

Barwa Real Estate Company Q.S.C.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS**

30 September 2014

Index to the condensed consolidated interim financial information	Pages
Independent auditor's review report	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of income	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial information	7 – 23



REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BARWA REAL ESTATE COMPANY Q.S.C.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Barwa Real Estate Company Q.S.C. (the "Parent Company") and its subsidiaries (collectively "the Group") as of 30 September 2014 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, 'Interim financial reporting' as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the IASB.

Other matter

The condensed consolidated interim financial information for the nine month period ended 30 September 2013 and the consolidated financial statements of the Group for the year ended 31 December 2013 were reviewed and audited, respectively, by another firm of auditors who expressed an unqualified review conclusion and an unqualified audit opinion in their reports dated 27 October 2013, and 12 March 2014, respectively.


Mohamed Elmoataz

27 October 2014

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>	<i>1 January 2013 (Audited) (Restated) QR'000</i>
	Note			
ASSETS				
Cash and bank balances	5	1,309,960	965,785	675,963
Financial assets at fair value through profit or loss		12,056	8,776	6,704
Finance Lease receivables	6	2,272,984	2,508,058	2,792,229
Receivables and prepayments	6	2,957,444	902,358	720,589
Due from related parties	7	390,307	2,880,482	2,724,291
Available-for-sale financial assets		272,407	208,005	366,406
Non-current assets and assets of disposal group classified as held for sale	8	1,089,315	4,346,120	6,156,728
Trading properties	9	3,736,206	19,818,842	18,396,769
Advances for projects and investments		4,745,159	4,687,216	4,781,942
Investments in equity accounting investee	10	524,830	500,473	2,285,001
Goodwill		126,411	126,411	126,411
Investment properties	11	10,996,781	9,758,249	12,431,909
Property, plant and equipment		386,044	417,265	856,821
Deferred income tax assets		829	783	114
TOTAL ASSETS		28,820,733	47,128,823	52,321,877
LIABILITIES AND EQUITY				
LIABILITIES				
Payables and other liabilities	12	2,247,274	2,416,693	3,030,334
Due to related parties	7	2,340,825	385,725	7,092,289
Liabilities of disposal group classified as held for sale		-	612	11,540
Obligations under Islamic finance contracts	13	7,975,524	27,788,091	26,661,159
Liabilities under derivative financial instruments		-	-	142,128
Deferred income tax liabilities		790	793	206
TOTAL LIABILITIES		12,564,413	30,591,914	36,937,656
EQUITY				
Share capital		3,891,246	3,891,246	3,891,246
Treasury shares		(4,119)	(4,119)	(4,119)
Legal reserve		842,294	842,294	811,555
General reserve		4,639,231	4,639,231	4,639,231
Other reserves		(48,455)	(36,484)	(325,916)
Retained earnings		4,446,628	4,478,958	3,752,649
Total equity attributable to equity holders of the parent		13,766,825	13,811,126	12,764,646
Non-controlling interests		2,489,495	2,725,783	2,619,575
TOTAL EQUITY		16,256,320	16,536,909	15,384,221
TOTAL LIABILITIES AND EQUITY		28,820,733	47,128,823	52,321,877

These condensed consolidated interim financial statements were approved by the Board of Directors on 27 October 2014 and signed on their behalf of by

H.E. Salah Bin Ghanem Al Ali
Chairman

Ahmad Abdulla Al-Abdulla
Acting Group Chief Executive Officer

The attached notes from 1 to 21 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

	Notes	<i>For the three months ended</i>		<i>For the nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
		<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Continuing operations					
REVENUES AND GAINS					
Rental income		202,673	187,205	603,748	563,586
Income from consultancy and other related services		119,184	69,301	275,488	228,211
Profit on disposal of properties		296,194	-	296,194	954
Net fair value loss on investment properties and non-current assets held for sale		(58,159)	-	(57,504)	-
Share of results of equity accounted investees	10	6,060	2,061	34,063	61,164
Other income – net		58,124	235,688	143,128	327,584
TOTAL REVENUES AND GAINS	20	624,076	494,255	1,295,117	1,181,499
EXPENSES AND LOSSES					
Operating expenses		(121,200)	(92,417)	(367,930)	(281,609)
General and administrative expenses		(58,026)	(78,496)	(196,351)	(256,754)
Net finance costs	20	(12,882)	(113,869)	(204,259)	(284,001)
Impairment charges	14	(80,130)	-	(125,571)	-
Depreciation	20	(12,939)	(11,124)	(41,710)	(46,403)
TOTAL EXPENSES AND LOSSES		(285,177)	(295,906)	(935,821)	(868,767)
Profit before income tax		338,899	198,349	359,296	312,732
Income tax expense		(402)	(1,601)	(1,461)	(3,845)
Profit for the period from continuing operations		338,497	196,748	357,835	308,887
Discontinued operations					
Gain for the period from discontinued operations	8	115,500	71,030	319,946	155,370
Profit for the period	20	453,997	267,778	677,781	464,257
<i>Attributable to:</i>					
Equity holders of the parent		451,207	268,301	673,429	467,484
Non-controlling interests		2,790	(523)	4,352	(3,227)
		453,997	267,778	677,781	464,257
Basic and diluted earnings per share					
<i>(attributable to equity holders of the parent expressed in QR per share)</i>					
	15	1.15	0.69	1.73	1.20
Basic and diluted earnings per share from continuing and discontinued operations					
<i>(attributable to equity holders of the parent expressed in QR per share)</i>					
From continuing operations		0.85	0.50	0.90	0.80
From discontinued operations		0.30	0.19	0.83	0.40
	15	1.15	0.69	1.73	1.20

The attached notes from 1 to 21 form an integral part of these condensed consolidated interim financial statements.

