the reported results of its operations or its financial position as at 31 December 2015.

Mohamed Elmoataz
PricewaterhouseCoopers

Auditor's registration number 281
Doha, 21 February 2016

PRICEWATERHOUSECOOPERS - Qatar LLC
P.O. Box 6689
Doha, State of Qatar
Qatar Financial Center Registration No. 1.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	*2015* QR'000	*2014* QR'000
ASSETS			
Cash and bank balances	4	**3,833,755**	1,781,443
Financial assets at fair value through profit or loss	5	**27,884**	7,577
Receivables and prepayments	6	**1,041,679**	895,334
Trading properties	7&43	**3,792,753**	3,566,196
Finance lease receivables	8	**1,843,823**	2,191,389
Due from related parties	9&43	**224,831**	346,519
Available-for-sale financial assets	10	**199,386**	304,043
Advances for projects and investments	11	**4,747,151**	7,144,954
Investment properties	12&43	**11,222,850**	11,093,173
Property, plant and equipment	13	**651,072**	693,857
Investments in associates	14	**723,494**	817,053
Goodwill	16	**126,411**	126,411
Deferred tax assets	17	**1,068**	1,175
TOTAL ASSETS		**28,436,157**	28,969,124
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	18	**2,297,434**	4,569,370
Provisions	19	**207,028**	164,938
Due to related parties	9&43	**514,975**	395,015
Obligations under Islamic finance contracts	20	**7,697,837**	7,919,983
Deferred tax liabilities	17	**444**	1,088
TOTAL LIABILITIES		**10,717,718**	13,050,394
EQUITY			
Share capital	21	**3,891,246**	3,891,246
Treasury shares	22	**(4,119)**	(4,119)
Legal reserve	23	**1,399,641**	1,110,169
General reserve	24	**4,639,231**	4,639,231
Other reserves	25	**(210,026)**	(90,436)
Retained earnings		**7,855,259**	6,213,240
Total equity attributable to equity holders of the Parent		**17,571,232**	15,759,331
Non-controlling interests		**147,207**	159,399
Total Equity		**17,718,439**	15,918,730
TOTAL LIABILITIES AND EQUITY		**28,436,157**	28,969,124

These consolidated financial statements were authorised for issuance by the Board of Directors on 21 February 2016 and signed on their behalf by:

H.E. Salah Bin Ghanem Al Ali
Chairman

Salman Bin Mohamad Al Muhannadi
Group Chief Executive Officer

The attached explanatory notes 1 to 44 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	*2015* *QR'000*	*2014* *QR'000*
Rental income		**1,040,823**	1,217,206
Rental operation expenses	26.1&43	**(311,356)**	(286,584)
Finance lease income	8	**259,497**	300,116
Net rental and finance lease income		**988,964**	1,230,738
Income from consultancy and other services		**491,968**	443,021
Consulting operation and other services expenses	26.2&43	**(339,797)**	(288,821)
Net consulting and other service income		**152,171**	154,200
Profit on sale of properties	27	**2,701,685**	2,928,255
Net fair value gain (loss) on investment properties	43	**36,145**	(263,769)
Profit on disposal of subsidiaries	28	**-**	8,827
Loss on previously held equity interest in an investment	28.1 B	**(75,204)**	-
Share of results of associates	14	**36,765**	(107,011)
Profit on disposal of associates		**-**	10,288
(Loss) Gain on sale of available-for-sale financial assets		**(1,549)**	25,603
Loss on financial assets at fair value through profit or loss		**(5,494)**	(924)
General and administrative expenses	29	**(262,165)**	(334,603)
Depreciation	13	**(63,736)**	(93,334)
Impairment losses	30&43	**(425,345)**	(346,197)
Other income	31	**79,272**	54,528
Operating profit		**3,161,509**	3,266,601
Finance income	32	**78,006**	271,318
Finance cost	32	**(165,698)**	(748,308)
Net finance cost		**(87,692)**	(476,990)
Profit before income tax		**3,073,817**	2,789,611
Income tax expense	17	**(4,879)**	(4,398)
Profit for the year		**3,068,938**	2,785,213
Attributable to:			
Equity holders of the Parent		**3,056,301**	2,777,547
Non-controlling interests		**12,637**	7,666
		3,068,938	2,785,213
Basic and diluted earnings per share *(attributable to equity holders of the Parent expressed in QR per share)*	33	**7.86**	7.14

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	*2015* *QR'000*	*2014* *QR'000*
Profit for the year		**3,068,938**	2,785,213
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	34	**(87,473)**	(32,716)
Available-for-sale financial assets	34	**(33,782)**	49,174
Other comprehensive income for the year		**(121,255)**	16,458
Total comprehensive income for the year		**2,947,683**	2,801,671
Attributable to:			
Equity holders of the Parent		**2,936,711**	2,796,084
Non-controlling interests		**10,972**	5,587
		2,947,683	2,801,671

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent								
	Share capital	Treasury shares	Legal reserve	General reserve	Other reseves	Retained earnings	Total	Non-controlling interest	Total
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
Balance at 31 December 2014	**3,891,246**	**(4,119)**	**1,110,169**	**4,639,231**	**(90,436)**	**6,213,240**	**15,759,331**	**159,399**	**15,918,730**
Profit for the year	-	-	-	-	-	3,056,301	3,056,301	12,637	3,068,938
Other comprehensive loss for the year (Note 34)	-	-	-	-	(119,590)	-	(119,590)	(1,665)	(121,255)
Total comprehensive (loss) income for the year	-	-	-	-	(119,590)	3,056,301	2,936,711	10,972	2,947,683
Conribution to social and sports fund (Note 36)	-	-	-	-	-	(78,782)	(78,782)	-	(78,782)
	-	-	-	-	(119,590)	2,977,519	2,857,929	10,972	2,868,901
Excess of subsequent purchase of additional shares in subsidiaries over the carrying amount of the non-controlling interests	-	-	-	-	-	(189,954)	(189,954)	-	(189,954)
Purchasing of non-controlling interests' shares.	-	-	-	-	-	-	-	(23,147)	(23,147)
Dividends for 2014 (Note 35)	-	-	-	-	-	(856,074)	(856,074)	-	(856,074)
Transfer to Legal Reserve	-	-	289,472	-	-	(289,472)	-	-	-
Other movements	-	-	-	-	-	-	-	(17)	(17)
Total transactions with shareholders	-	-	289,472	-	-	(1,335,500)	(1,046,028)	(23,164)	(1,069,192)
Balance at 31 December 2015	**3,891,246**	**(4,119)**	**1,399,641**	**4,639,231**	**(210,026)**	**7,855,259**	**17,571,232**	**147,207**	**17,718,439**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to equity holders of the Parent								
	Share capital	*Treasury shares*	*Legal reserve*	*General reserve*	*Other reseves*	*Retained earnings*	*Total*	*Non-controlling interest*	*Total*
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
Balance at 31 December 2013 as previously reported	3,891,246	(4,119)	842,294	4,639,231	(36,484)	4,478,958	13,811,126	499,484	14,310,610
Prior year adjustment	-	-	-	-	-	-	-	5,000	5,000
Balance at 1 January 2014 (Restated)	3,891,246	(4,119)	842,294	4,639,231	(36,484)	4,478,958	13,811,126	504,484	14,315,610
Profit for the year	-	-	-	-	-	2,777,547	2,777,547	7,666	2,785,213
Other comprehensive income (loss) for the year (Note 34)	-	-	-	-	18,537	-	18,537	(2,079)	16,458
Total comprehensive income for the year	-	-	-	-	18,537	2,777,547	2,796,084	5,587	2,801,671
Conribution to social and sports fund (Note 36)	-	-	-	-	-	(69,629)	(69,629)	-	(69,629)
	-	-	-	-	18,537	2,707,918	2,726,455	5,587	2,732,042
Disposal of Non-controlling interests'share due to sale of subsidiaries	-	-	-	-	-	-	-	(351,328)	(351,328)
Dividends for 2013 (Note 35)	-	-	-	-	-	(778,250)	(778,250)	-	(778,250)
Transfer to Legal Reserve	-	-	267,875	-	-	(267,875)	-	-	-
Other movements	-	-	-	-	(72,489)	72,489	-	656	656
Total transactions with shareholders	-	-	267,875	-	(72,489)	(973,636)	(778,250)	(350,672)	(1,128,922)
Balance at 31 December 2014	3,891,246	(4,119)	1,110,169	4,639,231	(90,436)	6,213,240	15,759,331	159,399	15,918,730

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	***2015*** ***QR'000***	*2014* *QR'000*
OPERATING ACTIVITIES			
Profit for the year		**3,068,938**	2,785,213
Adjustments for:			
Finance cost	32	**232,487**	561,757
Finance income	32	**(78,006)**	(271,318)
Net fair value (gain)/loss on investment properties	12	**(36,145)**	421,643
Gain on remeasurement of non-current assets held for sale		**-**	(157,874)
Unrealised gain on financial assets at fair value through profit or loss		**5,494**	924
Loss/(Gain) on sale of available-for-sale financial assets		**1,549**	(25,603)
Depreciation	13	**73,413**	94,848
Share of results of associates	14	**(36,765)**	107,011
Net impairment losses	30	**425,345**	346,197
Gain on sale of non-current assets held for sale		**-**	(296,130)
Profit on disposal of subsidiaries	28.2 B	**-**	(8,827)
Loss on previously held equity interest in an investment	28.1 B	**75,204**	-
Profit on disposal of associates		**-**	(10,288)
Finance lease income	8	**(259,497)**	(300,116)
Dividend income	31	**(5,366)**	(9,570)
Net deferred tax		**(430)**	(97)
Change in Provisions	19	**42,090**	19,277
Accruals for board of directors remuneration	29	**8,500**	8,500
Gain on disposal of property, plant and equipment	31	**(392)**	-
Operating gain before working capital changes		**3,516,419**	3,265,547
Changes in working capital:			
Change in receivables and prepayments		**119,967**	(162,504)
Change in trading properties		**(885,985)**	(1,376,355)
Change in finance lease receivables		**502,965**	790,694
Change in assets classified as held for sale		**-**	2,828
Amounts due from / due to related parties		**(171,289)**	2,301,690
Change in payables and accruals		**78,043**	315,982
NET CASH GENERATED FROM OPERATING ACTIVITIES		**3,160,120**	5,137,882

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Notes	*2015* *QR'000*	*2014* *QR'000*
INVESTING ACTIVITIES			
Finance income received		**78,006**	270,719
Proceeds from disposal of associates		**-**	69,000
Proceeds from disposal of subsidiaries	28.2 B	**-**	16,439,037
Purchase of investment properties		**(104,514)**	(9,485)
Payments for purchase of available-for-sale financial assets		**(19,869)**	(88,480)
Payments for purchase of property, plant and equipment		**(9,698)**	(18,126)
Proceeds from sale of available-for-sale financial assets		**34,046**	73,349
Proceeds from sale of investment properties		-	-
Proceeds from sale of non-current assets held for sale		**-**	1,044,000
Proceeds from disposal of property, plant and equipment		**494**	-
Dividends received from associates		**20,816**	4,000
Advances for purchase of investments and properties	43	**(120,313)**	(287,256)
Dividend income received	31	**5,366**	9,570
Proceed from disposal of financial assets at fair value through profit or loss		**-**	276
Payments for purchase of financial assets at fair value through profit or loss		**(25,801)**	-
Net movement in short term deposits maturing after three months	4	**(2,158,036)**	(405,595)
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES		**(2,299,503)**	17,101,009
FINANCING ACTIVITIES			
Finance cost paid		**(232,487)**	(561,757)
Transactions with non-controlling interest	28.2A &43	**(36,415)**	(2,482,755)
Proceeds from obligations under Islamic finance contracts		**637,263**	-
Payments for obligations under Islamic finance contracts		**(864,209)**	(18,372,903)
Dividends paid		**(463,192)**	(418,846)
Settlement of derivative financial liabilities		**-**	5,566
Restricted bank balances		**(66,089)**	(71,828)
NET CASH USED IN FINANCING ACTIVITIES		**(1,025,129)**	(21,902,523)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(164,512)**	336,368
Net foreign exchange difference		**(7,301)**	-
Cash and cash equivalents at 1 January		**1,175,069**	838,701
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	**1,003,256**	1,175,069

Notes to the consolidated financial statements

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Barwa Real Estate Company Q.S.C. ("the Company" or "the Parent") was incorporated pursuant to the provision of Article 68 of the Qatar Commercial Companies Law No. 5 of 2002 as Qatari Shareholding Company under Commercial Registration No. 31901 dated 27 December 2005. The term of the Company is 100 years starting from the date of declaration in the Commercial Register. The Company is a listed entity on the Qatar Exchange.

