INDEPENDENT AUDITORS' REPORT

To The Shareholders
Mazaya Real Estate Development Q.P.S.C.
Doha - Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mazaya Real Estate Development Q.P.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 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matter
First-time adoption of IFRS 16: Leases	
The Group adopted IFRS 16 Leases with effect from 1 January 2019, which resulted in changes to accounting policies. The Group has elected to restate comparative information in accordance with the transitional provisions contained within IFRS 16. The first time adoption of the standard as at 1 January 2018, resulted in the recognition of project in progress, rights of use of assets and lease liabilities and derecognition of other financial assets with total impact on retained earnings as disclosed in the Note 2.1 of the accompanying consolidated financial statements. The adoption of IFRS 16 has resulted in changes to processes, systems and controls. Because of the number of judgements which have been applied and the estimates made in determining the impact of IFRS 16, this area is considered as a key audit matter. Refer to the following notes of the consolidated financial statements: • Note 2.1 – New and amended standards that are effective for the current year which details the impact of the adoption of IFRS 16; • Note 3 – significant accounting policies on leases; • Note 4 – critical accounting judgements and key sources of estimation uncertainty; • Note 6 – Investment properties • Note 7 – Project in progress; • Note 8 – Right-of-use of assets; • Note 11 – Finance lease receivable; and • Note 17 – Lease liabilities.	We obtained an understanding of the Group's adoption of IFRS 16 and identified the internal controls including entity level controls adopted by the Group for the accounting, processes and systems under the new accounting standard. We assessed the design and implementation of key controls pertaining to the application of IFRS 16. We reviewed and assessed the reasonableness of the inputs used in the lease models. We verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information and checked the integrity and mechanical accuracy of the IFRS 16 calculations for each lease sampled through recalculation of the expected IFRS 16 adjustment. We determined if the disclosures made in the financial statements pertaining to leases, including disclosures relating to the transition to IFRS 16, were in compliance with IFRSs.

Key Audit Matters	How our audit addressed the key audit matter
Valuation of investment properties	
The Group's investment properties represent a significant portion of the total assets of the Group at the reporting date. The Group's investment properties are carried at QR. 734 million, which are measured under the fair value model, with changes in fair value presented in the consolidated statement of profit or loss. Valuations of investment properties are carried out by third party valuers in accordance with the RICS Valuation - Professional Standards and IFRS 13 Fair Value Measurement and take into account, where available, discounted cash flows and evidence of market transactions for properties and locations comparable to those of the Group's properties. The Group's portfolio comprises retail, offices and residential property. Significant judgements were applied and estimates made in determining the fair value of the Group's investment properties and hence, this is considered to be a key audit matter. Refer to the following notes of the consolidated financial statements: • Note 2 – Significant accounting policies on investment properties; • Note 4 – Critical accounting judgement and key sources of estimation uncertainty of valuation of investment properties; and • Note 6 – Investment properties.	We obtained an understanding of the Group's investment properties and the relevant controls over inputs and assumptions used by the Group in the valuation of the investment properties. In addition, our work performed included the below procedures, amongst others on the Group's valuations: • We evaluated the design and implementation over the estimation of the fair value of the investment properties; • We assessed the competence and capabilities of the Valuers and assessed their terms of engagement with the Group to determine if the scope of their work was sufficient; • We utilized our internal specialists to understand and assess, for selected properties, whether the valuation approach and methods used are in accordance with the established standards regulating valuation of properties and whether these methods are suitable for use in determining the fair value of these properties, review the appropriateness of estimates used in the valuation; and • We tested, on a sample basis, the accuracy of the standing data provided by the Group to the Valuers. • We reperformed the mathematical accuracy of the valuations on a sample basis • We agreed the results of the valuation performed by the Valuers to the amount reported in the consolidated financial statements. We have also assessed the related disclosure of this area were adequate in accordance with the requirements of International Financial Reporting Standards.

Emphasis of matter

We draw attention to note 15 of the consolidated financial statements, which describes that the Group has adjusted the previously recognized legal reserve as a consequence of the adoption of IFRS 16 and other adjustments in the Group's consolidated financial statements. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2019.

Other information

The Board of Directors is responsible for the other information. The other information comprises the Board of Directors Report and the Annual Report, which are expected to be made available to us after the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Board of Directors Report and the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidate financial statements in accordance with IFRSs and applicable provisions of Qatar Commercial Companies Law, and for such internal control as the Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies Law, we are also of the opinion that proper books of account were maintained by the Group and the content of the directors' report are in agreement with the Group's consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Group's financial position or performance.

Doha – Qatar	**For Deloitte & Touche**
22 January 2020	Qatar Branch

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

Mazaya Real Estate Development Q.P.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	**31 December 2019 QR**	31 December 2018 (Restated) QR	1 January 2018 (Restated) QR
ASSETS				
Non-current assets				
Property and equipment	5	**109,505**	246,213	381,951
Investment properties	6	**744,194,358**	734,979,899	738,133,446
Project in progress	7	**65,414,594**	65,115,044	892,971,581
Right-of-use of assets	8	**6,283,231**	8,639,443	10,995,655
Investment securities	9	**19,638,516**	19,638,516	19,975,049
Wakala investments	10	**30,677,197**	30,677,197	30,677,197
Finance lease receivable	11	**1,164,709,484**	1,174,407,166	--
		2,031,026,885	2,033,703,478	1,693,134,879
Current assets				
Finance lease receivable	11	**28,362,593**	20,146,978	--
Receivables and prepayments	12	**2,566,285**	4,026,374	1,961,436
Islamic bank balances and cash	13	**72,709,532**	25,806,724	16,579,470
		103,638,410	49,980,076	18,540,906
TOTAL ASSETS		**2,134,665,295**	2,083,683,554	1,711,675,785
EQUITY AND LIABILITIES				
Equity				
Share capital	14	**1,157,625,000**	1,157,625,000	1,157,625,000
Legal reserve	15	**54,902,696**	51,652,408	14,235,026
Retained earnings / (accumulated losses)		**12,056,169**	41,497,396	(294,844,110)
Total equity		**1,224,583,865**	1,250,774,804	877,015,916
Non-current liabilities				
Islamic finance facilities	16	**617,043,303**	615,301,750	679,772,812
Lease liabilities	17	**4,933,351**	7,705,850	9,979,426
Employees' end of service benefits	18	**2,394,239**	1,883,072	2,057,730
		624,370,893	624,890,672	691,809,968
Current liabilities				
Islamic finance facilities	16	**176,813,148**	166,706,005	73,366,801
Lease liabilities	17	**2,772,500**	2,273,577	1,801,632
Payables and other liabilities	19	**106,124,889**	39,038,496	67,681,468
		285,710,537	208,018,078	142,849,901
Total liabilities		**910,081,430**	832,908,750	834,659,869
TOTAL EQUITY AND LIABILITIES		**2,134,665,295**	2,083,683,554	1,711,675,785

Sheikh Hamad Bin Mohamad Al Thani
Vice Chairman

Mr. Ibrahim Jaham Al Kuwari
Managing Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	2019 QR	2018 QR
Finance income	26	**74,042,931**	36,472,777
Rental income	26	**26,012,500**	24,670,833
Revenue from property management	26	**206,013**	3,292,382
Operating expenses		**(7,705,249)**	(8,081,518)
Income from operations		**92,556,195**	56,354,474
Gain from derecognition of other financial assets (i)	32 .2	**--**	361,996,644
Net fair value gain/(loss) on investment properties	6	**9,214,459**	(15,723,000)
Fair value loss on investment securities	9	**--**	(336,533)
Impairment loss on project in progress	7	**--**	(35,705,366)
Other income	21	**330,442**	60,581,332
General and administrative expenses	22	**(18,307,933)**	(20,672,181)
Amortization of rights-of-use	8	**(2,356,212)**	(2,356,212)
Depreciation	5	**(162,012)**	(222,140)
Finance costs	20	**(48,772,056)**	(29,743,195)
Profit for the year		**32,502,883**	374,173,823
Other comprehensive income		**--**	--
Total comprehensive income for the year		**32,502,883**	374,173,823
Basic and diluted earnings per share *(attributable to shareholders of the parent expressed in QR per share)*	23	**0.03**	0.32

The attached notes from 1 to 32 form an integral part of these consolidated financial statements.