Barwa Real Estate Company Q.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	<i>For the three months ended</i>		<i>For the nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
		<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>
		<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Profit for the period		<u>453,997</u>	<u>267,778</u>	<u>677,781</u>	<u>464,257</u>
Other comprehensive income					
<i>Items that may be reclassified subsequently to consolidated statement of income</i>					
Currency translation differences	16	(28,726)	18,832	(22,936)	276,546
Change in fair value of available-for-sale financial assets	16	<u>45,405</u>	<u>1,390</u>	<u>82,843</u>	<u>4,365</u>
Other comprehensive income for the period, net of tax	16	<u>16,679</u>	<u>20,222</u>	<u>59,907</u>	<u>280,911</u>
Total comprehensive income for the period		<u>470,676</u>	<u>288,000</u>	<u>737,688</u>	<u>745,168</u>
<i>Attributable to:</i>					
Equity holders of the parent		<u>468,559</u>	288,364	<u>733,948</u>	748,363
Non-controlling interests		<u>2,117</u>	(364)	<u>3,740</u>	(3,195)
Total comprehensive income for the period		<u>470,676</u>	<u>288,000</u>	<u>737,688</u>	<u>745,168</u>
Total comprehensive income attributable to equity holders of the parent arising from:					
Continuing operations		<u>353,059</u>	217,334	<u>414,002</u>	592,993
Discontinued operations		<u>115,500</u>	<u>71,030</u>	<u>319,946</u>	<u>155,370</u>
		<u>468,559</u>	<u>288,364</u>	<u>733,948</u>	<u>748,363</u>

The attached notes from 1 to 21 form an integral part of these condensed consolidated interim financial statements.

Barwa Real Estate Company Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent							Non-controlling interests	Total Equity
	Share capital	Treasury shares	Legal reserve	General reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total Equity
	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '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	2,725,783	16,536,909
Profit for the period	-	-	-	-	-	673,429	673,429	4,352	677,781
Other comprehensive income (loss) for the period	-	-	-	-	60,519	-	60,519	(612)	59,907
Total comprehensive income for the period	-	-	-	-	60,519	673,429	733,948	3,740	737,688
Partners' contribution	-	-	-	-	-	-	-	110,650	110,650
Disposal of Non-controlling interests' share due to sale of subsidiaries	-	-	-	-	-	-	-	(351,328)	(351,328)
Dividends for 2013	-	-	-	-	-	(778,249)	(778,249)	-	(778,249)
Other movements	-	-	-	-	(72,490)	72,490	-	650	650
Total transactions with owners	-	-	-	-	(72,490)	(705,759)	(778,249)	(240,028)	(1,018,277)
Balance at 30 September 2014 (Reviewed)	3,891,246	(4,119)	842,294	4,639,231	(48,455)	4,446,628	13,766,825	2,489,495	16,256,320
	Equity attributable to owners of the parent								
	Share capital	Treasury shares	Legal reserve	General reserve	Other Reserves	Retained earnings	Total	Non-controlling interests	Total Equity
	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
Balance at 1 January 2013 - as previously stated	3,891,246	(4,119)	811,555	4,639,231	(325,916)	3,786,403	12,798,400	503,926	13,302,326
Prior periods adjustment	-	-	-	-	-	(33,754)	(33,754)	2,115,649	2,081,895
Balance at 1 January 2013 (Restated)	3,891,246	(4,119)	811,555	4,639,231	(325,916)	3,752,649	12,764,646	2,619,575	15,384,221
Profit (loss) for the period	-	-	-	-	-	467,484	467,484	(3,227)	464,257
Other comprehensive income for the period	-	-	-	-	280,879	-	280,879	32	280,911
Total comprehensive income for the period	-	-	-	-	280,879	467,484	748,363	(3,195)	745,168
Partners' contribution	-	-	-	-	-	-	-	110,650	110,650
Dividends for 2012	-	-	-	-	-	(583,687)	(583,687)	-	(583,687)
Total transactions with owners	-	-	-	-	-	(583,687)	(583,687)	110,650	(473,037)
Balance at 30 September 2013 (Restated)	3,891,246	(4,119)	811,555	4,639,231	(45,037)	3,636,446	12,929,322	2,727,030	15,656,352