The Company's registered office address is P.O. Box 27777, Doha, State of Qatar.

The principal activities of the Company and its subsidiaries (together "the group") are investing in all types of real estate including acquiring, reclamation, dividing, developing and reselling of land and to establish agricultural, industrial, commercial projects on land, or lease those lands, and also buying, selling and leasing buildings or projects. It also administers and operates real estate investments in and outside the State of Qatar, investing, hotels ownership and management, projects consulting and others.

Qatar Companies Law No. 11 of 2015 (Companies Law) which is applicable to the group has come into effect from 16 June 2015. The Ministry of Economy and Commerce (MOEC) had extended the transitional period determined for complying with the Companies Law till August 2016. Additionally, the executive regulations necessary to apply the Companies Law have not yet been issued by the MOEC. The group is currently in communication with the MOEC in order to amend its articles of association to be in compliance with the new Companies Law.

2 BASIS OF PREPARATION AND CONSOLIDATION

The principle accounting policies applied in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

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

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss and available-for-sale financial assets which have been measured at fair value.

The consolidated financial statements are presented in Qatari Riyals, which is the Company's functional and presentational currency and all values are rounded to the nearest thousand (QR'000), except when otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to consolidated financial statements are disclosed in Note 41.

Notes to the consolidated financial statements

2 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

2.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations.
The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group’s accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Notes to the consolidated financial statements

2 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

2.2 Basis of consolidation (continued)

(d) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and charges the amount to the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the group and its associates are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of profit or loss.

(e) Joint arrangements

The group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint ventures are measured using the equity method of accounting, under which interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income.

When the group's share of losses in a joint venture equals to or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

Notes to the consolidated financial statements

2 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

2.2 Basis of consolidation (continued)

The group's subsidiaries accounting for more than 5% of the total assets and /or operational results of the group during the current or previous financial year are included in these consolidated financial statements are listed below. In addition to the below listed subsidiaries, there are number of other subsidiaries' financial statements that are consolidated into these consolidated financial statements and are accounting for less than 5% of the total assets and/or operational results of the group.

		Group effective shareholding percentage	
Name of subsidiary	***Country of incorporation***	***31 December 2015***	***31 December 2014***
Asas Real Estate Company W.L.L	Qatar	100%	100%
Al-Waseef Property Management Company S.P.C.	Qatar	100%	100%
Barwa Al-Doha Real Estate Company W.L.L	Qatar	100%	100%
Barwa International Company S.P.C.	Qatar	100%	100%
Barwa Al Sadd Company S.P.C.	Qatar	100%	100%
Barwa Al- Baraha S.P.C.	Qatar	100%	100%
Barwa Financial District W.L.L.	Qatar	100%	100%
Barwa Village Company S.P.C.	Qatar	100%	100%
Gudran S.P.C.	Qatar	100%	100%
Masaken Al Sailiya & Mesaimeer Company S.P.C.	Qatar	100%	100%
Barwa District Cooling Company S.P.C.	Qatar	100%	100%
Qatar Real Estate Investment Company P.J.S.C.	Qatar	100%	100%
Cavendish Capital	UK	92.31%	92.31%
Shaza Hotels Investment Company B.S.C.C (*)	Bahrain	100%	96.5%
Qatar Project Management Company Q.P.S.C.	Qatar	70%	70%
Lusail Golf Development Company WLL	Qatar	100%	50%

(*) The company was formerly known as Guidance Hotel Investment Company B.S.C.C and was renamed in November 2015.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies and disclosures

(a) New and amended standards applicable to the Group

The following standards are applicable the Group for the financial year beginning on or after 1 January 2015 and might not have material impact on the Group.

• Amendments to IAS 19, 'Employee benefits' on defined benefit plans (Annual periods beginning on or after 1 July 2014). The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service.

• Other amendments to IFRSs effective for the financial year ending 31 December 2015 are not expected to have material impact on the Group.

(b) New standards and interpretations effective for annual periods after 1 January 2015 and not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and have not been applied in preparing these consolidated financial statement. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

• Amendments to IFRS 9, 'Financial instruments' on hedge accounting (Annual periods beginning on or after 1 January 2018). The amendments to IFRS 9 bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

• IFRS 16, 'leases' (Annual periods beginning on or after 1 January 2019) requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability to pay rentals. The lessor's accounting' model largely remains unchanged.

• IFRS 14, 'Regulatory deferral accounts' (Annual periods beginning on or after 1 January 2016) permits first time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

• IFRS 15, 'Revenue from contracts with customer' (Annual periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Changes in accounting policies and disclosures (continued)

• Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 (Annual periods beginning on or after 1 January 2016) The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

• Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investors in the associate or joint venture. The amendments apply prospectively.

• Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 (Annual periods beginning on or after 1 January 2016) the amendments to IFRS 11 clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business.

3.2 Summary of significant accounting policies

Fair value measurement

The group measures financial instruments, such as, available for sale financial assets and non-financial assets such as investment properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 41.

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 by the group.

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

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

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

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (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 I — 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 and liabilities 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.

The group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted available-for-sale financial assets, and for non-recurring measurement, such as assets held for disposal in discontinued operation. The management comprises of the head of the development segment, heads of the group's assets management team, the heads of the finance team, the head of the risk management department and the managers of each property.

External valuers are involved for valuation of significant assets, such as investment properties and trading properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management discusses and reviews, the group's external valuers, valuation techniques and assumptions used for each property.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the group's external valuers, also compares each changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue recognition

Revenue is measured at fair value of consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognises revenue when the amount of revenue can be measured reliably; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities listed below. The group bases its estimate by reference to historical results taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

Sale of trading property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

Sales of property under development
Where property is under development and agreement has been reached to sell such property when construction is complete, the management considers whether the contract comprises:

- A contract to construct a property

Or

- A contract for the sale of a completed property

Where a contract is judged to be for the construction of a property and based on the nature of these contracts, revenue is recognised using the percentage of completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer

And

- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

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

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

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

Finance lease income
Income from finance lease in which the group is the lessor is recognized based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance lease.

Management fee income
Management fee income is recognized based on the terms and conditions of the relevant management agreements concluded with external parties to the group. It is recognized when the service has been provided.

Services revenues
Revenues from services rendered is recognized in the consolidated statement of profit or loss by reference to the stage of completion of the specific transaction and assessed on the basis of the actual service provided as proportion of the total services to be provided. Revenue earned but not invoiced at year end is accrued and included in accrued income.

Construction contracts
Construction contract revenues includes the initial amounts agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue is recognized in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognized as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in the consolidated statement of profit or loss.

Service charges, management charges and other expenses recoverable from the tenants
Income arising from expenses recharged to tenants is recognized in the period in which the compensation becomes receivable. Services and management charges and its related costs are represented seperatly from rental income and costs.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

Dividend income
Dividend income is recognized when the right to receive the dividend is established.

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

Trading properties (Inventory)

Trading properties are real estate properties (including non-developed plots of land) that are readily available for sale and those properties under development for sale which are in construction phase. These are held for sale in the ordinary course of business rather than to be held for rental or capital appreciation, are carried at the lower of cost and net realizable value. The group may decide to lease out some units to increase the possibility of selling the properties rather than to earn rental income on a continuing basis and the property is not held for capital appreciation. The group account for these properties as trading property and not investment property as the property continues to be held exclusively with the view to subsequent disposal in the ordinary course of business. Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for time factor if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost include:

- Freehold and leasehold rights for land
- Amounts paid to contractors for construction
- Borrowing costs, planning & design costs, costs of site preparation, professional fees, property transfer taxes, construction overhead and other related costs.

Non refundable commission paid to sales or working agents on the sale of real estate units are expensed when incurred.

Cost of trading properties recognised in the consolidated statement of profit or loss is determined with references to specific costs incurred on the property sold and an allocation of any relative size of the property sold.

Investment properties

Investment property comprises completed property and property under construction or re-development that is held to earn rentals or for capital appreciation or both rather than for sale in the ordinary course of business or for use in administratve function. Property held under a lease contract is classified as investment property when the definition of an investment property is met.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair values are included in the consolidated statement of profit or loss in the year in which they arise.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the consolidated statement of profit or loss in the year of retirement or disposal.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

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 recognised directly in equity as a revaluation surplus. Any loss is recognised immediately in the consolidated statement of profit or loss .

For a transfer from investment property carried at fair value to owner-occupied property or trading properties, the property's deemed cost for subsequent accounting in accordance with IAS 16 “Property, plant and equipment” or IAS 2 “Inventories” shall be its fair value at the date of change in use.

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

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

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

Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Land is not depreciated.

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

Buildings	20-33 years
Furniture and fixtures	3-7 years
Motor vehicles	5 years
Computers software and hardware	3-5 years
Office equipment	3 years
Leasehold improvements	3 years
Cooling plant	25 years

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

The assets' useful lives and residual values are reviewed and adjusted as appropriate at each reporting date.
The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

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

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
The group classifies its financial assets in the following categories; financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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

Financial assets at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets at fair value through profit or loss are initially recognised at fair value and transactions costs are expensed in the consolidated statement of profit or loss and subsequent changes in fair value are recognised in the consolidated statement of profit or loss .

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

Available-for-sale financial assets
Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available for sale financial assets are recognised initially at fair value plus transaction costs. After initial recognition, available for sale financial assets are subsequently remeasured at fair value, with any resultant gain or loss directly recognised as a separate component of equity under other comprehensive income until the investment is sold, collected, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated statement of profit or loss for that year. Finance income earned on the investments is reported as finance income in the consolidated statement of profit or loss using the effective profit rate. Dividends earned on investments are recognised in the consolidated statement of profit or loss as "Dividend income" when the right to receive dividend has been established.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models. For investment in funds, fair value is determined by reference to net asset values provided by the fund administrators.

Investments are uncertain due to the uncertain nature of cash flows arising from certain of the group's unquoted equity investments, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost, less any impairment losses.

Derecognition
When the available for sale financial assets investment is disposed off, the cumulative gain or loss previously recorded in equity is recognised in the consolidated statement of profit or loss.

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

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

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

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

Financial liabilities

The group's financial liabilities include trade and other payables, due to related parties, and obligations under islamic finance contracts.

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

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

The group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective profit method. Other financial liabilities comprise obligations under Islamic finance contracts, due to related parties, bank overdrafts, and trade and other payables.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for services received or when the risks and rewards associated with goods are transferred to the group, whether billed by the supplier or not.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using effective profit method.

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

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

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

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

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the group or counter party.

Derivative financial instruments
Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the consolidated statement of profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in the fair value of derivative instruments not designated for hedges are recognized in the consolidated statement of profit or loss.

Impairment

Financial assets
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in costs or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

lf in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

Assets classified as available for sale
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated statement of profit or loss) is removed from equity and recognised in the consolidated statement profit or loss . Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the consolidated statement profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

Non financial assets
The carrying amounts of the group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a prorata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed (other than for goodwill) if there has been a change in the estimates used to determine the recoverable amount. 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 or amortization, if no impairment loss had been recognized.

Cash and cash equivalents
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances and bank deposits with original maturities of three months or less, unrestricted balances held with banks, and highly liquid financial assets with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value.

Share capital

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)
When share capital recognised as equity is repurchased (treasury shares), the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity until the shares are cancelled or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented separately in the equity.

Finance costs
Finance costs are costs that the group incurs in connection with the borrowing of funds. The group capitalizes financing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. 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 recognizes other borrowing costs as an expense in the period incurred.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

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

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

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

The financing costs applicable to the financing of the group that are outstanding during the period, other than those specific financing 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 financing costs that the group capitalizes during the period is not to exceed the amount of financing 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.

Tenant deposits
Tenant deposits liabilities are initially recognised at fair value and subsequently measured at amortised cost where material. These deposits are refundable to the tenants at the end of the lease term.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessor
Leases where the group transfer substantially all the risks and benefits incidental to the ownership of the leased item are classified as finance leases and are presented as receivables at an amount equal to the net investment in the lease. Net investment in the lease is the gross investment in the lease discounted at the profit rate implicit in the lease. Income from finance leases in which the group is a lessor is recognised based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance lease. Contingent rents are recognised as revenue in the period in which they are earned.

Group as a lessee
Finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of profit on the remaining balance of the liability. Finance charges are charged to the consolidated statement of profit or loss as they arise. The property plant and equipment acquired under finance lease is depreciated over the shorter of the useful lives and of the lease term.

Leases in which a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of profit or loss on a straight-line basis over the lease term, except for contingent rental payments which are expensed when they arise.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

Provisions

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to passage of time is recognised as net finance costs. Provisions are not recognized for future operating losses. where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to anyone item in the same class of obligation may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflets current market assesments of the time of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as finance cost.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case a bargain purchase, the difference is recognized directly in the profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs or group of CGUs that is expected to benefit from the synergies of the combination. Goodwill impairment testing is undertaken annually. Any impairment is recognized immediately as an expense and is not subsequently reversed.