(i) Gain from derecognition of other financial assets is a non-cash item and arose on first time adoption of IFRS 16 (refer Note 2 and Note 32 for details).Earnings per share for the year ended 31 December 2018 excluding this gain is QR 0.01.

Mazaya Real Estate Development Q.P.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Share capital QR	Legal reserve QR	Retained earnings QR	Total QR
Balance at 1 January 2018 (Audited)	1,157,625,000	66,131,255	256,415,058	1,480,171,313
Effect of adoption of IFRS 16 (Note 2.1)	--	--	(602,130,446)	(602,130,446)
Effect of adoption of IFRS 9	--	--	(1,024,951)	(1,024,951)
Adjustment for the reversal of legal reserve	--	(51,896,229)	51,896,229	--
Balance at 1 January 2018 (Restated)	1,157,625,000	14,235,026	(294,844,110)	877,015,916
Total profit for the year				
As previously stated	--	--	16,597,393	16,597,393
Adjustment	--	--	357,576,430	357,576,430
Total profit for the year (Restated)	--	--	374,173,823	374,173,823
Transfer to legal reserve (Note 15)				
As previously stated	--	1,659,739	(1,659,739)	--
Adjustment	--	35,757,643	(35,757,643)	--
Transfer to legal reserve (Restated)	--	37,417,382	(37,417,382)	--
Social and sports activities fund contribution (Note 24)	--	--	(414,935)	(414,935)
Balance at 31 December 2018 (Restated)	1,157,625,000	51,652,408	41,497,396	1,250,774,804
Profit for the year	--	--	32,502,883	32,502,883
Transfer to legal reserve (Note 15)	--	3,250,288	(3,250,288)	--
Social and sports activities fund contribution (Note 24)	--	--	(812,572)	(812,572)
Dividends declared (Note 25)	--	--	(57,881,250)	(57,881,250)
Balance at 31 December 2019	**1,157,625,000**	**54,902,696**	**12,056,169**	**1,224,583,865**

The attached notes from 1 to 32 form an integral part of these consolidated financial statements.

Mazaya Real Estate Development Q.P.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	2019 QR	2018 (Restated) QR
OPERATING ACTIVITIES			
Profit for the year		**32,502,883**	374,173,823
Adjustments for:			
Gain from derecognition of other financial assets		**--**	(361,996,644)
Depreciation		**162,012**	222,140
Amortization of right of use of assets		**2,356,212**	2,356,212
Net fair value (gain)/loss on investment properties		**(9,214,459)**	15,723,000
Fair value loss on unquoted equity investment		**--**	336,533
Provision for employees' end of service benefits		**511,167**	401,075
Impairment loss on project in progress		**--**	35,705,366
Profit from deposits with Islamic banks		**(330,442)**	(172,149)
Finance income		**(74,042,931)**	(36,472,777)
Finance costs		**48,772,056**	29,743,195
Operating profit before working capital changes		**716,498**	60,019,774
Working capital changes:			
Receivables and prepayments		**1,460,090**	(2,064,937)
Payables and other liabilities		**61,100,300**	(28,129,378)
Collection of lease receivables		**75,525,000**	--
Cash flows used in operations		**138,801,888**	29,825,459
Finance costs paid		**(27,622,876)**	(11,727,522)
Employees' end of service benefits paid		**--**	(575,733)
Net cash flows generated from operating activities		**111,179,012**	17,522,204
INVESTING ACTIVITIES			
Short term deposits made		**(59,500,000)**	--
Purchase of property and equipment		**(25,304)**	(86,402)
Additions to project in progress		**(299,550)**	(482,050)
Profit received from deposits with Islamic banks		**330,442**	172,149
Net cash flows from / (used in) investing activities		**(59,494,412)**	(396,303)
FINANCING ACTIVITIES			
Payment of lease liabilities		**(2,765,700)**	(2,304,750)
Payment of islamic finance facilities		**(8,808,360)**	(5,068,004)
Dividends paid		**(52,707,732)**	(525,893)
Net cash flows used in financing activities		**(64,281,792)**	(7,898,647)
INCREASE IN ISLAMIC BANK BALANCES AND CASH		**(12,597,192)**	9,227,254
Islamic bank balances and cash at 1 January		**25,806,724**	16,579,470
ISLAMIC BANK BALANCES AND CASH AT 31 DECEMBER	13	**13,209,532**	25,806,724

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Mazaya Real Estate Development Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company, incorporated in the State of Qatar on 12 February 2008. The Company is registered under commercial registration number 38173. The Company's registered office address is P.O. Box 18132, Doha, State of Qatar.

These consolidated financial statements of the Company and its subsidiaries (together referred to as "the Group") as at and for the year ended 31 December 2019, include the following subsidiaries:

Name of the Company	Share capital QR	Country of incorporation	Effective percentage of ownership	
			as at 31 December 2019	as at 31 December 2018
Qortuba Real Estate Investment Company W.L.L.	200,000	Qatar	**100%**	100%
Gulf Spring Real Estate Investment and Development Company W.L.L.	200,000	Qatar	**100%**	100%
Granada Real Estate Investment Company W.L.L.	200,000	Qatar	**100%**	100%
Mazaya Lebanon for Tourism Development and Real Estate S.A.R.L.	12,000	Lebanon	**100%**	100%

The Group's principal activity is the establishment of residential compounds and projects for rental purposes, investment and real estate development, purchase of land and its development for resale, construction, project feasibility study, project management, real estate marketing and property management, maintenance activities, brokerage activities, commercial and real estate representation, trading of mechanical electrical and construction equipment, import and export (related to the Group's activities). In addition, the Group is also involved in the management of residential compounds.

The consolidated financial statements of the Group for the year ended 31 December 2019 were authorised for issue by the Board of Directors on 22 January 2020.

1.1 Current liability position

The Group's current liabilities exceeded its current assets by QR 182,072,127 as at 31 December 2019. The accompanying consolidated financial statements have been prepared on a going concern basis since management is in the process of negotiating alternative funding sources to enable the Group to meet its obligations as and when they fall due.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and amended IFRS Standards that are effective for the current year

In the current year, the Group, for the first time, has adopted IFRS 16 Leases (as issued by the IASB in January 2016). The standard replaces the existing guidance on leases, including IAS 17 'Leases", IFRIC 4 'Determining whether an Arrangement contains a Lease", SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 3. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 January 2019.

The Group has applied IFRS 16 using the full retrospective approach, with restatement of the comparative financial information.

(a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all contracts. In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on Lessee Accounting

Former operating leases
IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance-sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:

a) recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of future lease payments;
b) recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and
c) separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts. For short term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within other expenses in the consolidated statement of profit or loss.

Former finance leases
The main difference between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of residual value guarantees provided by a lessee to a lessor. IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Group's consolidated financial statements.

(c) Impact on Lessor Accounting

Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in the leased assets.

The Group has reassessed the Built, Operate and Transfer Agreement ("agreement") for the residential compound with a related party against the requirements of IFRS 16 and concluded that it falls under IFRS 16 requirements and accordingly applied the requirements of IFRS 16 retrospectively (refer to Note 11). Based on the Group's judgement, the commencement date of the arrangement is July 2018, and accordingly the lease model is developed and the amendments to the consolidated financial statements are incorporated retrospectively and comparatives figures have been restated accordingly.