The attached notes from 1 to 21 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		<i>For the nine months ended</i>	
		<i>30 September</i>	
		<i>2014</i>	<i>2013</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>
		<i>(Restated)</i>	<i>(Restated)</i>
Note		<i>QR'000</i>	<i>QR'000</i>
OPERATING ACTIVITIES			
	Profit before income tax for the period from continuing operations	357,835	308,887
	Profit before income tax for the period from discontinued operations	319,946	155,370
	Adjustments for:		
	- Depreciation	41,733	46,619
	- Share of results of equity accounted investees	-	-
10	- Profit on sale of properties	(34,063)	(61,164)
	- Fair value gain on call option	(296,194)	(954)
	- Amortization of unearned finance lease income	-	50
	- Gain on disposal of subsidiaries	-	(255,857)
8	- Gain on disposal of property, plant and equipment	(57,276)	(232,327)
	- Impairment charge	-	(8,498)
14	- Reversal of board of directors remuneration	125,571	-
	- Gain on revaluation of non-current assets held for sale	-	(10,500)
	- Loss on revaluation of investment property	(157,230)	-
11	- Gain on disposal of available-for-sale financial assets	214,734	-
	- Dividend income	(22,537)	851
	- Unrealised gain/(loss) on financial assets at fair value through profit or loss	(9,570)	(8,271)
	- Unwinding of discount on deferred sale arrangements	177	(2,095)
	- Net Finance cost	(228,752)	-
	- Gain on reversal of provision	449,773	-
	- Net deferred Tax benefit	-	(221,278)
		<u>(3)</u>	<u>-</u>
	Operating income before working capital changes	704,144	(289,167)
	Working capital changes:		
	- Receivables and prepayments	448,747	393,140
	- Due from/to related parties	2,110,728	82,227
	- Payables and other liabilities	(139,657)	(40,115)
		<u>3,123,962</u>	<u>146,085</u>
NET CASH FROM OPERATING ACTIVITIES			
INVESTING ACTIVITIES			
	Purchase of financial assets carried at fair value through profit and loss	(3,457)	-
	Proceeds from sale of available-for-sale financial assets	46,539	26,966
	Payments for purchase of available-for-sale financial assets	(10,524)	(22,463)
	Additions made to non-current assets held for sale	(120,980)	-
	Proceeds from sale of non-current assets held for sale	2,544,000	-
	Payment for purchase of non-current assets held for sale	(16,685)	-
	Purchase of trading and investment properties	(1,022,016)	(1,024,064)
	Advances for purchase of investments and properties	(169,735)	(36,328)
	Payments for purchase of property, plant and equipment	(11,232)	(65,230)
	Proceeds from disposal of property, plant and equipment	46	-
	Proceeds from disposal of subsidiaries	16,614,696	213,421
	Proceeds from sale of properties	-	375,000
	Net movement in short term deposits with maturities more than three months	(31,864)	1,965
	Dividend income	9,570	8,271
	Dividends received from equity accounted investees	4,000	12,000
		<u>17,832,358</u>	<u>(510,462)</u>
NET CASH FROM INVESTING ACTIVITIES			
FINANCING ACTIVITIES			
	Finance cost paid	(413,723)	-
	Proceeds from Islamic financing contracts	-	1,699,415
13	Payments for the obligations under Islamic financing contracts	(19,816,167)	(754,483)
	Dividends paid	(412,513)	(313,022)
	Receipts of government grant	-	346,800
	Movement in restricted bank balances	105	485
	Settlement of derivative financial liabilities	-	(142,465)
		<u>(20,642,298)</u>	<u>836,730</u>
NET CASH (USED IN) FROM FINANCING ACTIVITIES			
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	Net foreign exchange differences	314,022	472,353
	Cash and cash equivalents at 1 January	(1,606)	(35,800)
	Cash and cash equivalents of disposal group	838,701	611,531
	Cash and cash equivalent for loss of control on subsidiaries	-	(4,625)
		<u>(1,868)</u>	<u>-</u>
	CASH AND CASH EQUIVALENTS AT 30 September	<u>1,149,249</u>	<u>1,043,459</u>
5			

The attached notes from 1 to 21 form an integral part of these condensed consolidated interim financial statements.

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

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 Public 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 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") include investment 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 land, and also buying, selling and leasing buildings or projects. It also administers and operates real estate investments in and outside the State of Qatar. The Group is engaged in the business of developing domestic and international real estate projects, investing, hotels ownership and management, projects consulting, advertisement, brokerage services and others.

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 period are included in these condensed consolidated interim financial statements are listed below. In addition to the below listed subsidiaries, there are number of other subsidiaries' financial statements that are consolidated in to these condensed consolidated interim financial statements and are accounting for less than 5% of the total assets and/or operational results of the Group.

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>Group effective shareholding percentage</i>	
		<i>30 September 2014</i>	<i>31 December 2013</i>
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 Sailya & Mesameer 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	100%	100%
Guidance Hotel Investment Company B.S.C.C.	Bahrain	96.5%	96.5%
Qatar Project Management Company Q.P.S.C.	Qatar	70%	70%

2 BASIS OF PREPARATION

The condensed interim consolidated financial statements for the period ended 30 September 2014 have been prepared in accordance with International Financial Reporting Standards, IAS 34 "Interim Financial Reporting" ("IAS 34").

The condensed interim 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 thousands (QR'000) except when otherwise indicated.

The condensed interim consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2013. In addition, results for the nine months period ended 30 September 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013.

3.1 Changes in accounting policies and disclosures

(a) New standards and interpretations effective but do not have effect or not relevant to the Group

IFRIC 21, 'Levies' (effective 1 January 2014). This is an interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities (effective 1 January 2014). These amendments will exempt certain investment entities from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

Amendments to IAS 32, 'Financial instruments: Presentation' on asset and liability offsetting (effective 1 January 2014). These amendments are to the application guidance in IAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

Amendments to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting (effective 1 January 2014). This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counter party meets specified criteria.

(b) New standards and interpretations not yet adopted by 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.