The cost of intangible asset acquired in a business combination is fair value as at the date of acquisition. other intangible asset are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

End of service benefits
The group operates defined benefit and defined contribution retirement plans

Defined benefit plan

A defined benefit plan is a pension plan that is not a defined contribution plan. In accordance with Qatar Labour Law number 14 of 2004, the group makes payments to non-Qatari and non-citizens of the Gulf Cooperation Council states employees in certain locations where the group operates, on their resignation, usually dependent on one or more factors such as years of service and salary.

The liability recognised in the statement of financial position in respect of employees' end of service indemnity is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by management using the projected unit credit method.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in income.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using profit rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related benefit obligation. Where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Defined contribution plan

With respect to its national employees and citizens of GCC states, as well as other employees in certain locations outside Qatar, the group makes contributions to the General Pension Fund Authority and similar authorities of other countries, calculated as a percentage of the employees' salaries. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payment is available.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

Current and deferred income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The consolidated financial statements are presented in 'Qatari Riyals' ("QR"), which is the group's presentational currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'finance income or costs'.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the consolidated statement profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in the consolidated statement profit or loss as part of the fair value gain or loss, Translation differences on non-monetary financial assets, such as equity instruments classified as available for sale, are included in the consolidated statement of other comprehensive income.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;
(b) income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Earnings per share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Segment reporting
An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components, whose operating results are reviewed regularly by the group's top management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Notes to the consolidated financial statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (continued)

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Unconditional government grant related to income are recognised in the consolidated statement of profit or loss at the fair value when the grant becomes receivable.

Goverments grants related to assets, including non monetary grants at fair value, should be presented in the balance sheet either by setting up the grant a deffred income or by deducting the grant in arriving at the asset's carrying amount.

Other government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the group will comply with the conditions associated with the grant. Grants that compensate the group for expenses incurred are recognised in the consolidated statement of profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the group for the cost of a depreciable asset are recognised in the consolidated statement of profit or loss on a systematic basis over the useful life of the asset, while grants compensating the group for assets under development are directly deducted from the carrying amount of the related asset. Government grant related to non-monetary assets are initially recognized at nominal amount.

Non-current assets held for sale and discontinued operations
The group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment are not depreciated once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is:

- A component of the group that is a CGU or a group of CGUs
- Classified as held for sale or already disposed in such a way, or
- A major line of business or major geographical area

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss or consolidated statement of comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

Dividend
The Company recognises a liability to make cash distributions to equity holders of the Parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Qatar Commercial Companies Law No. 11 of 2015, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Contribution to social and sports fund
According to Qatari Law No. 13 of 2008 and the related clarifications issued in January 2010, the group is required to contribute 2.5% of its consolidated annual net profits to the state social and sports fund. The clarification relating to Law No. 13 of 2008 requires the payable amount to be recognised as a distribution of net profit. Hence, this is recognised in the consolidated statement of changes in equity

Notes to the consolidated financial statements

4 CASH AND BANK BALANCES

	***2015* QR'000**	*2014* QR'000
Cash in hand	**260**	206
Short term deposits	**3,162,052**	966,167
Current accounts	**189,338**	236,621
Call accounts	**347,789**	510,222
Restricted bank balances	**118,056**	45,401
Margin bank account	**16,260**	22,826
Total cash and bank balances	**3,833,755**	1,781,443
Short term bank deposits maturing after 3 months	**(2,696,183)**	(538,147)
Restricted bank balances	**(134,316)**	(68,227)
Cash and cash equivalents	**1,003,256**	1,175,069

Notes:

i. Cash and cash equivalents include fixed deposits with maturity dates from one to three months amounting to QR 465,869 thousand (2014: QR 428,020 thousand).

ii. Short term deposits are made for varying periods depending on the immediate cash requirements of the group with original maturity period ranging from three to twelve months at commercial market profit rates.

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	***2015* QR'000**	*2014* QR'000
Investments in equity securities		
Quoted	**27,884**	7,577

6 RECEIVABLES AND PREPAYMENTS

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

2015	***Non-current* QR'000**	***Current* QR'000**	***Total* QR'000**
Trade receivables (net)	**-**	**799,090**	**799,090**
Prepaid expenses	**6,300**	**17,046**	**23,346**
Accrued income	**-**	**37,553**	**37,553**
Refundable deposits	**7,660**	**2,644**	**10,304**
Staff receivables (net)	**608**	**8,813**	**9,421**
Accrued profit on Islamic financial deposits	**-**	**53,293**	**53,293**
Other receivables (net)	**-**	**108,672**	**108,672**
	14,568	**1,027,111**	**1,041,679**
2014			
Trade receivables (net)	-	603,486	603,486
Prepaid expenses	8,754	29,958	38,712
Accrued income	-	32,375	32,375
Refundable deposits	8,293	2,864	11,157
Staff receivables (net)	366	13,029	13,395
Accrued profit on Islamic financial deposits	-	640	640
Other receivables (net)	10,871	184,698	195,569
	28,284	867,050	895,334

Notes to the consolidated financial statements

6 RECEIVABLES AND PREPAYMENTS (CONTINUED)

As at 31 December 2015, trade receivables amounting to QR 35,178 thousand (2014: QR 33,660 thousand) were impaired and fully provided for. Movement in the allowance for impairment of trade receivables is as follows:

	2015 QR'000	*2014 QR'000*
At 1 January	**33,660**	27,426
Allowance charge for the year	**6,495**	7,780
Reclassification to impairment of related parties	**-**	(1,463)
Written off	**(2,829)**	-
Reversal of Provision	**(2,075)**	-
Other movement	**(73)**	(83)
At 31 December	**35,178**	33,660

At 31 December, the ageing of unimpaired trade receivables is as follows:

			Past due but not impaired				
	Total QR'000	***Neither past due nor impaired QR'000***	***0 – 30 days QR'000***	***31- 60 days QR'000***	***61- 90 days QR'000***	***91- 120 days QR'000***	***121- 365 days QR'000***
2015	**799,090**	**220,357**	**382,080**	**64,807**	**58,473**	**19,572**	**53,801**
2014	603,486	244,680	6,711	242,462	66,872	5,613	37,148

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable.

The other claims within receivables and prepayments don’t contain impaired assets.

7 TRADING PROPERTIES

	2015 QR'000	*2014 QR'000*
Properties available for sale (A)	**176,112**	184,472
Properties under development (B)	**3,616,641**	3,381,724
	3,792,753	3,566,196

(A) Movements of properties available for sale during the year were as follows:

	2015 QR'000	*2014 QR'000*
At 1 January	**184,472**	16,101,633
Additions	**334**	55,825
Sold properties during the year	**(1,739)**	(1,695)
Disposal of subsidiaries	**-**	(16,094,342)
Write down to net realizable value (Note 30.i)	**(6,955)**	-
Transferred from investment properties (Note 12)	**-**	88,389
Transferred from properties under development (Note 7.B)	**-**	34,662
At 31 December	**176,112**	184,472

Notes to the consolidated financial statements

7 TRADING PROPERTIES (CONTINUED)

(B) Movements in the properties under development during the year were as follows:

	2015 ***QR'000***	*2014* *QR'000*
At 1 January	**3,381,724**	3,156,581
Additions	**780,311**	1,335,828
Disposal of subsidiaries (Note 28.2)	**(94,341)**	(843,234)
Disposed during the year	**-**	(49,523)
Capitalised finance cost (i) and (Note 32)	**66,789**	58,928
Transferred to properties available for sale (Note 7.A)	**-**	(34,662)
Transferred to investment properties (Note 12)	**-**	(3,980)
Transferred to receivables	**(203,439)**	-
Write down to net realizable value (ii) and (Note 30)	**(307,210)**	(227,070)
Foreign exchange adjustment	**(7,193)**	(11,144)
At 31 December	**3,616,641**	3,381,724

Notes:

(i) Capitalized finance cost is calculated based on the actual qualifying expenditures related to the properties under development. Finance cost is capitalised using the group's weighted average finance cost.

(ii) The group carried an estimate of net realizable value of its trading properties at year end. Independent accredited property appraisers were engaged to provide relevant commercial and marketing inputs to this process and to advise on current market trends in areas such as achievable market prices. The exercise revealed that the fair values less costs to sell being the net realizable value were higher than the carrying amount of the trading properties at 31 December 2015 except for the properties for which a write down to net realizable value has been made.

Notes to the consolidated financial statements

8 FINANCE LEASE RECEIVABLES

	2015	*2014*
	QR'000	*QR'000*
Non-current portion:		
Finance leases - gross receivables	**1,832,995**	2,432,112
Unearned finance income	**(373,328)**	(588,331)
Net non-current portion of finance lease receivables	**1,459,667**	1,843,781
Current portion:		
Finance leases - gross receivables	**599,159**	607,107
Unearned finance income	**(215,003)**	(259,499)
Net current portion of finance lease receivables	**384,156**	347,608
Net investment in finance leases	**1,843,823**	2,191,389

Contractual maturities of finance lease receivables are as follows:

Gross receivables from finance leases:		
Not later than 1 year	**599,159**	607,107
Later than 1 year and not later than 5 years	**1,728,181**	2,081,966
Later than 5 years	**104,814**	350,146
	2,432,154	3,039,219
Unearned finance income	**(588,331)**	(847,830)
Net investment in finance leases	**1,843,823**	2,191,389

Movement in finance lease receivables during the year was as follows:

	2015	*2014*
	QR'000	*QR'000*
At 1 January	**2,191,389**	2,508,058
Installments due and collected during the year	**(502,965)**	(790,694)
Transferred (to) from trade receivables	**(104,098)**	173,909
Finance lease income	**259,497**	300,116
At 31 December	**1,843,823**	2,191,389

The above balances relate to the group's 100% owned subsidiary Qatar Real Estate Investment Company P.J.S.C. ("Al Aqaria"). The minimum lease receipts are discounted at the implicit rates as mentioned in the lease agreements. Income from finance leases is recognized based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance leases.

Finance lease receivables are unsecured. Included in the gross finance lease receivables an amount of QR 632,000 thousand pledged as security against the Islamic facility "Sukuk Al Musharakah" amounting to QR 8,270 thousand at 31 December 2015 (2014: QR 850,738 thousand finance lease receivables pledge against the Islamic facility "Sukuk Al Musharakah" which was amounting to QR 215,076 thousand).

As at 31 December 2015, 80.5% (2014: 80%) of the total finance lease receivables balance is due from a single customer.

Notes to the consolidated financial statements

9 RELATED PARTY DISCLOSURES

Qatari Diar Real Estate Investment Co. ("QD" incorporated in the State of Qatar) is the main shareholder of the company which owns 45% of the company's shares including one preferred share that carries preferred rights over the financial and operating policies. The remaining 55% of the shares are traded on the Qatari stock exchange and widely held.

Related parties comprise of the main shareholders, associates, key management personnel of the group and entities over which they have the ability to control, jointly control or exercise significant influence in making financial and operating decisions.

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

	2015 ***QR'000***	*2014* *QR'000*
Proceeds from sale of subsidiaries to an entity under the control of the main shareholder (Note 28)	**-**	**16,647,014**
Reconciliation / settlement of an Islamic financing facility with the consideration for the disposal of subsidiaries & associates	**-**	**18,228,649**
Sale of associates to the main shareholder	**-**	**69,000**
Income from consultancy and other services from the main shareholder	**168,800**	**165,605**
Rental income from the main shareholder	**977**	**13,169**
Finance costs from the main shareholder	**-**	**36,695**

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

	Due from related parties		***Due to related parties***	
	2015 ***QR'000***	*2014* *QR'000*	***2015*** ***QR'000***	*2014* *QR'000*
Qatari Diar Real Estate Investment Company Q.S.C.	**39,376**	65,898	**482,624**	296,534
Associate companies	**97,144**	106,750	**29,851**	29,366
Entities under common control	**88,311**	156,400	**-**	-
Other related parties	**-**	17,471	**2,500**	69,115
	224,831	346,519	**514,975**	395,015

Current and non-current portions of due from and due to related parties are as follows:

	Due from related parties		***Due to related parties***	
	2015 ***QR'000***	*2014* *QR'000*	***2015*** ***QR'000***	*2014* *QR'000*
Non-current	**85,633**	**103,099**	**574**	**3,718**
Current	**139,198**	**243,420**	**514,401**	**391,297**
	224,831	**346,519**	**514,975**	**395,015**

Notes to the consolidated financial statements

9 RELATED PARTY DISCLOSURES (CONTINUED)

Movement in the allowance for impairment of Due from related parties is as follows:

	2015 ***QR'000***	*2014* *QR'000*
At 1 January	**21,915**	19,035
Charged during the year (Note 30)	**27,703**	2,880
At 31 December	**49,618**	21,915

Compensation of directors and other key management personnel
The remuneration of directors and other members of key management during the year was as follows:

	2015 ***QR'000***	*2014* *QR'000*
Board of Directors' remuneration and others (ii)	**10,610**	8,980
Total key management staff benefits (group basis)	**40,299**	53,800
	48,799	62,780

Notes:

(i) All outstanding balances at the year-end are unsecured, free of finance cost and the settlement occurs in cash and no guarantees provided or received for outstanding balances at reporting date. For the years ended 31 December 2015 and 2014, the group carried out an impairment testing for due from related parties and recognized an impairment allowance of QR 27,703 thousand (2014: QR 2,880 thousand) (Note 30). In the opinion of the management, based on recent available information, there is no evidence of further impairment in the value of due from related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related parties operate.