Based on the above, the Group has restated its comparative consolidated financial statements to effect the above items in the prior year's consolidated financial statements for the year ended 31 December 2018.

Financial impact of initial application of IFRS 16

The tables below show the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current and prior years.

	As previously stated QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement of financial position as at 1 January 2018:			
Other financial assets (a)	1,393,978,264	(1,393,978,264)	--
Project in progress (b)	100,338,360	792,633,221	892,971,581
(Retained earnings) / accumulated losses (c) (post IFRS 9)	(255,390,107)	654,026,674	398,636,567
Legal reserve (d)	66,131,255	(51,896,228)	14,235,027
Rights-of use of assets (j)	--	10,995,655	10,995,655
Lease liabilities (k)	--	(11,781,058)	(11,781,058)

	As previously stated QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement of financial position as at 31 December 2018:			
Other financial assets (a)	1,393,978,264	(1,393,978,264)	--
Project in progress (b)	100,820,410	--	100,820,410
Investment properties (f)	743,064,446	12,569,453	755,633,899
Finance lease receivable (e)	--	1,194,554,144	1,194,554,144
(Retained earnings) / accumulated losses (c) & (l)	(269,912,826)	177,692,002	(92,220,824)
Legal reserve (d)	67,790,994	10,502,649	78,293,643
Rights-of use of assets (j)	--	8,639,443	8,639,443
Lease liabilities (k)	--	(9,979,427)	(9,979,427)

	As previously stated QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement of profit or loss and other comprehensive income as at 31 December 2018:			
Finance income (e)	--	36,472,777	36,472,777
Finance costs (g) & (o)	(45,261,032)	15,517,837	(29,743,195)
General and administrative expenses (m)	(22,976,931)	2,304,749	(20,672,182)
Amortisation for rights-of-use of assets (n)	--	(2,356,212)	(2,356,212)
Gain from derecognition of other financial assets (a)	--	361,996,644	361,996,644

	As previously stated QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement cash flows as at 31 December 2018:			
Finance income (e)	--	(36,472,777)	(36,472,777)
Finance costs (g) & (o)	(45,261,032)	15,517,837	(29,743,195)
Gain on derecognition of other financial assets (a)	--	(361,996,644)	(361,996,644)
Amortisation of rights-of-use of assets (n)	--	2,356,212	2,356,212
Repayment of lease liabilities (k)	--	(2,304,750)	(2,304,750)

	As previously stated QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on earnings per share as at 31 December 2018:			
*Earnings per share (i) & (q)	0.01	0.31	0.32

* Refer to Note 23 for share split impact on nominal share price and on authorized, issued fully paid up number of shares.

The tables below show the amount of adjustment for each of the financial statement line item for the current year, as if IFRS 16 was not applied:

	As if previous standards still applied QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement of financial position as at 31 December 2019:			
Other financial assets (a)	1,393,978,264	(1,393,978,264)	--
Project in progress (b)	65,414,594	--	65,414,594
Finance lease receivable (e)	--	1,193,072,077	1,193,072,077
Rights-of use of assets (j)	--	6,283,232	6,283,232
Lease liabilities (k)	--	(7,705,851)	(7,705,851)
(Retained earnings) / accumulated losses impact		202,328,806	

	As if previous standards still applied QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement of profit or loss and comprehensive income as at 31 December 2019:			
Finance income (e)	53,000,000	21,042,931	74,042,931
Finance costs (g) & (o)	(47,415,085)	(492,123)	(47,907,208)
General and administrative expenses (m)	(19,452,381)	2,304,749	(17,147,632)
Amortisation for rights-of-use of assets (n)	--	(3,219,510)	(3,219,510)

The Group as lessor

I. Upon reassessment of the arrangement with a related party and concluding that it falls under IFRS 16 requirements with a commencement date of July 2018, the financial impact of changes are as follows:

a. other financial assets related to the agreement has been derecognised under IFRS 9 and the respective gain from derecognition of other financial assets has been recognised on commencement of the lease.
b. all previous revenues and costs recognised from this arrangement were reversed and corresponding cost incurred, related to the construction of compound has been recognised as project in progress.
c. retained earnings have been adjusted to reflect the changes arising due to the application of IFRS 16.
d. legal reserve has been adjusted retrospectively to reflect the impact of the above restatement.
e. finance lease receivable has been recognised based on the requirement of IFRS 16 and the respective finance income recognised.
f. investment properties has been recognised, related to the commercial area of the compound.
g. finance costs directly related to the construction of the compound has been capitalised as cost of project in progress.
h. legal reserve has been changed to effect the impact of above.
i. cash flow effect for finance costs has been changed to effect the impact of above.
j. earnings per share has been changed to effect the impact of the above adjustments on 31 December 2018.

The Group as lessee

II. The application of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of the rights-of use of assets and lease liabilities retrospectively and financial impact of the change is as follows:
k. rights of use assets have been recognised.
l. lease liabilities have been recognised.
m. retained earnings have been adjusted to reflect the changes due to the application of IFRS 16.
n. rent expenses within general and administrative expenses has been derecognised.
o. amortization for rights-of-use of assets have been recognized.
p. finance costs related to lease has been recognised in the consolidated statement of profit or loss.
q. cash flow effect for finance costs, amortisations of rights-of-use of assets and repayment of lease liabilities have been adjusted to effect the impact of above.
r. earnings per share has been changed to effect the impact of the above adjustments on 31 December 2018.

2.2 New and amended IFRS applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in these consolidated financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 9 Prepayment Features with Negative Compensation and Modification of financial liabilities The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.	*1 January 2019*
Amendments to IAS 28 Investment in Associates and Joint Ventures: Relating to long-term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	*1 January 2019*
Annual Improvements to IFRSs 2015-2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs *The Annual Improvements include amendments to four Standards.*	*1 January 2019*
IAS 12 *Income Taxes* The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.	*1 January 2019*
IAS 23 *Borrowing costs* The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.	*1 January 2019*

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 3 Business Combinations The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including re-measuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be re-measured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.	*1 January 2019*
IFRS 11 Joint Arrangements The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not re-measure its PHI in the joint operation.	*1 January 2019*
Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement The amendments to IAS 19 Employee Benefits clarify the accounting for defined benefit plan amendments, curtailments and settlements.	*1 January 2019*
IFRIC 23 Uncertainty over Income Tax Treatments The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: • Whether tax treatments should be considered collectively; • Assumptions for taxation authorities' examinations; • The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and • The effect of changes in facts and circumstances.	*1 January 2019*

he application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

2.3 New and amended IFRSs in issue but not yet effective and not early adopted

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

New and revised IFRSs	Effective for annual periods beginning on or after
Definition of Material - Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, *Changes in Accounting Estimates and Errors* The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'	*1 January 2020*
Definition of a Business – Amendments to IFRS 3 *Business Combinations* The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. IASB also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.	*1 January 2020*

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to *References to the Conceptual Framework in IFRS Standards* Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	*1 January 2020*
IFRS 7 Financial Instruments: *Disclosures and IFRS 9 — Financial Instruments* Amendments regarding pre-replacement issues in the context of the IBOR reform	*1 January 2020*
IFRS 17 *Insurance Contracts* IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at 1 January 2022.	*1 January 2020*

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except as highlighted in previous paragraphs, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable provisions of Qatar Commercial Companies Law.

Basis of preparation
The consolidated financial statements have been prepared under the historical cost convention, except for investment properties and certain financial instruments that are measured at revalued amounts or fair value at the end of each reporting period.

The consolidated financial statements have been presented in Qatari Riyals ("QR"), which is the Group's presentation and functional currency.