Amendment to IFRS 2, 'Share based payment' (For share-based payment transactions for which the grant date is on or after 1 July 2014) amends the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition" (which were previously part of the definition of "vesting condition"),

IFRS 3, 'Business combinations' (' (Annual periods beginning on or after 1 July 2014). The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. It also clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.

IFRS 8, 'Operating segments' (Annual periods beginning on or after 1 July 2014). The amendment requires to disclose the judgement made by management in applying the aggregation criteria to operating segments.

IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets' (Annual periods beginning on or after 1 July 2014). The amendment clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

IAS 24, 'Related party disclosures' (Annual periods beginning on or after 1 July 2014) amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

IFRS 13, 'Fair value measurement' (Annual periods beginning on or after 1 July 2014. An entity shall apply the amendment prospectively from the beginning of the first annual period in which IFRS 13 is applied). The amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement of IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS At 30 September 2014

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

IAS 40, 'Investment property' (Annual periods beginning on or after 1 July 2014. May be applied to individual acquisitions of investment property before 1 July 2014 if, and only if, the information necessary to apply the amendment is available). The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

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 9, 'Financial instruments' (Annual periods beginning on or after 1 January 2018)

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 15, 'Revenue from contracts with customer' (Annual periods beginning on or after 1 January 2017)

The new standard introduces the core principle that revenue must be recognized 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 recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements.

3.2 Restatements

The Group used to report its 50% interest in Lusail Golf Development Company LLC as a joint venture under IFRS 11. This classification was based on shareholders' agreement, which requires all decisions to be made by anonymous approval of all shareholders. Such shareholders agreement is not yet authenticated. Based on advice of the internal legal counsel, the Group management has assessed that only the articles of association of Lusail Golf Development Company LLC which gives a casting power in the voting to the Group should be considered as guidance for managing the Company till the official authentication of the shareholders agreement. Therefore, Lusail Golf Development Company LLC is consolidated in these condensed consolidated financial statements with retrospective effect.

The restatement of prior period amounts did not lead to any significant effect on the comprehensive income, other comprehensive income, cash flows or retained earnings of the Group. The restatement mainly affected the statement of financial position as at 31 December 2013 and 1 January 2013 as follows:

31 December 2013	As previously reported	Effect of restatement	Restated
	QR'000	QR'000	QR'000
Advances for projects and investments	317,329	4,369,887	4,687,216
Non-controlling interest	499,484	2,226,299	2,725,783
Investment in Joint Venture	2,153,497	(2,153,497)	-
Cash & bank balances	955,337	10,448	965,785

1 January 2013	As previously reported	Effect of restatement	Restated
	QR'000	QR'000	QR'000
Advances for projects and investments	2,671,293	2,110,649	4,781,942
Non-controlling interest	503,926	2,115,649	2,619,575
Cash & bank balances	665,514	10,449	675,963

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

4 ACCOUNTING ESTIMATES

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

5 CASH AND BANK BALANCES

Cash and bank balances are comprised of the following:

	<i>As at</i> <u>30 September</u> 2014 <i>(Reviewed)</i> <u>QR'000</u>	<i>As at</i> <u>31 December</u> 2013 <i>(Audited)</i> <i>(Restated)</i> <u>QR'000</u>
Cash on hand	500	352
Short term bank deposits	620,838	157,953
Current account balances	172,733	204,817
Call account balances	514,995	601,664
Margin bank account	894	999
Total cash and bank balances	1,309,960	965,785
Cash and bank balances attributable to discontinued operations	-	1,868
Short term bank deposits maturing within 3 months	(159,817)	(127,953)
Restricted bank balances	(894)	(999)
Cash and cash equivalents	1,149,249	838,701

Notes:

- (i) Short term bank deposits are made for varying periods depending on the immediate cash requirements of the Group with original maturity dates of less than three months and carry profit at commercial market rates.
- (ii) Restricted bank balances are restricted to cover certain bank guarantees given to the Group.

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

6 CURRENT AND NON-CURRENT PRESENTATION OF RECEIVABLES AND PREPAYMENTS AND FINANCE LEASE RECEIVABLES

The following table presents the current and non-current distinction of receivables and prepayments and finance lease receivables at the reporting date.

	<i>Receivables and prepayments</i>		<i>Finance lease receivables</i>	
	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>
Current	2,906,218	734,399	340,271	316,711
Non-current	51,226	167,959	1,932,713	2,191,347
	2,957,444	902,358	2,272,984	2,508,058

Note:

Finance lease receivables amounting to QR 905,229 thousand (31 December 2013: QR 1,068,702 thousand) owned by a subsidiary of the Group has been pledged as a security against US\$ 270,000,000 (equivalent to QR 983,205,000) of Sukuk Al Musharaka facility (31 December 2013: US\$ 270,000,000).

7 RELATED PARTY

The Controlling Company of the Group is Qatari Diar Real Estate Investment Company Q.S.C, which owns 45% of the company's shares including preferred shares based on the Articles of Association of the Parent Company. The remaining 55% of the shares are widely held.