(ii) The Directors' remuneration and others includes a proposed amount of QR 8,500 thousand for the year 2015 subject to the approval of the company's Annual General Assembly (2014: QR 8,500 thousand, the shareholders of the Company approved at the Annual General Meeting held on 29 March 2015).

10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 ***QR'000***	*2014* *QR'000*
Investments in equity securities		
Quoted	**122,000**	172,383
Unquoted	**77,386**	131,660
	199,386	304,043

Notes:

(i) At 31 December 2015, certain unquoted equity investments amounting to QR 77,386 thousand (2014: QR 131,660 thousand) are carried at cost less impairment due to non-availability of quoted market prices or other reliable measures of their fair value.

During the year, the group carried out an impairment testing for the unquoted available for sale financial assets and recognized an impairment loss of QR 12,488 thousand for the current financial year (2014: QR 23,862 thousand) (Note 30). In the opinion of the management, based on recent available information, there is no evidence of further impairment in the value of available-for-sale financial assets.

Notes to the consolidated financial statements

11 ADVANCES FOR PROJECTS AND INVESTMENTS

	2015 ***QR'000***	*2014* *QR'000*
Advances for purchase of investments (i)	**-**	2,482,879
Advances for purchase of properties	**4,647,302**	4,554,832
Advances against exchange of land (ii)	**1,836,459**	1,836,459
Advances to subcontractors and suppliers	**243,208**	250,602
	6,726,969	9,124,772
Less: allowance for impairment of advances (iii)	**(1,979,818)**	(1,979,818)
	4,747,151	7,144,954

Notes:

(i) During the year the group acquired the remaining 50% of Lusail Golf Development Co. through one of its wholly owned subsidiaries for a purchase consideration of QR 2,482,755 thousand. The purchase price was paid in December 2014 and was presented in the consolidated statement of financial position under “Advances for projects and investments” at 31 December 2014. Lusail Golf Development Company is now a wholly owned subsidiary of the group.

(ii) During the year 2008, the Government of Qatar took over a piece of land located in Al-Khour district which was owned by the group and other related parties. The Government committed to provide another plot of land located in Salwa district in exchange of the withdrawn land. The group paid the above advances to a related party, in order for the group to fully own the new land that will be received from the Government. Since 2008, the group management has been working with the Government authorities to identify the plot of land that shall be transferred to the group. However, all the efforts during this period have not resulted in any conclusive direction of when and where the land will be received and therefore during the year 2012, the group management, on a conservative basis decided to make a full provision against these advances as doubtful of recovery. The group will continue to pursue the matter with the Government for an amicable settlement.

(iii) The movement in the allowance for impairment of advances is as follows:

	2015 ***QR'000***	*2014* *QR'000*
At 1 January	**1,979,818**	2,094,865
Reversal of provision	**-**	(115,047)
At 31 December	**1,979,818**	1,979,818

Notes to the consolidated financial statements

12 INVESTMENT PROPERTIES

	2015 *QR'000*	*2014* *QR'000*
At 1 January	**11,093,173**	10,212,414
Additions during the year	**104,514**	60,330
Transfers from advances for projects and investments	**-**	47,672
Transfers to trading properties - available for sale (Note 7A)	**-**	(88,389)
Transfer from trading properties - properties under development (Note 7B)	**-**	3,980
Transfers from non-current assets held for sale	**-**	1,214,744
Transfers from property, plant and equipment-Net (Note 13)	**9,925**	79,237
Net fair value gain /(loss)	**36,145**	(421,643)
Foreign exchange adjustment	**(20,907)**	(15,172)
At 31 December	**11,222,850**	11,093,173

Notes:

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

(ii) Investment properties are stated at fair value, which has been determined based on valuation performed by accredited independent valuer as at 31 December 2015. Those valuers are an accredited independent valuers with a recognised and relevant professional qualifications and with recent experience in the location and category of those investment properties being valued. In arriving at estimated market values the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparable. In the absence of current prices in an active market, the valuations are based on the aggregate of the estimated cash flows expected to be received from renting the property. A yield that reflects the specific risks inherent in the net cash flows is applied to the net annual cash flows to arrive at the property valuation.

(iii) The group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) Fair value hierarchy disclosures for investment properties have been provided in Note 40.

(v) Capitalised finance cost is calculated based on the actual qualifying expenditures related to the projects under development, that is part of the investment properties. Finance cost is capitalized using the group's weighted average finance costs.

(vi) Included in investment properties are certain properties with a fair value of QR 1,254,000 thousand at 31 December 2015 (31 December 2014: QR 1,254,000 thousand) for which the title deeds will be transferred on completion of the construction of the projects or upon settlement of the full purchase price. The consolidated financial statements have been prepared on the basis that the beneficial interest of these investment properties resides with the group.

Notes to the consolidated financial statements

12 INVESTMENT PROPERTIES (CONTINUED)

(vii) Description of valuation techniques used by the group and key inputs to valuation on majority of the investment properties are as follows:

Type of properties	*Valuation technique*	*Significant unobservable inputs*	*Range (weighted average)*
Commercial properties	DCF method	Estimated rental value per sqm per month	QR 17-270
		Rent growth p.a.	0%-3%
		Long-term vacancy rate	0%-19%
		Discount rate	8.38%-8.79%
		Market cap	3.95%-7%
Residential properties	DCF method	Estimated rental value per sqm per month	QR 31-69
		Rent growth p.a.	0%-5%
		Long-term vacancy rate	0%-19%
		Discount rate	8.38%-8.79%
		Market cap	3.95%-7%
Land Bank	Direct Comparison	Estimated land value per sqm	QR 2000 -17000

Discounted Cash Flow Method (DCF): 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. A market-derived discount rate is applied to estimated cash flows to establish a present value of the income stream. This Net Present Value ("NPV") is an indication of market value.

Direct Comparison Approach: This approach involves a comparison of the subject property to similar properties that have actually been sold in arms'-length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. 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.

Sensitivity analysis:

At 31 December 2015, if discount rate for investment properties (valued using discounted cash flow method) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 565,252 thousand lower and QR 624,413 thousand higher mainly as a result of lower/higher (higher/lower) fair value gain (loss) on investment properties.

At 31 December 2015, if market cap for investment properties (valued using discounted cash flow method) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 369,361 thousand lower and QR 495,481 thousand higher mainly as a result of lower/higher (higher/lower) fair value gain (loss) on investment properties.

At 31 December 2015, if price for square foot for investment properties (valued using market approach) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 24,393 thousand lower/higher (higher/lower) mainly as a result of higher/lower fair value gain (loss) on investment properties.

Notes to the consolidated financial statements

13 PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings*	*Furniture and fixtures*	*Motor vehicles*	*Computers software and hardware*	*Office equipment*	*Leasehold improvements*	*Cooling plant*	*Projects in progress*	*Total*
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
Cost										
At 1 January 2015	**89,852**	**261,213**	**219,518**	**6,782**	**87,453**	**23,930**	**155,495**	**227,630**	**3,889**	**1,075,762**
Additions	**-**	**-**	**98**	**110**	**2,683**	**1,001**	**42,859**	**-**	**15**	**46,766**
Disposals	**-**	**-**	**(1)**	**(54)**	**(110)**	**(107)**	**(352)**	**-**	**(85)**	**(709)**
Reclassifications	**-**	**-**	**348**	**-**	**(348)**	**-**	**-**	**-**	**-**	**-**
Transferred (to) / from investment properties (Note 12)	**-**	**(14,318)**	**-**	**-**	**-**	**2,711**	**-**	**-**	**-**	**(11,607)**
Foreign exchange adjustment	**(4,298)**	**(2,777)**	**(1,055)**	**51**	**(49)**	**36**	**(93)**	**-**	**-**	**(8,185)**
At 31 December 2015	**85,554**	**244,118**	**218,908**	**6,889**	**89,629**	**27,571**	**197,909**	**227,630**	**3,819**	**1,102,027**
Accumulated depreciation										
At 1 January 2015	**-**	**30,508**	**120,702**	**4,006**	**77,684**	**22,777**	**112,228**	**14,000**	**-**	**381,905**
Charge for the year	**-**	**10,023**	**29,609**	**347**	**5,241**	**1,558**	**7,501**	**9,457**	**-**	**63,736**
Charged in operating expenses	**-**	**-**	**2,069**	**443**	**45**	**279**	**6,841**	**-**	**-**	**9,677**
Disposals	**-**	**-**	**(1)**	**(37)**	**(110)**	**(107)**	**(352)**	**-**	**-**	**(607)**
Transferred (to) / from investment properties (Note 12)	**-**	**(1,682)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,682)**
Foreign exchange adjustment	**-**	**(1,041)**	**(982)**	**2**	**(19)**	**(4)**	**(30)**	**-**	**-**	**(2,074)**
At 31 December 2015	**-**	**37,808**	**151,397**	**4,761**	**82,841**	**24,503**	**126,188**	**23,457**	**-**	**450,955**
Net Book Value										
At 31 December 2015	**85,554**	**206,310**	**67,511**	**2,128**	**6,788**	**3,068**	**71,721**	**204,173**	**3,819**	**651,072**

Notes to the consolidated financial statements

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land	*Buildings*	*Furniture and fixtures*	*Motor vehicles*	*Computers software and hardware*	*Office equipment*	*Leasehold improvements*	*Cooling plant*	*Projects in progress*	*Total*
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
Cost										
At 1 January 2014	106,485	232,619	122,840	4,271	75,028	24,100	93,452	-	-	658,795
Additions	-	-	7,673	2,402	5,741	736	60	-	-	16,612
Disposals	-	-	-	(300)	(51)	-	(104)	-	-	(455)
Reclassifications	(82,527)	82,527	3,265	-	-	(506)	(2,759)	-	-	-
Transferred from non - current assets held for sale	65,894	32,257	86,213	476	6,931	-	64,846	227,630	3,889	488,136
Transferred to investment properties (Note 12)	-	(86,127)	-	-	-	-	-	-	-	(86,127)
Disposal of subsidiaries	-	-	(279)	-	(165)	(297)	-	-	-	(741)
Foreign exchange adjustment	-	(63)	(194)	(67)	(31)	(103)	-	-	-	(458)
At 31 December 2014	89,852	261,213	219,518	6,782	87,453	23,930	155,495	227,630	3,889	1,075,762
Accumulated depreciation										
At 1 January 2014	-	13,101	59,296	3,235	66,001	20,673	79,224	-	-	241,530
Charge for the year	-	15,047	33,809	497	7,653	2,661	19,667	14,000	-	93,334
Charged in operating expenses	-	-	940	296	16	262	-	-	-	1,514
Relating to disposals	-	-	-	(260)	(29)	-	-	-	-	(289)
Reclassfication	-	-	2,018	-	-	(497)	(1,521)	-	-	-
Transferred from non - current assets held for sale	-	9,250	25,021	238	4,266	-	14,960	-	-	53,735
Transferred to investment properties (Note 12)	-	(6,890)	-	-	-	-	-	-	-	(6,890)
Disposal of subsidiaries	-	-	(257)	-	(165)	(289)	-	-	-	(711)
Foreign exchange adjustment	-	-	(125)	-	(58)	(33)	(102)	-	-	(318)
At 31 December 2014	-	30,508	120,702	4,006	77,684	22,777	112,228	14,000	-	381,905
Net Book Value										
At 31 December 2014	89,852	230,705	98,816	2,776	9,769	1,153	43,267	213,630	3,889	693,857

Notes to the consolidated financial statements

14 INVESTMENTS IN ASSOCIATES

The group has the following investments in associates:

	Nature of operation	*Country of incorporation*	*Ownership* 2015	*Ownership* 2014
Nuzul Holding Company B.S.C.C.	RE Development	Bahrain	39%	39%
Al Imtiaz Investment Company (K.S.C)	Investment	Kuwait	24.52%	24.52%
Emdad Leasing Equipment Company	Leasing	Qatar	22.08%	22.08%
Al Damaan Islamic Insurance Company	Insurance	Qatar	20%	20%
Regency Residential UK Limited	RE Development	UK	50%	50%
Smeet Investment Company W.L.L.	Manufacturing	Qatar	43.86%	43.86%
Tanween Company W.L.L.	Consultancy services	Qatar	40%	40%
Bait Al Mashura Financial Consulting Co.	Consultancy services	Qatar	20%	20%
Ottomon Gayrimenkul A.S.	RE Development	Turkey	50%	50%
Panceltica Holding Limited	RE Development	UK	26%	26%

The following table illustrates the summarised financial information of the group's investment in associates:

	2015 QR'000	*2014 QR'000*
Total group's share of the associates' statement of financial position:		
Total assets	**2,009,588**	2,117,157
Total liabilities	**(898,653)**	(966,022)
Down/up stream profit	**(274,437)**	(274,437)
Impairment losses (Note 30)	**(113,004)**	(59,645)
Group share of net assets of associates	**723,494**	817,053
Carrying amount of the investments	**723,494**	817,053
Group's share of associates' revenues and results:		
Revenues	**428,919**	121,795
Results	**36,765**	(107,011)

Reconciliation of the summarized financial information presented to the carrying amount of its interest in associates are as follows:

At 31 December 2015

Name of Investee	**Total Assets QR'000**	**Total Liabilities QR'000**	**Net Assets QR'000**	**% of ownership**	**Carrying amount of the investments QR'000**
Nuzul Holding Company B.S.C.C.	**498,885**	**248,521**	**250,364**	**39%**	**97,642**
Al Imtiaz Investment Company (K.S.C)	**3,461,255**	**1,331,970**	**2,129,285**	**24.52%**	**522,101**
Emdad Leasing Equipment Company	**123,431**	**47,149**	**76,282**	**22.08%**	**16,843**
Al Damaan Islamic Insurance Company	**839,656**	**561,791**	**277,865**	**20%**	**55,573**
Regency Residential UK Limited	**39,987**	**13,764**	**26,223**	**50%**	**13,112**
Smeet Investment Company W.L.L	**1,064,280**	**530,267**	**534,013**	**43.86%**	**234,218**
Tanween Company W.L.L.	**409,985**	**123,359**	**286,626**	**40%**	**114,650**
Bait Al Mashura Financial Consulting Co.	**3,634**	**1,114**	**2,520**	**20%**	**504**
Ottomon Gayrimenkul A.S.	**239,316**	**126,731**	**112,585**	**50%**	**56,293**
Total					**1,110,935**
Less: Down/up stream profit					**(274,437)**
Less: Impairment losses					**(113,004)**
Group share of net assets of associates					**723,494**

Notes to the consolidated financial statements

14 INVESTMENTS IN ASSOCIATES (continued)

At 31 December 2014

Name of Investee	Total Assets QR'000	Total Liabilities QR'000	Net Assets QR'000	% of ownership	Carrying amount of the investments QR'000
Nuzul Holding Company B.S.C.C.	498,131	248,346	249,785	39%	97,416
Al Imtiaz Investment Company (K.S.C)	4,017,158	1,839,571	2,177,587	24.52%	533,944
Emdad Leasing Equipment Company	101,632	19,598	82,034	22.08%	18,113
Al Damaan Islamic Insurance Company	825,414	551,124	274,290	20%	54,858
Regency Residential UK Limited	41,871	14,147	27,724	50%	13,862
Smeet Investment Company W.L.L	954,017	423,570	530,447	43.86%	232,654
Tanween Company W.L.L.	374,638	46,149	328,489	40%	131,395
Bait Al Mashura Financial Consulting Co.	3,668	979	2,689	20%	538
Ottomon Gayrimenkul A.S.	321,196	184,486	136,710	50%	68,355
Total					1,151,135
Less: Down/up stream profit					(274,437)
Less: Impairment losses					(59,645)
Group share of net assets of associates					817,053

Reconciliation of the summarized financial information presented to Group's share of associates' revenues and results are as follows:

At 31 December 2015

Name of Investee	**Total Income QR'000**	**Share of results QR'000**
Nuzul Holding Company B.S.C.C.	**1,668**	**225**
Al Imtiaz Investment Company (K.S.C)	**65,869**	**41,910**
Emdad Leasing Equipment Company	**36,277**	**(1,270)**
Al Damaan Islamic Insurance Company	**46,755**	**6,456**
Regency Residential UK Limited	**-**	**-**
Smeet Investment Company W.L.L	**774,597**	**1,564**
Tanween Company W.L.L.	**107,160**	**(14,217)**
Bait Al Mashura Financial Consulting Co.	**704**	**(33)**
Ottomon Gayrimenkul A.S.	**24,027**	**2,130**
Group's share of associates' results		**36,765**

At 31 December 2014

Name of Investee	Total Income QR'000	Share of results QR'000
Nuzul Holding Company B.S.C.C.	1,643	2,103
Al Imtiaz Investment Company (K.S.C)	48,255	(165,957)
Emdad Leasing Equipment Company	1,658	(996)
Al Damaan Islamic Insurance Company	66,826	7,939
Regency Residential UK Limited	-	-
Smeet Investment Company W.L.L	27,258	(4,823)
Tanween Company W.L.L.	43,466	2,274
Bait Al Mashura Financial Consulting Co.	3,310	(76)
Ottomon Gayrimenkul A.S.	131,175	52,525
Group's share of associates' results		(107,011)

Notes to the consolidated financial statements

15 MATERIAL PARTLY-OWNED SUBSIDIARIES

The financial information of group's subsidiaries that have more than 10% of non-controlling interests are provided below:

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

Name of subsidiary	***Country of incorporation***	***31 December 2015***	*31 December 2014*
Qatar Project Management Company Q.P.S.C.	Qatar	**30%**	30%
Nuzul Qatar Company Limited W.L.L. (i)	Qatar	**50%**	50%

(i) The Group owns directly 50% of Nuzul Qatar in addition to indirectly through one of its associates.

	2015 QR'000	*2014 QR'000*
Accumulated balances of material non-controlling interest.		
Qatar Project Management Company Q.P.S.C.	**59,282**	47,553
Nuzul Qatar Company Limited W.L.L.	**85,389**	85,643
Profit/(loss) allocated to material non-controlling interest:		
Qatar Project Management Company Q.P.S.C.	**12,986**	12,195
Nuzul Qatar Company Limited W.L.L.	**(254)**	19

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations:

	Qatar Project Management Company Q.P.S.C. QR'000	***Nuzul Qatar Company Limited W.L.L. QR'000***
Summarised statement of profit or loss for 2015:		
Revenues and gains	**252,028**	**-**
Expenses and losses	**(208,741)**	**(508)**
Profit (loss) for the year	**43,287**	**(508)**
Total comprehensive income (loss)	**43,287**	**(508)**
Summarised statement of profit or loss for 2014:		
Revenues and gains	232,668	217
Expenses and losses	(192,017)	(180)
Profit for the year	40,651	37
Total comprehensive income	37,350	37

Notes to the consolidated financial statements

15 MATERIAL PARTLY-OWNED SUBSIDIARIES (CONTINUED)

	Qatar Project Management Company Q.P.S.C. QR'000	*Nuzul Qatar Company Limited W.L.L. QR'000*
Summarised statement of financial position as at 31 December 2015:		
Non-current assets	**24,815**	**-**
Current assets	**255,071**	**415,431**
Non-current liabilities	**(13,532)**	**-**
Current liabilities	**(68,747)**	**(244,653)**
Total equity	**197,607**	**170,778**
Attributable to:		
Equity holders of Parent	**138,325**	**85,389**
Non-controlling interest	**59,282**	**85,389**
Total equity	**197,607**	**170,778**
Summarised statement of financial position as at 31 December 2014:		
Non-current assets	24,875	-
Current assets	214,070	415,852
Non-current liabilities	(18,820)	-
Current liabilities	(61,615)	(244,566)
Total equity	158,510	171,286
Attributable to:		
Equity holders of Parent	110,957	85,643
Non-controlling interest	47,553	85,643
Total equity	158,510	171,286
Summarised cash flow information for the year ended 31 December 2015:		
Operating activities	**50,808**	**-**
Investing activities	**12**	**-**
Net increase (decrease) in cash and cash equivalents	**50,820**	**-**
Summarised cash flow information for the year ended 31 December 2014:		
Operating activities	(20)	(5,698)
Investing activities	29	-
Net increase (decrease) in cash and cash equivalents	9	(5,698)

Notes to the consolidated financial statements

16 GOODWILL

Carrying amount of goodwill allocated to the CGUs:

	Real estate	
	2015	*2014*
	QR'000	*QR'000*
Goodwill	**126,411**	126,411

The group performed its annual impairment test as at 31 December 2015 and 2014.To assess whether goodwill is impaired, the carrying amount of the real estate CGU is compared to its recoverable amount determined on a value in use basis.

Key assumptions used in value in use calculations
The recoverable amount of the real estate CGU has been determined based on a value in use calculation using free cash flow to equity projections from financial budgets approved by senior management covering a five-year period. The cash flows have been discounted by a WACC of 8.38%, All cash flows beyond the five year period have an assumed growth rate of 3% for the CGU for the purpose of goodwill impairment testing; The strategic business plan assumes certain economic conditions and business performance, which are considered appropriate as they are consistent with current market expectations of the future. As a result of this analysis, no impairment allowance is recognised against goodwill as at 31 December 2015 and 2014.

Sensitivity to changes in assumptions
Management considered alternative methods including comparable valuations using market multiples. Under these scenarios the recoverable amount of the CGU would continue to exceed its carrying value. The benchmarks of the CGU were updated to reflect the return variability projected by senior management in the five-year period.

Notes to the consolidated financial statements

17 INCOME TAX

The income tax represents amounts recognised by subsidiary companies. The major components of the income tax expense for the years ended 31 December 2015 and 2014 are:

	2015	*2014*
	QR'000	*QR'000*
Current income tax		
Current income tax charge	**(5,503)**	(4,485)
Deferred income tax		
Relating to origination and reversal of temporary differences	**624**	87
Income tax expense reported in the consolidated statement of profit or loss	**(4,879)**	(4,398)

The Company is not subject to income tax in the State of Qatar. For the purpose of determining the taxable results for the year, the accounting profit of the companies were adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing laws, regulations and practices of each subsidiary jurisdiction. In view of the operations of the group being subject to various tax jurisdictions and regulations, it is not practical to provide a detailed reconciliation between accounting and taxable profits together with the details of the effective tax rates.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that future taxable profits will be available against which those deductible temporary differences can be utilised.

Reflected in the consolidated statement of financial position as follows:

	2015	*2014*
	QR'000	*QR'000*
Deferred tax assets	**1,068**	1,175
Deferred tax liabilities	**(444)**	(1,088)
	624	87

Notes to the consolidated financial statements

18 PAYABLES AND OTHER LIABILITIES

Payables and other liabilities are segregated between non-current and current portion as follows:

	Non-current QR'000	***Current QR'000***	***Total QR'000***
2015			
Subcontractors and suppliers	**-**	**472,407**	**472,407**
Clients advances and unearned income	**-**	**108,553**	**108,553**
Retention payable	**51,307**	**183,807**	**235,114**
Contribution to social and sports fund (Note 36)	**-**	**87,249**	**87,249**
Accrued expenses	**20,002**	**275,846**	**295,848**
Accrued finance cost	**-**	**31,820**	**31,820**
Employees end of services benefits (i)	**79,635**	**-**	**79,635**
Other payables	**677,380**	**309,428**	**986,808**
	828,324	**1,469,110**	**2,297,434**

	Non-current QR'000	*Current QR'000*	*Total QR'000*
2014			
Subcontractors and suppliers	-	584,347	584,347
Clients advances and unearned income	-	54,802	54,802
Retention payable	57,383	160,849	218,232
Contribution to social and sports fund (Note 36)	-	112,279	112,279
Accrued expenses	24,955	194,479	219,434
Accrued finance cost	-	32,116	32,116
Employees end of services benefits (i)	74,798	-	74,798
Other payables (ii)	677,380	2,595,982	3,273,362
	834,516	3,734,854	4,569,370

(i) Movements in the employees end of service benefits recognised in the consolidated statement of financial position are as follows:

	2015 QR'000	*2014 QR'000*
At 1 January	**74,798**	52,103
Provided during the year	**16,268**	35,771
End of service benefits paid	**(11,431)**	(13,076)
At 31 December	**79,635**	74,798

(ii) Included in other payables was an amount of QR 2,332,397 thousand due to a partner in one of the group’s subsidiaries as at 31 December 2014.