Basis of consolidation
The consolidated financial statements comprise the financial statements of Mazaya Qatar Real Estate Development Q.P.S.C. and its subsidiaries (together referred to as the "Group") as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:
• Power over the investee ;
• Exposure, or rights, to variable returns from its involvement with the investee, and
• The ability to use its power over the investee to affect its returns.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

• Derecognises the assets (including goodwill) and liabilities of the subsidiary.
• Derecognises the carrying amount of any non-controlling interests.
• Derecognises the cumulative translation differences recorded in equity.
• Recognises the fair value of the consideration received.
• Recognises the fair value of any investment retained.
• Recognises any surplus or deficit in profit or loss.
• Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Revenue recognition
The Group's principal revenues are generated from renting residential compounds and rendering property management services.

Renting residential compounds
Rental income from residential compounds are accounted for under IFRS 16.

Rendering of property management services
The Group is involved in property management services including maintenance of residential compounds owned and leased out by the Group. Revenue is recognised over time using an input method to measure progress towards complete satisfaction of the service, because the entity's performance does not create an asset with alternative use, and the entity has a right to payment for performance completed to date. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Under IFRS 15, the total consideration in the service contracts is allocated to all services based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the services in separate contracts. The fair value and stand-alone selling prices of the services are considered to be broadly similar.

Invoices for property management services are issued on monthly intervals based on the volume of services provided measured in the means of volume of power consumption, usage of consumable materials and hours consumed.

Invoices for property management services are issued on a monthly basis and are usually payable within 30-45 days.

There is no variable consideration attached to the Group's service offerings as the Group does not operate any loyalty program schemes, no significant financing components are embedded in its contract with customers, no rebates are offered based on volume of services offered and by its nature of business, right of return and warranty obligations are not applicable.

Leases
(a) The Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
• Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
• The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Group as lessor
Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of comprehensive income. Non-monetary items measured in terms of historical costs in a foreign currency are translated using the exchange rates as of the date of the initial transaction.

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

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

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

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

Computer and equipment	1-3 years
Furniture and fixtures	5 years
Motor vehicles	5 years

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

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the

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

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the consolidated statement of profit or loss and other comprehensive income as the expense is incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of profit or loss and other comprehensive income in the year the asset is derecognized.

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

Subsequent to initial recognition, investment properties are stated at fair value. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Valuations reflect, where appropriate; the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property. Any gain or loss arising from a change in fair value is recognized in the consolidated statement of profit and loss and other comprehensive income.

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

Transfers between property categories
Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:
(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) commencement of development with a view to sale, for a transfer from investment property to inventories;
(c) end of owner-occupation, for a transfer from owner-occupied property to investment property;
(d) commencement of an operating lease to another party, for a transfer from inventories to investment property.

When the Group decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the consolidated statement of financial position) and does not treat it as trading property.

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

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

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

Project in progress
Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss.

Impairment of non financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in this case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
the financial asset is held within a business model whose objective is achieved by both collecting contractual cash
• flows and selling the financial assets; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:
• the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
• the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the consolidated statement of profit or loss and other comprehensive income and is included in the "finance income" line item.

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income – other' line item (note 10) in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

(iii) Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL. Specifically:
- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (ii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item. Fair value is determined in the manner described in note 28.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:
- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss ;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss
- Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL (expected credit losses) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:
(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default
The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iii) Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(iv) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified to statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments

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

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

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

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

Gains or losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognized as well as through the amortization process. Finance cost and other related charges are recognized as an expense when incurred. Installments due within one year are shown as a current liability. Installments due after 1 year are shown as non-current liability.

Islamic finance costs
Islamic finance costs are finance cost and other costs that the Group incurs in connection with the borrowing of funds. The Group capitalizes Islamic finance 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 Islamic 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 Islamic finance costs as an expense in the period incurred.

Contingencies
Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable to the Group.

Dividends income
Dividends income is recognised when the Group's right to receive the payment is established.

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 parent 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.

Dividend distribution
Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

Events after the reporting date
The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are discussed on the financial statements when material.

Fair values
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.

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments and estimates

The preparation of the consolidated financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue recognition
Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognized at a point in time:
a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Business model assessment
Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk
ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Determining the classification of the Service Concession Arrangement/Lease arrangement
The Group has reassessed the service concession arrangement previously accounted for under IFRIC 12 Service Concession Arrangement. Management has applied its best judgement and concluded that this arrangement falls under the scope and requirements of IFRS 16, hence should be accounted for under the said standard.

Determining of commencement date of the lease
The commencement date of the lease has been determined in relation to the date on which the lessor makes the underlying asset available for use by the lessee. Management has applied its best judgement to determine the actual commencement date.

Determining the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue a going concern. Therefore, the financial statements are prepared on a going concern basis.

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Discounting of lease payments
The lease payments are discounted using the Group's incremental borrowing rate ("IBR") in case of lessee and Internal Rate of Return ("IRR") in case of lessor. Management has applied judgments and estimates to determine the IBR and IRR at the commencement of lease.

Residual value guarantees
The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. The amounts are reviewed, and adjusted if appropriate, at the end of each reporting period. Management has applied judgments and estimates to determine the residual value, if any.

Impairment of tangible
The Group's management tests annually whether there is an indication that tangible assets have suffered impairment in accordance with accounting policies stated in note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

Estimated useful lives of property and equipment
The costs of items of property and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:
• Expected usage of the assets,
• Expected physical wear and tear, which depends on operational and environmental factors; and
• Legal or similar limits on the use of the assets.

Management has not made estimates of residual values for any items of property and equipment at the end of their useful lives as these have been deemed to be insignificant.

Classification of investment property
When determining whether property and equipment should be classified as investment property, the Group assesses whether the property is held to earn rentals for capital appreciation or both. The Group follows the guidance of IAS 40 on classifying its investment property. If the property meets the definition, the Group assesses the suitable basis for allocation for the ratio of leased out area in proportion to the total area of the property, either on the basis of floors or square meter area rented out.

Calculation of loss allowance
When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group uses estimates for the computation of loss rates.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Fair value measurements
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages qualified external valuers to perform the valuation. The management/valuation committee if any works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

Assessment as to whether the right-of-use assets is impaired
In estimating the recoverable amount of the right-of-use asset, the management have made assumptions about the achievable market rates for similar properties with similar lease terms.

5. PROPERTY AND EQUIPMENT

	Computer and equipment QR	Furniture and fixtures QR	Motor vehicles QR	Total QR
Cost:				
At 1 January 2018	1,769,781	1,137,955	580,000	3,487,736
Additions	69,866	16,536	-	86,402
At 31 December 2018	1,839,647	1,154,491	580,000	3,574,138
Additions	21,105	4,199	--	25,304
At 31 December 2019	1,860,752	1,158,690	580,000	3,599,442
Depreciation:				
At 1 January 2018	1,640,596	1,137,860	327,329	3,105,785
Charge for the year	133,022	4,118	85,000	222,140
At 31 December 2018	1,773,618	1,141,978	412,329	3,327,925
Charge for the year	73,069	3,943	85,000	162,012
At 31 December 2019	1,846,687	1,145,921	497,329	3,489,937
Net carrying amount				
31 December 2019	**14,065**	**12,769**	**82,671**	**109,505**
31 December 2018	66,029	12,513	167,671	246,213

6. INVESTMENT PROPERTIES

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

	2019 QR	2018 QR
At 1 January	**734,979,899**	738,133,446
Addition upon adoption of IFRS 16 (Note 2.1)	**--**	12,569,453
Fair value movement during the year	**9,214,459**	(15,723,000)
Balance at 31 December	**744,194,358**	734,979,899

The investment properties includes a property leased out under an operating lease agreement to a related party for an annual rent of QR 22.04 million as at 31 December 2019 (2018: QR 23.27 million). Rental income from the property is pledged against the facilities obtained from an Islamic bank (Note 12).