The Parent Company has transactions with related parties, i.e. shareholders having control on the Company, associated companies, directors and key management of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Related party transactions

Transactions with related parties during the period were as follows:

	<i>For the nine months ended 30 September</i>	
	<i>2014 (Reviewed) QR'000</i>	<i>2013 (Reviewed) (Restated) QR'000</i>
Consideration for sale of subsidiaries to the Controlling Company	16,647,014	6,109,011
Settlement by the Controlling Company of Islamic financing facility as settlement of the consideration for the sale of subsidiaries	18,228,649	5,808,454
Collection of balance due on the sale of Barwa bank to the Controlling Company	1,727,649	-
Gain from sale of property , plant and equipment	-	8,421
Income from consultancy and other services – Controlling Company	159,057	99,365

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

7 RELATED PARTY (Continued)

Rental income for leases assets – Controlling Company/ associates	<u>9,231</u>	<u>14,289</u>
Finance costs – Controlling Company	<u>27,096</u>	<u>24,548</u>

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

	<i>Due from related parties</i>		<i>Due to related parties</i>	
	<i>30 September 2014</i>	<i>31 December 2013</i>	<i>30 September 2014</i>	<i>31 December 2013</i>
	<i>(Reviewed)</i>	<i>(Audited) (Restated)</i>	<i>(Reviewed)</i>	<i>(Audited) (Restated)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Current	<u>276,446</u>	<u>2,770,618</u>	<u>2,337,143</u>	<u>363,373</u>
Non-current	<u>113,861</u>	<u>109,864</u>	<u>3,682</u>	<u>22,352</u>
	<u>390,307</u>	<u>2,880,482</u>	<u>2,340,825</u>	<u>385,725</u>

On 5 November 2013, the Group and Qatari Diar Real Estate Investment Company Q.S.C. (“QD”) (“Controlling Company”) entered into a framework agreement to sell investment properties, property, plant and equipment, investments in associates and available-for-sale financial assets (the “Assets”). As per the framework agreement, the Assets shall be sold, transferred and/or assigned by the Group to QD through separate sale and purchase agreements (“SPA’s”) to be entered into in respect of each individual Asset at future dates. QD will at its sole discretion either acquires the Assets directly or it will incorporate a SPV within the State of Qatar to acquire the Assets, which will either directly own the Assets or acquires the shares Assets. As of 30 September 2014, the negotiation for the sale is in progress. The disposal of these assets was planned to be completed within twelve months from the agreement date. Subsequently on 15 July 2014, the framework agreement extended to another six month to end on 31 December 2014. Up to the date of these condensed consolidated interim financial statements, the Group has completed the sale of Barwa Bank shares, Barwa City shares and Barwa Commercial Avenue shares to the Controlling Company.

Due to related parties

Due to related parties include an Islamic financing facility (Murabaha) obtained from the Controlling Company amounting to QR 1,309,343 thousand (31 December 2013: QR 1,300,049 thousand). This Islamic financing facility is unsecured and carries fixed and variable profit rates.

Compensation of directors and other key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	<i>For the nine months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>
	<i>(Reviewed)</i>	<i>(Reviewed) (Restated)</i>
	<i>QR'000</i>	<i>QR'000</i>
Total key management staff benefits (Group basis)	<u>49,376</u>	<u>52,975</u>

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

8 NON-CURRENT ASSETS AND ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Carrying values of non-current assets held for sale are as follows:

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>
Investments in equity accounted investees	484,746	484,746
Investment properties	72,945	3,289,522
Property, plant and equipment	437,516	432,927
Available-for-sale financial assets - net	94,108	137,057
Assets of disposal group classified as held for sale	-	1,868
	<u>1,089,315</u>	<u>4,346,120</u>

Impact of the disposal group on cash flow statement:

	<i>30 September 2014 (Reviewed) QR'000</i>
Operating cash flows	(68,001)
Investing cash flows	65,639
Financing cash flows	-
Total Cash flows	<u>(2,362)</u>

During the period, the Group signed sale and purchase agreements with QD to sell the Group interest in Barwa Commercial Avenue and Barwa City to QD, These two deals were completed during the period.

The results of the subsidiaries classified as discontinued operations during the period were as follows:

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>30 September 2013 (Reviewed) (Restated) QR'000</i>
INCOME		
Rental Income	277,871	146,786
Other income	180	-
EXPENSES		
General and administrative & Operating expenses	(15,576)	(28,181)
Net finance income / (costs)	218	(195,347)
Depreciation	(23)	(215)
Gain on disposal on subsidiaries	57,276	232,327
Profit before income tax	<u>319,946</u>	<u>155,370</u>
Profit for the period from discontinued operations	<u>319,946</u>	<u>155,370</u>

The classification of assets and liabilities of disposal group has not resulted in re-measurement differences due to the nature of balances involved.

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

8 NON-CURRENT ASSETS AND ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

During the period, the Group has entered into two Share Sale and Purchase Agreements with Qatari Diar Real Estate Investment Company Q.S.C., in relation to the sale of its total shareholding in each of QD-SBG Construction W.L.L. and QD-CPC Industries W.L.L. (consisting of 21.5 % shareholding in each of the two companies), for a total sale price of QAR 69 million (sixty nine million Qatari Riyals). The agreements are subject to the regulatory requirements, government approvals and other customary closing conditions. The condensed consolidated interim financial statements have been prepared on the basis that the beneficial interest of the underlying assets and liabilities of these entities resides with the Group.