Notes to the consolidated financial statements

19 PROVISIONS

	2015 *QR'000*	*2014* *QR'000*
Provision for litigations	**166,747**	149,134
Provision for committed costs	**40,281**	15,804
At 31 December	**207,028**	164,938

	2015 *QR'000*	*2014* *QR'000*
At 1 January	**164,938**	145,661
Provided during the year	**42,191**	19,277
Reversal during the year	**(101)**	-
At 31 December	**207,028**	164,938

20 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS

	2015 *QR'000*	*2014* *QR'000*
Un-secured facilities	**7,690,374**	7,710,514
Secured facilities (Note 8)	**8,270**	215,076
	7,698,644	7,925,590
Deferred finance charges	**(807)**	(5,607)
	7,697,837	7,919,983
The above balance can be classified as follows:		
Non-current portion	**1,105,450**	7,185,831
Current portion	**6,592,387**	734,152
	7,697,837	7,919,983

Note:

The above facilities have been obtained for the purpose of financing long term projects and working capital requirements of the group. The facilities carry profits at rates comparable to commercial rates prevailing in the market for facilities with the same terms and conditions like the group's facilities.

21 SHARE CAPITAL

	2015 *No of shares (Thousands)*	*2014* *No of shares (Thousands)*
Authorised shares:		
Ordinary shares of QR 10 each	**389,125**	389,125

	No of shares (Thousands)	*QR'000*
Ordinary shares issued and fully paid up:		
At 1 January 2014	389,125	3,891,246
At 31 December 2014	389,125	3,891,246
At 31 December 2015	**389,125**	**3,891,246**

All shares have equal rights except for one preferred share which is held by Qatari Diar Real Estate Investment Company Q.S.C. that carries preferred rights over the financial and operating policies of the Company.

Notes to the consolidated financial statements

22 TREASURY SHARES

Treasury shares represent the value of shares owned by the group in the Parent at the end of the reporting year.

23 LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 and the Parent's Articles of Association, an amount equal to 10% of the net profit for the year 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 Parent's Articles of Association. In accordance with their article of associations, and statutory laws requirments, the group companies are trasnfering a specific percentage from their annual net profit to the legal reserve.

24 GENERAL RESERVE

In accordance with the Parent's Articles of Association, the premium on issue of share capital is added to general reserve. In addition, residual annual profits, after the required transfer to legal reserve (Note 23), can be appropriated and transferred to general reserve based on the general assembly meeting's approval.

25 OTHER RESERVES

a) Fair value reserve:
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets and effective portion of qualifying cash flow hedges.

b) Translation reserve:
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of assets and liabilities that form part of Company's net investment in foreign operations.

	2015	*2014*
	QR'000	*QR'000*
Fair value reserve	**28,663**	62,446
Translation reserve	**(238,689)**	(152,882)
At 31 December	**(210,026)**	(90,436)

Notes to the consolidated financial statements

26 OPERATING EXPENSES

26.1 RENTAL OPERATION EXPENSES

	2015	*2014*
	QR'000	*QR'000*
Staff costs	**23,615**	23,615
Hotel operation costs	**91,427**	93,783
Rent expenses	**54,262**	69,050
Maintenance and utilities expense	**93,781**	60,464
Property management expense	**23,026**	23,858
Facility management expense	**17,267**	14,134
Other expenses	**7,978**	1,680
	311,356	286,584

26.2 CONSULTING OPERATION AND OTHER SERVICES EXPENSES

	2015	*2014*
	QR'000	*QR'000*
Staff costs	**176,308**	149,222
Maintenance and utilities expense	**81,509**	45,228
Fit out costs	**48,875**	65,327
Other expenses	**33,105**	29,044
	339,797	288,821

27 PROFIT ON SALE OF PROPERTIES

	2015	*2014*
	QR'000	*QR'000*
Sale proceeds – trading properties	**2,703,424**	2,633,940
Cost of sales – trading properties	**(1,739)**	(1,815)
Profit on sale of trading properties	**2,701,685**	2,632,125
Gain on sale of investment properties	**-**	296,130
Profit on sale of properties	**2,701,685**	2,928,255

Notes to the consolidated financial statements

28 ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

28.1 Acquistion of subsidiaries

During the year the Group acquired the remaining shareholding interest of the following subsidiaries:

	Acquired %	*Purchased from a*	*Current % of ownership*
Name of the subsidiary			
Lusail Golf Development Company (A)	50%	Partner	100%
Shaza Hotels Investment Company (B)	3.5%	Partner	100%

(A) Acquistion of Lusail Golf Development :

During the year the Group acquired the remaining 50% of Lusail Golf Development Co. through one of its wholly owned subsidiaries for a purchase consideration of QR 2,482,755 thousand. The purchase price was paid in December 2014 and was presented in the consolidated statement of financial position under "Advances for projects and investments" at 31 December 2014. Lusail Golf Development Company is now a wholly owned subsidiary of the Group. The excess of purchase consideration over the carrying amount of all amounts due to the non-controlling interests of QR 145,372 thousands was charged to the retained earnings of the Parent.

(B) Acquistion of Shaza Hotels Investment Company :

During the year, the Group acquired an additional 3.5% stake in Shaza Hotels Investment Co. B.S.C.C (SHIC). According to the agreement, the acquisition of the non-controlling interest's share of 3.5% in SHIC has been settled against a cash payment of USD 10 Million in addition to two of SHIC's subsidiaries in Egypt, representing the total purchase consideration. During the year 2015 all the procedures have been completed and the shares have been transferred to the Group. SHIC is now a 100% owned subsidiary of the Group. The excess of purchase consideration over the carrying amount of all amounts due to the non-controlling interests of QR 44,582 thousands was charged to the retained earnings of the Parent.

During the year SHIC gained control over an available for sale financial asset based on a contractual agreement between the shareholders not because of the increase in the ownership percentage.This resulted in a loss from previously held interest in that subsidiary of QR 75,204 thousand recognized in the consolidated statement of profit or loss.

Notes to the consolidated financial statements

28 ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

28.2 Disposal of subsidiaries

(A) Transactions with non-controlling interest and disposal of subsidiaries in 2015

During 2015, the Group acquired an additional share of 3.5% in Shaza Hotel Investment Co. B.S.C.C (SHIC), According to the agreement, the acquisition of the non-controlling interest's share of 3.5% in SHIC has been settled against a cash payment of USD 10 Million, waving of related party balances amounting to USD 5 Million, in addition to two of SHIC's subsidiaries in Egypt. During 2015 all the procedures have been completed and the shares have been transferred to the group. SHIC is now a 100% owned subsidiary of the group. The excess of purchase consideration over the carrying amount of all amounts due to the non-controlling interests of QR 44,582 thousands was charged to the retained earnings of the Parent.

	Disposed ownership %	*Sold to a*
Name of the subsidiary		
Nile Douma Egypt Company for Tourism	96.5%	Third party
Nile Douma Holding W.L.L.	96.5%	Third party

The carrying value of assets and liabilities of the above subsidiaries as at the date of disposal from the real estate segement were as follows:

	Carrying values on disposal QR'000
Assets	
Cash and bank balances	-
Receivables and prepayments	12
Property, plant and equipment	170
Due from related party	1,029
Property under development	94,341
	95,552
Liabilities	
Due to related party	94,769
Payables and accruals	194
	94,963
Group share of net assets disposed	589
Add:	
Consideration Paid for purchase of 3.5% share of SHIC	36,415
Waiver of related party balances	18,521
Less:	
Carrying amount of the additional 3.5% purchased shares	(10,943)
Excess of purchase consideration	44,582

Notes to the consolidated financial statements

28 ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

28.2 Disposal of subsidiaries (continued)

(B) Disposal of subsidiaries in 2014

During the year 2014, the group liquidated one of its subsidiaries (ownership 50%) and disposed off its whole ownership in two of its subsidiaries and accordingly lost the control. The list of subsidiaries disposed were as follows:

	Disposed ownership %	*Sold to a*
Name of the subsidiary		
Barwa City Real Estate Company W.L.L.	100%	Related party
Barwa Commercial Avenue W.L.L.	95%	Related party

The carrying value of assets and liabilities of the above subsidiaries as at the date of disposal from the real estate segement were as follows:

	Carrying values on disposal QR'000
Assets	
Cash and bank balances	173,791
Receivables and prepayments	181,352
Property, plant and equipment	30
Advances for projects and investments	1,572
Trading Property	16,094,342
Property under development	843,234
	17,294,321
Liabilities	
Due to related party	111,081
Payables and accruals	155,656
Share premium	389,397
	656,134
Net assets disposed	16,638,187
Profit on disposal	8,827
Consideration on disposal of subsidiaries	16,647,014

	Carrying values on disposal QR'000
Cash received on disposal	16,614,696
Due from a related party on disposal of subsidiaries	32,318
Consideration on disposal of subsidiaries	16,647,014
Net cash disposed with the subsidiaries	(173,791)
Net cash received on disposal of subsidiaries	16,473,223

Notes to the consolidated financial statements

29 GENERAL AND ADMINISTRATIVE EXPENSES

	2015 *QR'000*	*2014* *QR'000*
Staff costs	**183,116**	241,497
Social contributions	**2,927**	32,953
Professional fee expenses	**27,373**	29,468
Provision for litigations	**17,715**	-
Utilities expenses	**7,217**	8,646
Advertising and promotion expenses	**2,416**	4,227
Board of Directors remuneration and others (i)	**10,610**	8,980
Repair and maintenance expense	**4,598**	3,450
Travel expenses	**733**	1,412
Rent expenses	**2,395**	396
Government fees	**1,965**	2,099
Other expenses	**1,100**	1,475
	262,165	334,603

Note:

(i) The Directors' remuneration and others includes a proposed amount of QR 8,500 thousand subject to the approval of the company's Annual General Assembly (2014: QR 8,500 thousand, approved by the shareholders of the Company at the Annual General Meeting held on 29 March 2015).

30 IMPAIRMENT LOSSES

	2015 *QR'000*	*2014* *QR'000*
Impairment losses on:		
Trading properties (i)	**314,165**	227,070
Due from related parties (Note 9)	**27,703**	2,880
Receivables and prepayments	**17,630**	7,780
Non-current assets held for sale	**-**	50,160
Available-for-sale financial assets (Note 10)	**12,488**	23,862
Investment in associates (Note 14)	**53,359**	34,445
	425,345	346,197

Note:

(i) Impairment of Trading properties are further analysed as follows :

	2015 *QR'000*	*2014* *QR'000*
Properties available for sale (Note 7.A)	**6,955**	-
Properties under development (Note 7.B)	**307,210**	227,070
	314,165	227,070

Notes to the consolidated financial statements

31 OTHER INCOME

	2015	*2014*
	QR'000	*QR'000*
Reversal of impairment allowances/provisions	**2,075**	62
Dividend income	**5,366**	9,570
Gain on disposal of property, plant and equipment	**392**	-
Miscellaneous income	**71,439**	44,896
	79,272	54,528

32 NET FINANCE COST

	2015	*2014*
	QR'000	*QR'000*
Finance costs		
Finance costs on islamic finance contracts	**232,487**	561,757
Less: capitalized finance costs (Note 7.B)	**(66,789)**	(58,928)
Finance costs charged to consolidated statement of profit or loss	**165,698**	502,829
Net foreign exchange loss	**-**	245,479
Finance costs for the year	**165,698**	748,308
Finance income		
Income from Murabaha and Islamic deposits	**(76,643)**	(24,672)
Gain from derivative financial instruments	**-**	(246,646)
Net foreign exchange gain	**(1,363)**	-
Finance income for the year	**(78,006)**	(271,318)
Net finance costs for the year	**87,692**	476,990

Notes to the consolidated financial statements

33 BASIC AND DILUTED EARNINGS PER SHARE

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

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

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	2015	*2014*
	QR'000	*QR'000*
Net profit attributable to equity holders of the Parent for basic earnings (in 000 QR)	**3,056,301**	2,777,547
Ordinary shares issued and fully paid (thousand shares)	**389,125**	389,125
Treasury shares (thousand shares)	**(50)**	(50)
Weighted average number of shares outstanding during the year (thousand shares)	**389,075**	389,075
Basic and diluted earnings per share (QR)	**7.86**	7.14

34 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2015	*2014*
	QR'000	*QR'000*
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Translation reserves:		
Foreign exchange differences on translation of foreign operations	**(87,473)**	(32,716)
	(87,473)	(32,716)
Available-for-sale financial assets:		
(Loss) / Gain on remeasurement at fair value	**(33,782)**	49,174
Other comprehensive income for the year	**(121,255)**	16,458

Notes to the consolidated financial statements

35 DIVIDENDS

Dividends paid and proposed

	2015	*2014*
	QR'000	*QR'000*
Declared, accrued and paid during the year:		
Final dividend for the year 2014, QR 2.2 per share (2014 : final dividend for the year 2013, QR 2 per share)	**856,074**	778,250

The shareholders of the Parent Company approved at the Annual General Meeting held on 29 March 2015 a cash dividend of QR 2.2 per share; total amounting to QR 856,074 thousand from the profit of 2014 (2014: cash dividend of QR 2 per share; total amounting to QR 778,250 thousand from the profit of 2013).