Fair value

The fair value of the Group's investment properties at 31 December 2019 and 2018 has been arrived at on the basis of a valuation carried out at that date by an independent external valuator not related to the Group. The valuations were prepared by certified valuator, specialized in the valuation of real estate and similar activities. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties and discounted cash flows coupled with market and other evidence. In estimating the fair value of the properties, the highest and best use of the properties is considered to be their current use.

	Total QR	**Quoted prices in active markets Level 1 QR**	**Significant observable inputs Level 2 QR**	**Significant unobservable inputs Level 3 QR**
31 December 2019				
Investment properties	744,194,358	--	274,854,905	469,339,453
31 December 2018				
Investment properties	734,979,899	--	264,786,754	470,193,145

Fair value of investment properties except for the Tala residence, Gloria Hotel and Sidra Village Retail Units are valued using the market comparable approach, due to a high volume of transactions involving comparable properties in the areas during the year. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per square feet (sq ft).

	Estimated land value per sq ft	
Properties	**2019 QR**	2018 QR
Plots in Dubai and Qatar	**25-730**	7-730

The fair value of the Tala residence, Gloria Hotel and Sidra Village Retail Units is determined using a discounted cash flow (DCF) method. Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The key unobservable inputs for the three properties under DCF method described below are as follows;

Properties	**2019**	2018
Monthly rental income	**QR 100-175 sq.m**	QR 100-175 sq.m
Rent increment	**5%-15% in every 5 years**	5%-15% in every 5 years
All risk yield – current	**6.75%-8%**	6.75%-8%

6.1 During 2019, management identified certain facts and circumstances which existed at 31 December 2018, but were not taken into consideration in arriving at the fair value estimation of Gloria Hotel. Therefore, management has re-estimated the fair value of Gloria Hotel and restated 2018 financial information to effect the adjustment (Refer to Note 32).

6.2 The related property pertains to the Retail Unit within the Sidra Village which was recognized upon adoption of IFRS 16.

During the year ended 31 December 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. There were no movements within Level 3 fair value measurements.

The above investment properties include an amount of QR 456,770,000 which represents the fair value of the two properties that are registered in the name of the local bank in Qatar.

7. PROJECT IN PROGRESS

	2019 QR	2018 QR
Balance at 1 January	**65,115,044**	100,338,360
Additions	**299,550**	482,050
Impairment loss	**--**	(35,705,366)
Balance at 31 December	**65,414,594**	65,115,044

Project in progress balance includes the amounts spent on development of one of the Group's projects. The initial infrastructure development work for the project is completed. Further, management has reconsidered the recoverability of the cost related for design, consultation and marketing of QR 35.7 million and noted that there were certain facts and circumstances which existed at 31 December 2018, but were not taken into consideration while assessing the recoverability of the project cost in 2018. Hence, management has restated 2018 financial information and recognized an impairment related to the design, consultation and marketing costs with an amount of QR 35.7 million (Refer to Note 32).

8. RIGHT-OF-USE OF ASSETS

	2019 QR	2018 QR
Balance at 1 January	**8,639,443**	10,995,655
Amortization of right-of-use	**(2,356,212)**	(2,356,212)
Balance at 31 December	**6,283,231**	8,639,443

The related right-of-use of asset pertains to the lease of office premise of the Group.

9. INVESTMENT SECURITIES

	2019 QR	2018 QR
Opening balance	**19,638,516**	21,000,000
Impact of initial application of IFRS 9	**--**	(1,024,951)
Balance at 1 January	**19,638,516**	19,975,049
Fair value loss on unquoted equity investment	**--**	(336,533)
Ending balance	**19,638,516**	19,638,516

Investment securities include unquoted equity investment made in a privately held Company in the State of Qatar. Investment securities is valued using Level 3 measurement techniques as per IFRS 7 and there have been no transfers between Level 2 and Level 3 fair value measurements.

10. WAKALA INVESTMENTS

During 2009, the Group had entered into a Wakala contract amounting to QR 65,000,000 with a GCC Investment Company through an agent. The Investment Company did not settle the amount with its accrued profit on the maturity date.

In 2011, the Group obtained a court ruling in its favor, whereby the outstanding Wakala amount, along with related profit, to be settled by the investment Company during the period from June 2013 to June 2017. During 2013, the Group received the first scheduled payment amounting to QR 3,645,605. In 2014, the Investment Company has not honored the installment due to the Group and therefore the Group has decided to provide impairment allowance for the investment amounting to QR 30,677,198. Based on management assessment, no additional provision is required during the year and the remaining amount is fully recoverable.

	2019 **QR**	2018 QR
Wakala investments	**61,354,395**	61,354,395
Less: Provision for impairment	**(30,677,198)**	(30,677,198)
	30,677,197	30,677,197

11. FINANCE LEASE RECEIVABLE

The Group entered into finance lease arrangement as a lessor for the construction, maintenance and operation of residential compound with one of its related parties. The compound is specifically constructed by the Group for leasing out to the related party for a term of 21 years and will be transferred to the related party at the end of the lease term.

Prior to the initial application of IFRS 16, the arrangement was accounted for as a concession agreement.
With the application of IFRS 16, related balances were restated as further explained in Note 2 and Note 32 to the consolidated financial statements using the full retrospective approach. The table below shows the balances as at 31 December:

	2019 **QR**	2018 (Restated) QR
Non-current portion	**1,164,709,484**	1,174,407,166
Current portion	**28,362,593**	20,146,978
	1,193,072,077	1,194,554,144

The following table represents the gross and net investment in the lease.

	2019 **QR**	2018 (Restated) QR
Amount receivable under finance leases:		
Year 1	**100,700,000**	75,525,000
Year 2	**100,700,000**	100,700,000
Year 3	**100,700,000**	100,700,000
Year 4	**100,700,000**	100,700,000
Year 5	**100,700,000**	100,700,000
Onwards	**1,591,060,000**	1,691,760,000
Gross investment in lease	**2,094,560,000**	2,170,085,000
Less: unearned finance income	**(901,487,923)**	(975,530,856)
Present value of minimum lease payments schedule	**1,193,072,077**	1,194,554,144
Impairment loss allowance (ECL)	**--**	--
Net investment in the levase	**1,193,072,077**	1,194,554,144

The finance lease receivable at the end of the reporting period are neither past due nor impaired.

12. RECEIVABLES AND PREPAYMENTS

	2019 QR	2018 (Restated) QR
Prepayments	631,327	1,478,537
Accrued income	--	1,139,069
Refundable deposits	550,525	550,525
Trade receivable	163,716	148,716
Other receivables	2,346,421	1,835,231
	3,691,989	5,152,078
Less: loss allowance on other receivables	(1,125,704)	(1,125,704)
	2,566,285	4,026,374

At 31 December 2019, the other receivables balance of QR 1,125,704 were impaired (2018: QR 1,125,704). During the year, no further loss allowance of receivables were recorded.

13. ISLAMIC BANK BALANCES AND CASH

Islamic bank balances and cash included in the consolidated statement of cash flows include the following amounts:

	2019 QR	2018 QR
Islamic bank balances	13,189,532	25,786,724
Time deposit	59,500,000	--
Cash in hand	20,000	20,000
	72,709,532	25,806,724
Time deposit with maturity of more than 3 month	(59,500,000)	--
Cash and cash equivalent	13,209,532	25,806,724

The time deposit has an original maturity of more than three months and bears profit at market rate. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

14. SHARE CAPITAL

	2019 QR	2018 QR
Authorized, issued and fully paid		
1,157,625,000 ordinary shares of QR 1 each (2018: 1,157,625,000 shares*)	1,157,625,000	1,157,625,000

**Share split*

On May 20, 2019, the Extraordinary General Meeting of the Group approved the par value of the ordinary share to be QR1 instead of QR10, as per the instructions of Qatar Financial Markets Authority (QFMA), and amendment of the related Articles of Association. The share split was implemented on July 3, 2019 and the total number of shares was increased from 115,762,500 to 1,157,625,000 ordinary shares. Consequently, weighted average number of shares outstanding and the computed Earnings per Share (EPS) have been retrospectively adjusted.