9 TRADING PROPERTIES

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>
Properties available for sale	186,167	16,101,633
Properties under development- net	3,550,039	3,717,209
	<u>3,736,206</u>	<u>19,818,842</u>

Movements of properties available for sale during the period were as follows:

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>30 September 2013 (Reviewed) (Restated) QR'000</i>
At 1 January	16,101,633	6,956,524
Additions during the period	34,662	-
On disposal of subsidiaries	(16,038,517)	-
Transferred to investment properties	88,389	-
Transferred to non-current assets held for sale	-	(6,862,495)
At 30 September	<u>186,167</u>	<u>94,029</u>

Movements of properties under development during the period were as follows:

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>30 September 2013 (Reviewed) (Restated) QR'000</i>
At 1 January	3,717,209	11,440,245
Additions during the period	1,040,023	883,599
On disposal of subsidiaries	(806,702)	-
Capitalised finance cost	51,302	105,373
Transferred to investment properties	(346,182)	-
Transferred to properties available for sale	(34,663)	-
Transferred to non-current assets held for sale	-	(10,069,337)
Impairment Losses	(63,492)	-
Exchange adjustments	(7,456)	(2,125)
At 30 September	<u>3,550,039</u>	<u>2,357,755</u>

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

10 INVESTMENTS IN EQUITY ACCOUNTING INVESTEEES

The following table illustrates the summarised financial information of the Group's investments in equity accounting investees

	<i>Nine months ended 30 September 2014 (Reviewed) QR'000</i>
At 1 January 2014	500,473
Dividends received from associates	(4,000)
Share of change in fair value reserve of available-for-sale financial assets	1,915
Currency translation adjustment	(921)
Impairment Losses	(6,700)
Share of result of equity accounting investees	<u>34,063</u>
At September 30, 2014	<u>524,830</u>
	<i>Nine months ended 30 September 2014 (Reviewed) QR'000</i>
Group's share of the equity accounting investees statement of financial position:	
Total Assets	1,101,503
Total liabilities	<u>(576,673)</u>
Group share of net assets of equity accounting investees	<u>524,830</u>
Carrying amount of the investments	<u>524,830</u>
Group's share of equity accounting investees' revenues and results:	
Revenues	<u>238,967</u>
Results	<u>34,063</u>

11 INVESTMENT PROPERTIES

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>30 September 2013 (Reviewed) (Restated) QR'000</i>
At 1 January	9,758,249	12,431,909
Additions during the period	6,593	35,094
Transferred from advances for projects and investments	47,672	211,802
Transfers from trading properties -net	257,793	-
Transferred from non-current assets held for sale	1,145,434	(1,422,416)
Government grant received	-	(346,800)
Net fair value loss (i)	(214,734)	-
Translation adjustments	<u>(4,226)</u>	<u>3,184</u>
At 30 September	<u>10,996,781</u>	<u>10,912,773</u>

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS At 30 September 2014

11 INVESTMENT PROPERTIES (Continued)

Notes:

- (i) Management revaluated its investment properties with using discounted cash flow assumptions similar to those used at 31 December 2013. For other investment properties which were valued by accredited independent valuers as at 31 December 2013 using market prices, Revaluation was done as at 30 September 2014, the decrease in the fair market value was accounted for in the condensed consolidated interim statement of income.
- (ii) Included in investment properties are certain properties with a carrying value of QR 1,207,092 thousand at 30 September 2014 (31 December 2013: QR 897,975 thousand) for which the title deeds will be transferred to the Group on completion of the construction of the projects or upon settlement of full amount of the investment properties. The condensed consolidated interim financial statements have been prepared on the basis that the beneficial interest of these investment properties resides with the Group.

12 PAYABLES AND OTHER LIABILITIES

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>
Subcontractors and suppliers	533,263	649,753
Clients advances and unearned income	137,937	161,650
Retention payable	216,012	171,315
Contribution to social and sports fund	42,650	42,650
Accrued expenses	192,027	190,318
Accrued finance cost	32,450	115,608
Employees end of services benefits	57,709	52,103
Provisions for litigations	145,661	145,661
Other payables	889,565	887,635
	<u>2,247,274</u>	<u>2,416,693</u>
<i>The maturity of payables and other liabilities are as follows:</i>		
Non-current	819,258	833,187
Current	1,428,016	1,583,506
	<u>2,247,274</u>	<u>2,416,693</u>

13 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS

The movements in the obligations under Islamic finance contracts during the period were as follows:

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>30 September 2013 (Reviewed) (Restated) QR'000</i>
At 1 January	27,788,091	26,661,159
Facilities obtained during the period	-	1,699,415
Repayments of outstanding facilities during the period	(19,816,167)	(754,483)
Deferred Finance Charges	3,600	-
At 30 September	<u>7,975,524</u>	<u>27,606,091</u>

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

13 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS (Continued)

The maturity profile of obligations under Islamic finance contracts are as follows:

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>
Non-current	<u>7,215,361</u>	<u>25,376,845</u>
Current	<u>760,163</u>	<u>2,411,246</u>
	<u><u>7,975,524</u></u>	<u><u>27,788,091</u></u>

Note:

The Islamic finance contracts have been obtained for the purpose of financing long term projects and working capital requirements of the Group. The contracts carry profits at commercial rates. There were no securities pledged against any of the contracts at 30 September 2014 and 31 December 2013, except for finance lease receivable pledged as security, which has been disclosed in Note 6 to these condensed consolidated interim financial statements.