The proposed dividend for 2015 of QR 2.2 per share will be submitted for formal approval at the Annual General Assembly Meeting.

36 CONTRIBUTION TO SOCIAL AND SPORTS FUND

During the year, the group appropriated an amount of QR 78,782 thousand (2014: QR 69,629 thousand) representing 2.5% of the consolidated net profit for the year as a contribution to Social and Sports fund.

37 CONTINGENT LIABILITIES

The group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	2015	*2014*
	QR'000	*QR'000*
Bank guarantees	**115,034**	77,496

Litigations and claims

During the year, various legal cases were filed against the group. According to the group's Legal Counsel’s best estimates, no material liabilities will arise as a result of these cases and accordingly no provisions have been provided against them, except for what have been provided for in the consolidated financial statements in note 19.

Notes to the consolidated financial statements

38 COMMITMENTS

	2015	*2014*
	QR'000	*QR'000*
Contractual commitments with contractors and suppliers for properties under development	**649,896**	1,380,502
Commitments for operating leases (i)	**225,708**	256,195
Commitments for purchase of investments and properties	**456,331**	381,827

Note:

(i) Commitments for operating leases are further analysed as follows:

	2015	*2014*
	QR'000	*QR'000*
Less than one year	**32,310**	33,030
Between 1 and 5 years	**136,082**	132,098
More than 5 years	**57,316**	91,067
Total operating lease expenditure contracted for at 31 December	**225,708**	256,195

39 FINANCIAL RISK MANAGEMENT

Objectives and policies

The group's principal financial liabilities, comprise payables and other liabilities, due to related parties, obligations under Islamic finance contracts and liabilities for purchase of a land. The main purpose of these financial liabilities is to raise finance for the group's operations. The group has various financial assets such as cash and bank balances, receivables, finance lease receivables, due from related parties, financial assets at fair value through profit or loss, assets of a subsidiary held for sale, and available-for-sale financial assets and non-current assets held for sale which arise directly from its operations.

The main risks arising from the group's financial instruments are market risk, credit risk, liquidity risk, operational risk, real estate risk and other risks . The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

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

Profit rate risk

The group's financial assets and liabilities that are subject to profit rate risk comprise bank deposits, finance lease receivables, Islamic financing facility extended to a third party group of companies and obligations under Islamic finance contracts. The group's exposure to the risk of changes in market profit rates relates primarily to the group's financial assets and liabilities with floating profit rates.

Notes to the consolidated financial statements

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

Profit rate risk (continued)

The group manages its profit rate risk by having a balanced portfolio of fixed and variable profit rate obligations under Islamic finance contracts and finance lease receivable, approximately Nil % of the group's obligations under Islamic finance contracts are at a fixed rate of profit (2014: Nil)

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

	Carrying amounts	
	2015	*2014*
	QR'000	*QR'000*
Floating profit rate instruments:		
Financial liabilities	**(7,698,644)**	(7,925,590)
	(7,698,644)	(7,925,590)

The following table demonstrates the sensitivity of consolidated statement of profit or loss to reasonably possible changes in profit rates by 25 basis points, with all other variables held constant. The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in profit rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decrease in profit rates is expected to be equal and opposite to the effect of the increase shown.

	Profit or loss
	+25b.p
	QR'000
At 31 December 2015	**(13,903)**
(At 31 December 2014	(27,352)

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities and the Group's net investment in foreign subsidiaries.

Notes to the consolidated financial statements

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk (continued)

The group had the following significant net exposure denominated in foreign currencies:

	2015 ***QR'000*** ***Assets*** ***(Liabilities)***	*2014* *QR'000* *Assets* *(Liabilities)*
EURO	**(1,852)**	(1,570)
KWD	**(17,215)**	3,099
GBP	**141,124**	171,013
EGP	**(11,809)**	915
AED	**(2,131)**	88,926
SAR	**(94,867)**	(68,904)
USD	**(7,443,718)**	(7,430,560)

The group has limited exposure to foreign exchange risks arising from balances dominated in US Dollars as it is pegged to Qatari Riyals.

Equity price risk

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

	Changes in market indices	*Effect on profit QR'000*	*Effect on equity QR'000*
2015			
Available for sale financial assets — Quoted	**+10%**	**-**	**12,200**
Financial assets at fair value through profit or loss	**+15%**	**4,183**	**4,183**
2014			
Available for sale financial assets — Quoted	**+10%**	**-**	**17,238**
Financial assets at fair value through profit or loss	**+15%**	**1,137**	**1,137**

The group also has unquoted investments carried at cost where the impact of changes in equity prices will only be reflected when the investment is sold or deemed to be impaired and when the consolidated statement of profit or loss will be impacted.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The group's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of bank balances, receivables, finance lease receivables, due from related parties.

Notes to the consolidated financial statements

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

With respect to credit risk arising from the other financial assets of the group, the group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments are as follows:

	2015 ***QR'000***	*2014* *QR'000*
Bank balances (excluding cash)	**3,833,495**	1,781,237
Receivables	**1,018,333**	856,622
Finance lease receivables	**1,843,823**	2,191,389
Due from related parties	**224,831**	346,519
	6,920,482	5,175,767

The maximum exposure to credit risk at the reporting date by geographic region was as follows:

	Carrying amounts				
	Domestic QR'000	***Other GCC countries QR'000***	***European countries QR'000***	***North Africa QR'000***	***Total QR'000***
2015					
Bank balances (excluding cash)	**3,768,640**	**12,329**	**33,259**	**19,267**	**3,833,495**
Receivables	**967,334**	**12,217**	**31,202**	**7,580**	**1,018,333**
Finance lease receivables	**1,843,823**	**-**	**-**	**-**	**1,843,823**
Due from related parties	**223,533**	**6**	**-**	**1,292**	**224,831**
	6,803,330	**24,552**	**64,461**	**28,139**	**6,920,482**

	Carrying amounts				
	Domestic QR'000	*Other GCC countries QR'000*	*European countries QR'000*	*North Africa QR'000*	*Total QR'000*
2014					
Bank balances (excluding cash)	1,703,083	8,647	61,470	8,037	1,781,237
Receivables	719,840	102,006	31,480	3,296	856,622
Finance lease receivables	2,191,389	-	-	-	2,191,389
Due from related parties	252,924	17,471	51,550	24,574	346,519
	4,867,236	128,124	144,500	35,907	5,175,767

The group monitors its exposure to credit risk on an on-going basis and based on the management's assessment and historic default rates, the group believes that impairment allowance of QR 98,205 thousand (2014: QR 57,596 thousand) is sufficient against financial assets as at the reporting date. Financial assets include certain balances that are overdue but in management's view are not impaired as at the reporting date.

Notes to the consolidated financial statements

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The group reduces the exposure of credit risk arising from bank balances by maintaining bank accounts in reputed banks. 98% (2014: 96%) of bank balances represents balances maintained with local banks in Qatar with a proper rating.

Credit quality of financial assets
Since trade and other receivables and due from related parties have no external rating available and there is no formal internal credit rating established by the Group. So the credit quality of these financial assets cannot be disclosed by the management.

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to historical information. Credit risk from balances with banks is managed by the finance department of the Group in accordance with the Group's policy. The external credit ratings of the banks are as follows:

	2015	*2014*
	QR'000	*QR'000*
A+	**2,778,975**	443,352
A1	**166**	499
A2	**1,360**	313
A2/Prime-1	**448,729**	919,163
BBB-	**16,195**	6,766
P-1	**82,795**	92,660
others	**505,275**	318,484
Total	**3,833,495**	1,781,237

As at 31 December 2015, 80.5% (2014: 80%) of the total finance lease receivables balance is due from a single customer which is a Government related entity.

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

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of group's own reserves and bank facilities. The group's terms of revenue require amounts to be collected within 30 days from the invoiced date.

The table below summarizes the maturity profile of the group's undiscounted financial liabilities at 31 December based on contractual payment dates and current market profit rates:

Notes to the consolidated financial statements

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

2015	*Carrying amounts QR'000*	*Contractual cash out flows QR'000*	*Less than 1 year QR'000*	*1- 2 years QR'000*	*2 - 5 years QR'000*	*More than 5 years QR'000*
Payables and other liabilities	**1,433,146**	**1,433,146**	**1,360,556**	**-**	**72,590**	**-**
Due to related parties	**514,975**	**514,975**	**514,401**	**-**	**574**	**-**
Obligations under Islamic finance contracts	**7,697,837**	**7,932,913**	**6,670,547**	**134,298**	**397,152**	**730,916**
	9,645,958	**9,881,034**	**8,545,504**	**134,298**	**470,316**	**730,916**

2014	*Carrying amounts QR'000*	*Contractual cash out flows QR'000*	*Less than 1 year QR'000*	*1- 2 years QR'000*	*2 - 5 years QR'000*	*More than 5 years QR'000*
Payables and other liabilities	3,763,670	3,763,670	3,680,052	-	83,618	-
Due to related parties	395,015	395,015	391,297	-	3,718	-
Obligations under Islamic finance contracts	7,919,983	8,258,821	957,740	6,781,698	356,347	163,036
	12,078,668	12,417,506	5,029,089	6,781,698	443,683	163,036

Notes to the consolidated financial statements

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments

Financial instruments by category

	Trade receivables ***2015*** ***QR'000***	Trade receivables *2014* *QR'000*
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments and taxes)	**1,018,333**	856,622
Finance lease receivables	**1,843,823**	2,191,389
Due from related parties	**224,831**	346,519
Cash and bank balances (excluding cash on hand)	**3,833,495**	1,781,237
	6,920,482	5,175,767

	Available for sale financial assets ***2015*** ***QR'000***	Available for sale financial assets *2014* *QR'000*
Assets as per statement of financial position		
Available for sale financial assets	**199,386**	304,043
	199,386	304,043

	Financial assets at fair value through profit or loss ***2015*** ***QR'000***	Financial assets at fair value through profit or loss *2014* *QR'000*
Assets as per statement of financial position		
Financial assets at fair value through profit or loss	**27,884**	7,577
	27,884	7,577

	Other financial liabilities at amortised cost ***2015 QR'000***	Other financial liabilities at amortised cost *2014 QR'000*
Liabilities as per statement of financial position		
Trade and other payables excluding non-financial liabilities	**(1,433,146)**	(3,763,670)
Due to related parties	**(514,975)**	(395,015)
Obligations under Islamic finance contracts	**(7,697,837)**	(7,919,983)
	(9,645,958)	(12,078,668)

Notes to the consolidated financial statements

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

Operational risk

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

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

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

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

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

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

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

Notes to the consolidated financial statements

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, treasury shares, other reserves, general reserve and retained earnings of the group. The Board of Directors monitors the return on capital, which the group defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to the shareholders.

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 maintain good risk grade.

Further, the Board seeks to maintain a balance between higher targeted returns that might be possible with higher levels of financing, and the advantages and security afforded by the strong capital position of the group.

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

	2015 ***QR'000***	*2014* *QR'000*
Profit bearing debts	**7,697,837**	7,919,983
Less: cash and bank balances	**(3,833,755)**	(1,781,443)
Net debt	**3,864,082**	6,138,540
Total equity (excluding legal reserve & non-controlling interests)	**16,171,591**	14,649,162
Net debt to equity ratio at 31 December	**0.24**	0.42

Notes to the consolidated financial statements

40 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the group's financial assets and financial liabilities that are carried in the consolidated financial statements:

	Carrying amounts		*Fair values*	
	2015	*2014*	***2015***	*2014*
	QR'000	*QR'000*	***QR'000***	*QR'000*
Financial assets				
Bank balances (excluding cash)	**3,833,495**	1,781,236	**3,833,495**	1,781,236
Receivables	**1,018,333**	856,622	**1,018,333**	856,622
Finance lease receivables	**1,843,823**	2,191,389	**1,843,823**	2,191,389
Due from related parties	**224,831**	346,519	**224,831**	346,519
Financial assets at fair value through profit or loss	**27,884**	7,577	**27,884**	7,577
Available-for-sale financial assets	**199,386**	304,043	**199,386**	304,043
Financial liabilities				
Payables and other liabilities	**(1,433,146)**	(3,763,670)	**(1,433,146)**	(3,763,670)
Due to related parties	**(514,975)**	(395,015)	**(514,975)**	(395,015)
Obligations under Islamic finance contracts	**(7,697,837)**	(7,919,983)	**(7,697,837)**	(7,919,983)

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Bank balances, receivables, due from related parties, payables and other liabilities, due to related parties their carrying amounts largely due to the short-term maturities of these instruments.