15. LEGAL RESERVE

The Qatar Commercial Companies Law No.11 of 2015, requires the Group to transfer 10% of the net profit of the year to a legal reserve. Such transfers may be discontinued at the option of the Group when the legal reserve equates to 50% of the share capital. The reserve is not available for distribution except in the circumstances stipulated in the above mentioned law.

Legal reserve balances as of 31 December 2018 and 1 January 2018 have been adjusted to reflect the changes to prior year financial information as further disclosed in note 32 to the consolidated financial statements.

16. ISLAMIC FINANCE FACILITIES

	Notes	**2019 QR**	2018 QR
Islamic facility 1	(i)	**495,826,851**	522,369,447
Islamic facility 2	(ii)	**187,296,314**	207,339,308
Islamic facility 3	(iii)	**53,521,791**	52,299,000
Islamic facility 4	(iv)	**57,211,495**	--
		793,856,451	782,007,755
Current portion		**176,813,148**	166,706,005
Non-current portion		**617,043,303**	615,301,750
		793,856,451	782,007,755

Notes:

(i) During 2014, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 450 million and subsequently increased the facility to QR 549 million. The agreement carries profit rate at market rates. The facility is repayable in 30 variable quarterly instalments with last instalment due in August 2026. Expected receipts from the Sidra real estate project are pledged against the Islamic facility.

(ii) During 2014, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 274 million. The facility is repayable in 9 annual variable instalments from the end of 2014 till the end of 2021 and a final settlement in 2022. The agreement carries profit rate at market rates. The Islamic facility is secured by a pledge on the rental income from the Tala Residence real estate property.

(iii) During 2017, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance working capital requirements of the Group for an amount of QR 70 million. The agreement carries profit rate at market rates. The facility is repayable on its maturity at 30 September 2019. However, the Group has not paid the related loan and the restructuring is still under negotiation, thus as of 31 December 2019, the principal and the related interest are considered to be due and demandable.

(iv) During 2019, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance the Group for an amount of QR 55,000,000. The agreement carries profit rate at market rates. The Group had drawn QR 57,126,243 as of 31 December 2019. The facility is repayable on its maturity at 30 September 2019. However, the Group has not paid the related loan and the restructuring is still under negotiation, thus the principal and the related interest are considered to be due and demandable.

Islamic finance cost for the period amounted to QR 48,279,931 (Restated 2018: QR 29,240,076). Further during 2018, QR 16,020,955 has been capitalized as part of the arrangement up to the construction phase.

17. LEASE LIABILITIES

	31 December 2019 QR	31 December 2018 (Restated) QR	January 1 2018 (Restated) QR
Balance as at	**9,979,426**	11,781,058	11,781,058
Accretion of interest	**492,125**	503,119	--
Payments	**(2,765,700)**	(2,304,750)	--
Balance as at	**7,705,851**	9,979,427	11,781,058
Current	**2,772,500**	2,273,577	1,801,632
Non-current	**4,933,351**	7,705,850	9,979,426
	7,705,851	9,979,427	11,781,058
Maturity analysis			
Not later than 1 year	**2,772,500**	2,273,577	1,801,632
Later than 1 year and not later than 5 years	**4,933,351**	7,705,850	9,979,426
	7,705,851	9,979,427	11,781,058

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

18. EMPLOYEES' END OF SERVICE BENEFITS

	2019 QR	2018 QR
At 1 January	**1,883,072**	2,057,730
Provided during the year	**511,167**	401,075
Paid during the year	**--**	(575,733)
At 31 December	**2,394,239**	1,883,072

19. PAYABLES AND OTHER LIABILITIES

	2019 QR	2018 QR
Deferred rental income	**12,216,667**	10,979,173
Dividends payable	**14,237,641**	9,064,121
Accrued expenses	**8,176,305**	9,496,280
Social and sports activities fund contribution (Note 24)	**8,281,558**	7,468,986
Encashment of bond (Note i)	**59,827,513**	--
Other payable	**3,385,205**	2,029,936
	106,124,889	39,038,496

i This balance relates to the bond encashment related to one of the Group's projects before expiry. Once all the works will be completed and confirmed, the related remaining balance will be part of the final settlement with the contractor.

20. FINANCE COST

	2019 QR	2018 QR
Islamic finance facilities (Note 16)	**48,279,931**	29,240,076
Lease liabilities (Note 17)	**492,125**	503,119
	48,772,056	29,743,195

21. OTHER INCOME

	2019 QR	2018 QR
Compensation from claims (Note (i))	--	60,000,000
Profit from deposits with Islamic banks	330,442	172,149
Miscellaneous income	--	409,183
	330,442	60,581,332

Note (i)
The Group's key project was delayed significantly by its main contractor. The expected completion date of the project was 8 August 2016 and the completion certificate of the project was issued on 26 June 2018.

The Group had assessed the prolongation costs associated with the substantial delay caused by the main contractor throughout the project duration together with the contractual rights for liquidated damages as per the agreement. Accordingly, the Group had appointed an independent assessor to evaluate the validity of claims raised by the main contractor against the Group and the eligibility of the Group for liquidated damages caused by the contract. Further, the Group had obtained advice from its legal counsel on the enforceability of liquidated damages against the main contractor.

During 2018, based on Group's assessment aided by the independent assessor's evaluation and the Group's legal counsel's advice, the Board of Directors had decided to initiate liquidated damages against the main contractor in accordance with the contractual terms of the agreement between Mazaya Qatar Real Estate Development Q.P.S.C. and the main contractor. Accordingly, the Group realized QR 60,000,000 during the year 2018 (100% of the retention money) by executing the retention bond placed with a local bank in the State of Qatar.

22. GENERAL AND ADMINISTRATIVE EXPENSES

	2019 QR	2018 (Restated) QR
Staff costs	12,052,451	13,894,199
Legal and professional expenses	2,985,918	3,456,704
Registration and regulatory fees	1,194,864	965,548
Marketing and advertising	261,265	388,356
Sharia Board fees	90,000	90,000
Business development	39,244	53,172
Other miscellaneous expenses	1,684,191	1,824,202
	18,307,933	20,672,181

23. BASIC AND DILUTED EARNINGS PER SHARE

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

	2019 QR	2018 Restated (ii) QR
Profit attributable to shareholders of the parent	32,502,883	374,173,823
Weighted average number of shares outstanding during the year (i)	1,157,625,000	1,157,625,000
Basic and diluted earnings per share (QR)	0.03	0.32

The weighted average number of shares for the years ended 31 December 2019 and 2018 has been calculated as follows:

	2019 **QR**	2018 (Restated) QR
Weighted average number of shares at 1 January	**1,157,625,000**	1,157,625,000
Effect of bonus shares issued	**--**	--
Weighted average number of shares at 31 December	**1,157,625,000**	1,157,625,000

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.

(i) As further explained in Note 14 to the consolidated financial statements, the split in share capital, which was implemented in July 2019, has been used retrospectively in the computation of the earnings per share of the Group for the year ended 31 December 2018.
(ii) The earnings per share for the year ended 31 December 2018 reflect the impact of the restatements (refer to Note 32) as follows:

	2018 QR
As previously reported – restated for the impact of the share split	0.01
Impact of adoption of IFRS 16	0.36
Impact of restatement on impairment loss on project in progress	(0.03)
Impact of restatement on net fair value loss on investment properties	(0.02)
As restated	0.32

24. SOCIAL AND SPORTS ACTIVITIES FUND CONTRIBUTION

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit equivalent to 2.5% of the consolidated net profit for the year for the support of sports and social activities.

25. DIVIDENDS

The Board of Directors meeting on 20 March 2019 recommended a dividend of 5% of the share capital equal to QR 0.05 per share totalling to QR 57,881,250 for the year ended 31 December 2018, which was approved by the shareholders during the Annual General Assembly on 16 April 2019.

26. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent entities where the Group is one of their founders, major shareholders in the Group, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Related party transactions

Transactions with related parties during the year were as follows:

	2019 **QR**	2018 QR
Finance income	**74,042,931**	36,472,777
Rental income	**26,012,500**	24,670,833
Revenue from property management	**206,013**	3,292,382

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2019 QR	2018 QR
Salaries and short-term benefits	**4,527,722**	4,599,439
Employees' end of service benefits	**57,100**	115,181
	4,584,822	4,714,620

27. COMMITMENTS AND CONTINGENCIES

Litigations and claims

As of 31 December 2019, the Group was a party to a number of legal cases as defendant or plaintiff. According to the Group's Legal Counsel best estimates, no material liabilities will arise as a result of these cases and accordingly no provisions have been provided against these cases.

28. FINANCIAL INSTRUMENTS

Significant accounting policies

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the consolidated financial statements.

Categories of financial instruments

	Financial assets		**Financial liabilities**		**Fair value hierarchy levels**			
	FVTPL	**Amortised cost**	**FVTPL**	**Amortised cost**	**1**	**2**	**3**	**4**
	QR	**QR**	**QR**	**QR**	**QR**	**QR**	**QR**	**QR**
31 December 2019								
Islamic bank balances and cash (Note 13)	--	**72,709,532**	--	--	--	--	--	--
Investment securities (Note 9)	**19,638,516**	--	--	--	--	--	**19,638,516**	**19,638,516**
Wakala investments (Note 10)	--	**30,677,197**	--	--	--	--	--	--
Finance lease receivables (Note 11)	--	**1,193,072,077**	--	--	--	--	--	--
Receivables (Note 12)	--	**1,934,957**	--	--	--	--	--	--
Islamic finance facilities (Note 16)	--	--	--	**(793,856,451)**	--	--	--	--
Lease liabilities (Note 17)				**(7,705,851)**				
Payables (Note 19)	--	--	--	**(85,731,918)**	--	--	--	--

	Financial assets		Financial liabilities		Fair value hierarchy levels			
	FVTPL	Amortised cost	FVTPL	Amortised cost	1	2	3	4
	QR	QR	QR	QR	QR	QR	QR	QR
31 December 2018 (Restated)								
Islamic bank balances and cash (Note 13)	--	25,806,724	--	--	--	--	--	--
Investment securities (Note 9)	19,638,516	--	--	--	--	--	19,638,516	19,638,516
Wakala investments (Note 10)	--	30,677,197	--	--	--	--	--	--
Finance lease receivables (Note 11)	--	1,194,554,144	--	--	--	--	--	--
Receivables (Note 12)	--	2,547,837	--	--	--	--	--	--
Islamic finance facilities (Note 16)	--	--	--	(782,007,755)	--	--	--	--
Lease liabilities (Note 17)				(9,979,427)				
Payables (Note 19)	--	--	--	(18,563,044)	--	--	--	--

(a) Fair value measurements
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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Valuation techniques and assumptions applied for the purposes of measuring fair value.

1) Fair value measurements recognised in the consolidated statement of financial position

Investment securities of the Group's financial assets are measured at fair value at the end of the reporting period.

(b) Reconciliation of liabilities arising from financing activities

The below table details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	At 1 January 2019 QR	Financing cash flows QR	Non cash changes QR	At 31 December 2019 QR
Islamic finance liabilities	**(782,007,755)**	**(10,220,730)**	**--**	**(792,228,485)**
Lease liabilities	**(9,979,426)**	**2,765,700**	**(492,125)**	**(7,705,851)**

	At 1 January 2018 (Restated) QR	Financing cash flows QR	Non cash changes QR	At 31 December 2018 (Restated) QR
Islamic finance liabilities	(782,007,755)	(10,220,730)	--	(792,228,485)
Lease liabilities	(11,781,058)	2,765,700	(964,068)	(9,979,426)

29. FINANCIAL RISK MANAGEMENT

Risk management framework

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

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

The main risks arising from the Groups' financial instruments are market risk, credit risk, real estate risk, profit rate risk and liquidity risk. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

i.) Credit risk
Credit risk is the risk of financial losses to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from the Group's other financial asset, Wakala investments, accrued income, refundable deposits and Islamic bank balances.

With respect to credit risk arising from the financial assets, 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 as follows:

	2019 QR	2018 QR
Finance lease receivable	**1,193,072,077**	1,194,554,144
Wakala investments	**30,677,197**	30,677,197
Islamic bank balances	**72,709,532**	25,786,724
Accrued income	**--**	1,139,069
Refundable deposits	**550,525**	550,525
Trade receivable	**163,716**	148,716
Other receivables	**1,220,716**	709,527
	1,298,393,763	1,253,565,902

Trade receivables and accrued income

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and necessary measures are taken to collect timely in accordance with established policies.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by service type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has not accounted for any expected credit losses on trade receivables and accrued income as the amounts are considered to be clearly insignificant.

Islamic bank balances

The Group held Islamic bank balances of QR 73,752,603 at 31 December 2019 (2018: QR 25,786,724). The Islamic bank balances are held with bank and financial institution counterparties, which are highly rated, based on internationally accepted credit ratings.

The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

31 December 2019	Note	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Receivables	12	N/A	i	Lifetime ECL	**3,060,661**	**(1,125,704)**	**1,934,957**
Finance lease receivables	11	N/A	i	Lifetime ECL	**1,193,072,077**	**--**	**1,193,072,077**
Wakala investments	10	N/A	i	Lifetime ECL	**61,354,395**	**(30,677,198)**	**30,677,197**
Islamic bank balances	13	BB	N/A	12-month ECL	**72,709,532**	**--**	**72,709,532**

31 December 2018	Note	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Receivables	12	N/A	i	Lifetime ECL	3,673,541	(1,125,704)	2,547,837
Finance lease receivables	11	N/A	i	Lifetime ECL	1,194,554,144	--	1,194,554,144
Wakala investments	10	N/A	i	Lifetime ECL	61,354,395	(30,677,198)	30,677,197
Islamic bank balances	13	BB	N/A	12-month ECL	25,806,724	--	25,806,724

(i) For receivables, finance lease receivables and wakala investments, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

ii.) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Groups' 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 Groups' reputation.

The Group limits its liquidity risk by ensuring Islamic bank facilities are available. The Groups' terms of service require amounts to be settled within its specified terms in the contracts and invoices. Trade accounts payable are normally settled within the terms of service from the supplier.

The table below summarises the maturities of the Groups' undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

31 December 2019	**Less than 3 months QR**	**3 to 12 months QR**	**1 to 5 years QR**	**> 5 years QR**	**Total QR**
Accounts payable	**63,212,719**	**--**	**--**	**--**	**63,212,719**
Lease liabilities	**--**	**2,772,500**	**4,933,350**	**--**	**7,705,850**
Social and sports activities fund contribution	**--**	**8,281,558**	**--**	**--**	**8,281,558**
Islamic finance facilities	**--**	**176,813,148**	**617,043,303**	**--**	**793,856,451**
Dividends payable	**--**	**14,237,641**	**--**	**--**	**14,237,641**
Total	**63,212,719**	**202,104,847**	**621,976,653**	**--**	**887,294,219**

As at 31 December 2018 (Restated)	Less than 3 months QR	3 to 12 months QR	1 to 5 years QR	> 5 years QR	Total QR
Accounts payable	2,029,937	--	-	--	2,029,937
Lease liabilities	--	2,273,577	7,705,849	--	9,979,426
Social and sports activities fund contribution	--	7,468,986	-	--	7,468,986
Islamic finance facilities	--	166,706,005	615,301,750	--	782,007,755
Dividends payable	--	9,064,121	-	--	9,064,121
Total	2,029,937	185,512,689	623,007,599	--	810,550,225

The Group has exposure to liquidity risk as its current liabilities exceeded its current assets by QR 182,072,127 as of 31 December 2019, however, management is in the process of negotiating alternative funding sources to enable the Group to meet its obligations as they fall due.

iii.) Market risk

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

iv.) Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure 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.