14 IMPAIRMENT CHARGES

	<i>30 September 2014 (Reviewed) QR'000</i>
Trading properties	63,492
Receivables and prepayments	5,220
Non-current assets held for sale	50,159
Investment in equity accounting investees	<u>6,700</u>
	<u><u>125,571</u></u>

15 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>For the nine months ended 30 September</i>	
	<i>2014 (Reviewed)</i>	<i>2013 (Reviewed) (Restated)</i>
Profit attributable to owners of the parent from continuing operations (QR 000')	349,134	312,114
Profit attributable to owners of the parent from discontinued operations (QR 000')	<u>324,295</u>	<u>155,370</u>
Profit attributable to owners of the parent (QR 000')	<u><u>673,429</u></u>	<u><u>467,484</u></u>

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

15 BASIC AND DILUTED EARNINGS PER SHARE (Continued)

Ordinary shares issued and fully paid (Thousand shares)	389,125	389,125
Treasury Shares (Thousand shares)	<u>(50)</u>	<u>(50)</u>
Weighted average number of shares outstanding during the period (in thousand shares)	<u>389,075</u>	<u>389,075</u>
From continuing operations	0.90	0.80
From Discontinuing operations	<u>0.83</u>	<u>0.40</u>
Basic and diluted earnings per share (QR)	<u>1.73</u>	<u>1.20</u>

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

16 OTHER RESERVES

	<i>For the nine months ended</i>	
	<i>30 September</i>	
	<i>2014</i>	<i>2013</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
		<i>(Restated)</i>
	<i>QR'000</i>	<i>QR'000</i>
<i>Translation reserves:</i>		
Currency translation differences from foreign operations	(22,936)	12,410
Currency translation differences transferred to profit or loss on disposal of subsidiaries	<u>-</u>	<u>264,136</u>
	<u>(22,936)</u>	<u>276,546</u>
<i>Available-for-sale financial assets:</i>		
Gain on remeasurement at fair value	<u>82,843</u>	<u>4,365</u>
	<u>82,843</u>	<u>4,365</u>
	<u>59,907</u>	<u>280,911</u>

17 CONTINGENT LIABILITIES

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

	<i>30 September</i>	<i>31 December</i>
	<i>2014</i>	<i>2013</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
		<i>(Restated)</i>
	<i>QR'000</i>	<i>QR'000</i>
Bank guarantees	<u>458,541</u>	<u>472,029</u>

18 COMMITMENTS

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>
Contractual commitments to contractors and suppliers for properties under development	<u>1,325,882</u>	<u>2,248,854</u>
Commitments for operating leases (i)	<u>279,022</u>	<u>329,457</u>
Commitments for purchase of investments	<u>270,982</u>	<u>270,959</u>

Note:

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

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>
Less than one year	45,614	68,825
Between 1 and 5 years	135,958	137,200
More than 5 years	<u>97,450</u>	<u>123,432</u>
	<u>279,022</u>	<u>329,457</u>

19 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

19.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value profit rate risk, cash flow profit rate risk and price risk), credit risk and liquidity risk.

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 December 2013.

There have been no changes in the risk management department or in any risk management policies since the year end.

19.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

19 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

19.3 Fair value estimation

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments as at 30 September 2014 and 31 December 2013:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) (Restated) QR'000</i>
Financial assets				
Bank balances	1,309,960	965,785	1,309,960	965,785
Receivables	2,907,667	783,365	2,907,667	783,365
Finance lease receivables	2,272,984	2,508,058	2,272,984	2,508,058
Due from related parties	390,307	2,880,482	390,307	2,880,482
Financial assets at fair value through profit or loss	12,056	8,776	12,056	8,776
Non-current assets and assets of disposal group classified as held for sale	578,854	623,671	578,854	623,671
Available-for-sale financial assets	272,407	208,005	272,407	208,005
	<u>7,744,235</u>	<u>7,978,142</u>	<u>7,744,235</u>	<u>7,978,142</u>
Financial liabilities				
Payables and other liabilities	(1,375,527)	(1,526,840)	(1,375,527)	(1,526,840)
Due to related parties	(2,340,825)	(385,725)	(2,340,825)	(385,725)
Liabilities of subsidiaries classified as held for sale	-	(612)	-	(612)
Obligations under Islamic finance contracts	(7,975,524)	(27,788,091)	(7,975,524)	(27,788,091)
	<u>(11,691,876)</u>	<u>(29,701,268)</u>	<u>(11,691,876)</u>	<u>(29,701,268)</u>

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

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

Available for sale financial assets amounting to QR 102,029 are unquoted equity securities carried at cost as the fair value could not be reliably measured. Information for such investments is usually limited to periodic investment performance reports from the investment managers. Management has performed a review of its unquoted investments to assess whether impairment has occurred in the value of these investments. Based on the latest financial information available in respect of these investments and their operations, management is of the view that the value of these investments is not impaired.

Included in non-current assets held for sale are unquoted equity securities classified as available for sale financial assets and investments in equity accounted investees amounting to QR 94,108 and QR 484,746 respectively. These are measured at cost less impairment as no reliable source of fair value is available. Impairment of QR 56,859 was recognised and assessed as guided by significant and prolonged reductions in net assets value of these investments.