- Finance lease receivables are evaluated by the group based on parameters such as profit rates and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these finance lease receivables. At the end of the reporting year, the carrying amounts of such finance lease receivables, net of allowances, approximate their fair values.

- The fair value of the quoted available-for-sale financial assets is derived from quoted market prices in active markets.

- The fair value of unquoted available-for-sale financial assets are carried at cost less impairment due to non-availability of quoted market prices or other reliable measures of their fair value.

- The fair value of obligation under Islamic finance contracts approximates its carrying amount as these facilities are repriced periodicaly to reflect market rates through revolving Murabaha finance mechanism.

Notes to the consolidated financial statements

40 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Fair value measurement

The following table provides the fair value measurement hierarchy of the group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2015 are as follows:

			Fair value measurement using		
	Date of valuation	*Total QR'000*	*Quoted prices in active markets Level l QR'000*	*Significant observable inputs Level 2 QR'000*	*Significant unobservable inputs Level 3 QR'000*
Assets measured at fair value:					
Investment properties (Note 12):	**31 Dec 2015**	**11,222,850**	**-**	**-**	**11,222,850**
Available-for-sale financial assets (Note 10):					
Quoted equity shares	**31 Dec 2015**	**122,000**	**122,000**	**-**	**-**
Unquoted equity shares	**31 Dec 2015**	**77,386**	**-**	**-**	**77,386**
Financial assets at fair value through profit or loss (Note 5):					
Quoted equity shares	**31 Dec 2015**	**27,884**	**27,884**	**-**	**-**

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2014 are as follows:

			Fair value measurement using		
	Date of valuation	*Total QR'000*	*Quoted prices in active markets Level l QR'000*	*Significant observable inputs Level 2 QR'000*	*Significant unobservable inputs Level 3 QR'000*
Assets measured at fair value:					
Investment properties (Note 12):	**31 Dec 2014**	**11,093,173**	**-**	**-**	**11,093,173**
Available-for-sale financial assets (Note 10):					
Quoted equity shares	**31 Dec 2014**	**172,383**	**172,383**	-	-
Unquoted equity shares	**31 Dec 2014**	**131,660**	**-**	-	**131,660**
Financial assets at fair value through profit or loss (Note 5):					
Quoted equity shares	**31 Dec 2014**	**7,577**	**7,577**	**-**	**-**

There have been no transfers between Level 1 and Level 2 during 2015 (2014: no transfers), and no transfers into and out of Level 3 fair value measurements (2014: no transfers).

41 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements other than estimates
In the process of applying the group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue recognition
When a contract for the sale of a property upon completion of construction is judged to be a construction contract, revenue is recognised using the percentage of completion method as construction progresses. The percentage of completion is made by reference to the stage of completion of projects and contracts determined based on the proportion of contract costs incurred to date and the estimated costs to complete.

Classification of property
The group determines whether a property is classified as investment property or trading property:

- Investment property comprises land and buildings (principally residential, commercial and retail property) which are not occupied substantially for use by, or in the operations of, the group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Trading property comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial properties that the group develops and intends to sell before or on completion of construction.

Impairment of receivables
An estimate of the collectible amount of tenants and other receivables, and due from related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis.

Amounts which are not individually significant, but which are past due, are assessed collectively based on the provisioning policy applied by the group, and a provision is applied according to the length of time past due, based on historical recovery rates.

The overdue and doubtful amounts for collection as the end of the reporting period relating to trade receivables are disclosed in Note 6, and for due from related parties in Note 9.

Notes to the consolidated financial statements

41 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimation uncertainty

Impairment of available-for-sale financial assets
The group treats available-for-sale financial assets as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The group treats "significant" generally as 20% or more and 'prolonged' greater than six (6) months. In addition, the group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities, if any.

Fair value of unquoted equity and debt investments
If the market for a financial asset is not active or not available, the group establishes fair value by using valuation techniques which include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances. This valuation requires the group to make estimates about expected future cash flows and discount rates that are subject to uncertainty. In case of unavailability of information, the group carries the investments at cost less impairment.

Estimation of net realizable value for trading properties
Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed trading properties are assessed with reference to market conditions and prices existing at the reporting date and is determined by the group having taken suitable external advice and in the light of recent market transactions.

Valuation of investment property
Investment properties are stated at fair value. The group used external, independent valuers to determine the fair value of the investment properties in addition to the properties that are being valued by the management. The independent valuers uses the market situations, estimated yield and expected future cash flows and the recent real estate transactions with similar characteristics and location of properties for the valuation of investment properties.

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

Notes to the consolidated financial statements

41 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of non financial assets
The group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill embedded in the cost of acquisition of subsidiaries are tested for impairment annually and at other times when such indicators exist. Other nonfinancial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The estimates used by management in testing impairment of the goodwill resulting from business combinations are as follows:

Key assumptions used in value in use calculations.

The calculation of value in use for cash generating units relating to real estate projects are most sensitive to the following assumptions:

Gross margin
Gross margins are based on average values achieved in the period preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

Discount rates
Discount rates represent the current market assessment of the risks specific to each cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the group's investors. The cost of debt is based on the profit bearing Islamic financing, the group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available marked data.

Growth rate
Growth rate is used to extrapolate cash flows beyond the budget period.

42 SEGMENT INFORMATION

The group has three reportable segments, as described below, which are the group's strategic divisions. The strategic divisions offer different businesses and are managed separately because they require different expertise. For each of the strategic divisions, the group's top management (the chief operating decision maker) reviews internal management reports on a regular basis. The real estate segment develops, sells and lease condominiums, villas and plots of land. Business services segment provides business support services and financial institution and other services comprise financial and other institutions.

The operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results, which are considered as a measure of the individual segment's profit or losses.

Notes to the consolidated financial statements

42 SEGMENT INFORMATION (CONTINUED)

Operating segments
The operating segments are presented as follows:

For the year ended 31 December 2015	***Real estate QR'000***	***Business services QR'000***	***Other services QR'000***	***Eliminations QR'000***		***Total QR'000***
Revenues and gains						
External parties						
- Rental income	**1,040,823**	**-**	**-**	**-**		**1,040,823**
- Income from consultancy and other related services	**-**	**481,968**	**10,000**	**-**		**491,968**
- Profit on sale of properties	**2,701,685**	**-**	**-**	**-**		**2,701,685**
- Finance lease income	**259,497**	**-**	**-**	**-**		**259,497**
- Net fair value loss on investment properties	**36,145**	**-**	**-**	**-**		**36,145**
- Share of results of associates	**-**	**-**	**36,765**	**-**		**36,765**
- Others	**-**	**-**	**72,229**	**-**		**72,229**
Internal segments	**50,076**	**47,218**	**816**	**(98,110)**	**(i)**	**-**
Total revenues and gains	**4,088,226**	**529,186**	**119,810**	**(98,110)**		**4,639,112**
Profit for the year	**2,903,659**	**90,786**	**85,303**	**(10,810)**		**3,068,938**
Net finance (cost) income	**(91,936)**	**4,244**	**-**	**-**		**(87,692)**
Depreciation	**(53,057)**	**(1,222)**	**(9,457)**	**-**		**(63,736)**

For the year ended 31 December 2014	*Real estate QR'000*	*Business services QR'000*	*Other services QR'000*	*Eliminations QR'000*		*Total QR'000*
Revenues and gains						
External parties						
- Rental income	1,217,206	-	-	-		1,217,206
- Income from consultancy and other related services	-	431,890	11,131	-		443,021
- Profit on sale of properties	2,928,255	-	-	-		2,928,255
- Profit on disposal of subsidiaries	382	269	8,176	-		8,827
- Profit on disposal of associates	10,288	-	-	-		10,288
- Finance lease income	300,116	-	-	-		300,116
- Net fair value loss on investment properties	(263,769)	-	-	-		(263,769)
- Share of results of associates	-	-	(107,011)	-		(107,011)
- Others	-	-	79,207	-		79,207
Internal segments	(10,834)	84,554	4,088	(77,808)	(i)	-
Total revenues and gains	4,181,644	516,713	(4,409)	(77,808)		4,616,140
Profit (loss) for the year	2,633,171	240,107	(59,013)	(29,052)		2,785,213
Net finance (cost) income	(483,762)	6,772	-	-		(476,990)
Depreciation	(78,126)	(1,208)	(14,000)	-		(93,334)

Note:
(i) Inter-segment revenues are eliminated on consolidation level.

Notes to the consolidated financial statements

42 SEGMENT INFORMATION (CONTINUED)

Operating segments (continued)
The following table presents segment assets and liabilities of the group's operating segments as at 31 December 2015 and 2014.

At 31 December 2015	***Real estate QR'000***		***Business services QR'000***	***Other services QR'000***	***Eliminations QR'000***	***Total QR'000***
Current assets	**8,847,843**		**414,520**	**41,401**	**-**	**9,303,764**
Non-current assets	**18,581,762**		**173,134**	**948,773**	**(571,276)**	**19,132,393**
Total assets	**27,429,605**		**587,654**	**990,174**	**(571,276)**	**28,436,157**
Current liabilities	**(8,641,108)**		**(141,538)**	**(18,189)**	**-**	**(8,800,835)**
Non-current liabilities	**(1,537,421)**		**(68,961)**	**(399,704)**	**89,203**	**(1,916,883)**
Total liabilities	**(10,178,529)**		**(210,499)**	**(417,893)**	**89,203**	**(10,717,718)**
Investment in associates	**-**		**-**	**723,494**	**-**	**723,494**
Capital expenditures	**970,059**	**(i)**	**-**	**-**	**-**	**970,059**

At 31 December 2014	*Real estate QR'000*		*Business services QR'000*	*Other services QR'000*	*Eliminations QR'000*	*Total QR'000*
Current assets	9,101,859		263,503	31,454	-	9,396,816
Non-current assets	18,845,758		180,841	1,051,794	(506,085)	19,572,308
Total assets	27,947,617		444,344	1,083,248	(506,085)	28,969,124
Current liabilities	(4,929,414)		(106,174)	(12,414)	-	(5,048,002)
Non-current liabilities	(7,597,641)		(72,748)	(380,541)	48,538	(8,002,392)
Total liabilities	(12,527,055)		(178,922)	(392,955)	48,538	(13,050,394)
Investment in associates	-		-	817,053	-	817,053
Capital expenditures	1,527,524	(i)	-	-	-	1,527,524

Note:
(i) Capital expenditure consists of additions to trading properties, investment properties and property, plant and equipment.

Geographic segements
The geographic segments are presented as follows:

- 95% of the group’s assets are located in the State of Qatar.
- 97% of the group’s revenues have been generated in the State of Qatar.
- 99% of the group’s net profit has been recognized in the State of Qatar .

Notes to the consolidated financial statements

43 COMPARATIVE INFORMATION

Corresponding figures for the year ending 31 December 2014 have been reclassified in order to conform with the presentation for the current year. Such reclassifications have been made by the group to improve the quality of information presented and did not have any impact on the previously reported equity and profits. Below is a summary of significant reclassifications made during the year:

	Previous presentation	Reclassifications	Current presentation
Statement of Financial Position:			
Trading properties	3,694,586	(128,390)	3,566,196
Investment properties	10,964,783	128,390	11,093,173
Due from a related parties	280,621	65,898	346,519
Due to a related parties	329,117	65,898	395,015
Statement of Profit or Loss:			
Rental operation expenses	(251,420)	(35,164)	(286,584)
Consulting operation and other services expenses	(323,985)	35,164	(288,821)
Impairment losses	(380,615)	34,418	(346,197)
Net fair value loss on investment properties	(229,351)	(34,418)	(263,769)
Statement of Cash Flow:			
Advances for purchase of investments and properties	(2,770,011)	2,482,755	(287,256)
Transactions with non-controlling interest	-	(2,482,755)	(2,482,755)

44 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the year end the group entered into the following 4 new refinancing facility agreements with local banks :

Facility agreement	*Amount*	*Signed on*	*Maturity*
(A)	USD 157,142 thousand	14.01.2016	5 Years
(B)	USD 444,348 thousand	13.01.2016	5-7 Years
(C)	USD 97,500 thousand	15.02.2016	2-5 Years
(D)	USD 82,452 thousand	13.01.2016	5-7 Years

The above facilities have been obtained for the purpose of re-financing the finance contracts of the group. The facilities carry profits at rates in the range of the commercial rates prevailing in the market for facilities with the same terms and conditions like the group's facilities.