In the opinion of the management, the Group's exposure to currency risk is minimal as the Group does not have any foreign currency denominated balances due to or due from as of the reporting date.

v.) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. The Group adopts a policy of ensuring that profit rates on short term deposits and finance cost rate on Islamic financing borrowings exposures are reviewed monthly, and that finance cost rates are not subject to present fluctuations in profit rates. The Group's policy ensures that most of the exposure on profit rates on borrowings are on a fixed basis or are based on Qatar Central Bank rate REPO rates , unless, the variable basis are in favourable terms to the Group.

Further, the Group does not account for any financial assets and liabilities at fair value through profit or loss, and the Group has not entered into derivative instrument agreements, therefore the changes to Islamic bank profit rates at the reporting date would not adversely affect the profit or loss.

At the reporting date the profile of the Group's profit bearing financial instrument was:

	2019 **QR**	2018 QR
Islamic finance facilities	**793,856,451**	782,007,755

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

	Net effect on profit or loss +25b.p QR
At 31 December 2019	**1,984,641**
At 31 December 2018	1,955,019

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 employs experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process, and utilizes the accumulated experience in contracting for the purpose of reducing development costs as compared to the relevant market.

• A major tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associated property (refer to 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.

vii.) Other risks

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

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of unquoted equity investment by valuation technique:

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

The fair value of fair value of unquoted equity investment held by the Group are as follows:

		Fair value measurement using		
31 December 2019	Total QR	Quoted prices in active markets Level 1 QR	Significant observable inputs Level 2 QR	Significant unobservable inputs Level 3 QR
Unquoted equity investment	19,638,516	--	--	19,638,516
	19,638,516	--	--	19,638,516

		Fair value measurement using		
31 December 2018	Total QR	Quoted prices in active markets Level 1 QR	Significant observable inputs Level 2 QR	Significant unobservable inputs Level 3 QR
Unquoted equity investment	19,638,516	--	--	19,638,516
	19,638,516	--	--	19,638,516

During the year ended 31 December 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. There were no movements within Level 3 fair value measurements.

30. SEGMENT INFORMATION

The Group has only one business segment, that is investment and development operations of real estate properties. The Group operates mainly in the State of Qatar and United Arab Emirates in Dubai. In 2019, there have been no material Dubai operations that needs to be considered as reportable segment.

31. CAPITAL RISK MANAGEMENT

Management's policy is to maintain a strong capital base so as to maintain the trust of investors and creditors and to sustain future development of the business. The management monitors the capital, which the Group defines as share capital and retained earnings.

The Group manages its capital structure and makes adjustments to it, in light of changes in business conditions and owners' expectations. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or increase capital. No changes were made in the objectives, policies or processes during the year ended 31 December 2019 and 2018.

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 forshareholders and benefits for other stakeholders;
• to provide an adequate return to shareholders by pricing products and services commensurately with the level o f risk; and
• to remain within the Group's quantitative banking covenants and attain a strong credit rating.

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

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

	2019 **QR**	2018 (Restated) QR
Total liabilities	**910,106,430**	832,908,750
Less: Islamic bank balances and cash	**(72,709,532)**	(25,806,724)
Net debt	**837,396,898**	807,102,026
Total equity	**1,224,558,865**	1,250,774,804
Net debt to equity ratio at 31 December	**68%**	65%

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

The Group's borrowing to fair value of investment properties ratio at the reporting date is as follows:

	2019 **QR**	2018 (Restated) QR
Islamic finance facilities	**793,856,451**	782,007,755
Fair value of investment properties	**744,194,358**	743,064,446
Borrowing to fair value ratio at 31 December	**107%**	105%

32. RESTATEMENT

In accordance with the requirements of IAS 8, "Accounting policies, changes in accounting estimates and errors", the Group has restated its comparative figures to rectify the following items in the prior year's consolidated financial statements as follows:

a) During 2019, management identified certain facts and circumstances which existed at 31 December 2018 but were not taken into consideration in arriving at the fair value estimation of Gloria Hotel. Hence, management has re-estimated the fair value of Gloria Hotel and restated the financial information during 2018.

b) During 2019, management has reconsidered the recoverability of the cost related for the design, consultation and marketing and identified certain facts and circumstances which was not taken into consideration while assessing the recoverability of the project cost in 2018. Hence, management has impaired the cost related for the design, consultation and marketing and restated the financial information during 2018.

c) With reference to Note 2 and Note 11 to the consolidated financial statement, the Group has restated prior year comparatives at 1 January 2018 and 31 December 2018 numbers to reflect the retrospective impact of the initial application of IFRS 16.

	As previously stated QR	Adjustment (a) & (b) QR	IFRS 16 Impact (c) QR	As restated QR
As at 1 January 2018:				
Consolidated statement of financial position				
Other financial assets	1,393,978,264	--	(1,393,978,264)	--
Project in progress	100,338,360	--	792,633,221	892,971,581
Retained earnings/(accumulated losses) (post adoption of IFRS 9)	255,390,107	--	(550,234,218)	(294,844,111)
Legal reserve	66,131,255	--	(51,896,229)	14,235,026
Rights of use of assets	--	--	10,995,655	10,995,655
Lease liabilities	--	--	11,781,058	11,781,058

	As previously stated QR	Adjustment (a) & (b) QR	IFRS 16 Impact (c) QR	As restated QR
As at 31 December 2018:				
Consolidated statement of financial position				
Other financial assets	1,393,978,264	--	(1,393,978,264)	--
Finance lease receivable	--	--	1,194,554,144	1,194,554,144
Investment properties	743,064,446	(20,654,000)	12,569,453	734,979,899
Rights of use of assets	--	--	8,639,443	8,639,443
Project in progress	100,820,410	(35,705,366)	--	65,115,044
Lease liabilities	--	--	(9,979,427)	(9,979,427)
Legal reserve	67,790,994	(5,635,937)	(10,502,649)	51,652,408
Retained earnings	269,912,826	(50,723,429)	(177,692,002)	41,497,395

	As previously stated QR	Adjustment (a) & (b) QR	IFRS 16 Impact (c) QR	As restated QR
For the year ended 31 December 2018:				
Consolidated statement of profit or loss and other comprehensive income				
Net fair value gain/(loss) on investment properties	4,931,000	(20,654,000)	--	(15,723,000)
Impairment (loss) on project in progress	--	(35,705,366)	--	(35,705,366)
Finance income	--	--	36,472,777	36,472,777
Finance (cost)	(45,261,032)	--	15,517,837	(29,743,195)
General and administrative expenses	(22,976,931)	--	2,304,749	(20,672,182)
Amortisation for rights-of-use of assets	--	--	(2,356,212)	(2,356,212)
Gain on derecognition of other financial assets	--	--	361,996,644	361,996,644

	As previously stated QR	Adjustment (a) & (b) QR	IFRS 16 Impact (c) QR	As restated QR
For the year ended 31 December 2018:				
Consolidated statement of cash flow				
Net fair value (gain)/loss on investment properties	(4,931,000)	20,654,000	--	15,723,000
Impairment loss on project in progress	--	35,705,366	--	35,705,366
Finance income	--	--	(36,472,777)	(36,472,777)
Finance costs	45,261,032	--	(15,517,837)	29,743,195
Amortisation for rights-of-use of assets	--	--	2,356,212	2,356,212
Payment of lease liabilities	--	--	(2,304,750)	(2,304,750)
Gain on derecognition of other financial assets	--	--	(361,996,644)	(361,996,644)