At 30 September 2014

19 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)**19.3 Fair value estimation (Continued)**

As at 30 September 2014 and 31 December 2013, the Group held the following classes of financial instruments measured at fair value:

Financial assets

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Available-for-sale financial assets	272,407	170,378	-	102,029
Financial assets at fair value through profit or loss	12,056	12,056	-	-
Non-current assets held for sale	<u>578,854</u>	<u>-</u>	<u>-</u>	<u>578,854</u>
	<u>863,317</u>	<u>182,434</u>	<u>-</u>	<u>680,883</u>
	<i>31 December 2013 (Audited) (Restated) QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Available-for-sale financial assets	208,005	106,938	-	101,067
Financial assets at fair value through profit or loss	8,776	8,776	-	-
Derivative financial instruments	2,988	-	2,988	-
Non-current assets held for sale	<u>621,803</u>	<u>-</u>	<u>-</u>	<u>621,803</u>
	<u>841,572</u>	<u>115,714</u>	<u>2,988</u>	<u>722,870</u>

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets which are recorded at fair value.

	<i>Available for sale financial assets</i>	<i>Non-current assets held for sale</i>
At 1 January 2014	101,067	621,803
Gain recorded in the consolidated statements of comprehensive income	962	7,210
Impairment losses (note 14)	-	(50,159)
At 30 September 2014	<u>102,029</u>	<u>578,854</u>

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

20 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 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 and losses.

Operating segments

The operating segments are presented as follows;

<i>For the nine months ended 30 September 2014 (Reviewed)</i>	<i>Real Estate QR'000</i>	<i>Business services QR'000</i>	<i>Other services QR'000</i>	<i>Eliminations QR'000</i>	<i>Total QR'000</i>
Revenues and gains					
- External parties	1,097,242	185,612	12,263	-	1,295,117
- Internal segments	4,041	75,804	-	(79,845)	-
Total revenues and gains	1,101,283	261,416	12,263	(79,845)	1,295,117
Profit for the period	653,718	76,063	10,624	(62,624)	677,781
Net finance (cost)/ income	(204,932)	601	72	-	(204,259)
Depreciation	(40,548)	(930)	(232)	-	(41,710)
Share of results of equity accounted investees	34,063	-	-	-	34,063
<i>For the nine months ended 30 September 2013 (Reviewed)(Restated)</i>	<i>Real Estate QR'000</i>	<i>Business services QR'000</i>	<i>Other services QR'000</i>	<i>Eliminations QR'000</i>	<i>Total QR'000</i>
Revenues and gains					
- External parties	1,051,253	125,772	4,474	-	1,181,499
- Internal segments	4,037	69,546	-	(73,583) (i)	-
Total revenues and gains	1,055,290	195,318	4,474	(73,583)	1,181,499
Profit /(loss) for the period	481,200	36,867	(1,112)	(52,698)	464,257
Net finance cost	(308,137)	(19)	(88)	24,243	(284,001)
Depreciation	(44,814)	(1,355)	(234)	-	(46,403)
Share of results of equity accounted investees	59,989	-	1,175	-	61,164

Note:

(i) Inter-segment revenues and gains are eliminated on consolidation.

Barwa Real Estate Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 30 September 2014

20 SEGMENT INFORMATION (Continued)

The following table presents segment assets and liabilities of the Group's operating segments as at 30 September 2014 and 31 December 2013:

<i>At 30 September 2014 (Reviewed)</i>	<i>Real Estate</i>	<i>Business services</i>	<i>Other services</i>	<i>Eliminations</i>	<i>Total</i>
	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>
Current assets	9,620,977	215,749	64,090	-	9,900,816
Non-current assets	19,175,498	178,158	106,095	(539,834)	18,919,917
Total assets	28,796,475	393,907	170,185	(539,834)	28,820,733
Current liabilities	(4,476,468)	(75,668)	(1,564)	-	(4,553,700)
Non-current liabilities	(7,832,042)	(71,962)	(153,044)	46,335	(8,010,713)
Total liabilities	(12,308,510)	(147,630)	(154,608)	46,335	(12,564,413)
Investments in equity accounted investees	511,666	-	13,164	-	524,830
Capital expenditures	1,109,149	-	-	-	1,109,149
<i>At 31 December 2013 (Audited)(Restated)</i>	<i>Real Estate</i>	<i>Business services</i>	<i>Other services</i>	<i>Eliminations</i>	<i>Total</i>
	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>	<i>QR '000</i>
Current assets	29,018,419	220,007	39,395	-	29,277,821
Non-current assets	18,240,983	71,351	108,776	(570,108)	17,851,002
Total assets	47,259,402	291,358	148,171	(570,108)	47,128,823
Current liabilities	(4,309,268)	(75,073)	(1,797)	-	(4,386,138)
Non-current liabilities	(26,063,084)	(60,858)	(149,451)	67,617	(26,205,776)
Total liabilities	(30,372,352)	(135,931)	(151,248)	67,617	(30,591,914)
Investments in equity accounted investees	486,095	-	14,378	-	500,473
Capital expenditures	1,571,242 (ii)	-	-	-	1,571,242

Note:

(ii) Capital expenditure consists of additions to trading properties, investment properties and property, plant and equipment and assets from business combinations.

21 DIVIDENDS

The shareholders of the Parent Company approved at the Annual General Meeting held on 8 April 2014 a cash dividend of QR 2 per share; total amounting to QR 778,249 thousand from the profit of 2013 (2013: cash dividend of QR 1.5 per share; total amounting to QR 583,687 from the profit of 2012).