Mazaya Qatar Real Estate Development Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2014

Building a better working world

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Mazaya Qatar Real Estate Development Q.S.C. (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2013 were audited by another auditor, who expressed an unmodified opinion on those statements on 23 March 2014.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C. (CONTINUED)

Report on legal and other requirements

Furthermore, in our opinion, proper books of account have been kept by the Group, and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Group or its financial position. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Group.

Firas Qoussous
of Ernst & Young
Auditor's Registration No. 236

ERNST & YOUNG
Doha
محاسبون قانونيون
الدوحة
أرنست ويونغ

Date: 12 March 2015
Doha

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 DECEMBER 2014

	Notes	2014 QR	2013 QR
ASSETS			
Islamic bank balances and cash	3	**33,924,170**	85,983,309
Receivables and prepayments	4	**23,669,327**	46,376,268
Other financial assets	5	**871,202,127**	496,787,772
Available-for-sale financial assets	6	**21,000,000**	21,000,000
Wakala investments	7	**30,677,197**	61,354,395
Project in progress	8	**98,595,652**	92,097,064
Investment properties	9	**762,514,001**	762,574,081
Property and equipment	10	**200,562**	408,800
TOTAL ASSETS		**1,841,783,036**	1,566,581,689
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	11	**104,349,323**	141,403,529
Due to a related party	23	**1,982,344**	5,601,046
Islamic finance facilities	12	**434,439,810**	208,485,362
Employees' end of service benefits	13	**942,609**	1,225,965
TOTAL LIABILITIES		**541,714,086**	356,715,902
EQUITY			
Share capital	14	**1,000,000,000**	1,000,000,000
Legal reserve	15	**44,582,294**	27,638,380
Retained earnings		**255,486,656**	182,227,407
TOTAL EQUITY		**1,300,068,950**	1,209,865,787
TOTAL LIABILITIES AND EQUITY		**1,841,783,036**	1,566,581,689

Rashid Bin Fahad Al Naimi
Chairman

Hamad Bin Ali Al Hedfa
Chief Executive Officer

The attached notes from 1 to 28 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	*2014 QR*	*2013 QR*
Construction revenue	5	**374,414,355**	496,787,772
Construction costs	5	**(153,417,985)**	(338,046,894)
Gross profit		**220,996,370**	158,740,878
Rental income		**41,637,492**	38,494,994
Revenue from property management		**9,459,967**	-
Operating expenses		**(4,535,828)**	(5,193,777)
Income from operations		**267,558,001**	192,042,095
Net fair value loss on investment properties	9	**(60,080)**	(2,461,130)
Other income	16	**6,655,609**	618,831
Provision for investment and receivables impairment	17	**(45,302,894)**	(12,745,827)
General and administrative expenses	18	**(26,042,167)**	(25,370,668)
Depreciation	10	**(255,275)**	(470,364)
Management fees	19	**(2,500,000)**	(3,000,000)
Finance costs	12	**(30,614,052)**	(14,579,995)
Profit for the period		**169,439,142**	134,032,942
Other comprehensive income		**-**	-
Total comprehensive income for the period		**169,439,142**	134,032,942
Basic and diluted earnings per share *(attributable to shareholders of the parent expressed in QR per share)*	20	**1.694**	1.340

The attached notes from 1 to 28 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Share capital QR	*Legal reserve QR*	*Retained earnings QR*	*Total QR*
Balance at 1 January 2013	1,000,000,000	14,235,086	124,948,583	1,139,183,669
Total comprehensive income for the year	-	-	134,032,942	134,032,942
Transfer to legal reserve	-	13,403,294	(13,403,294)	-
Contribution to Social and Sports Activities Fund (Note 21)	-	-	(3,350,824)	(3,350,824)
Dividends (Note 22)	-	-	(60,000,000)	(60,000,000)
Balance at 1 January 2014	1,000,000,000	27,638,380	182,227,407	1,209,865,787
Total comprehensive income for the year	-	-	169,439,142	169,439,142
Transfer to legal reserve	-	16,943,914	(16,943,914)	-
Contribution to Social and Sports Activities Fund (Note 21)	-	-	(4,235,979)	(4,235,979)
Dividends (Note 22)	-	-	(75,000,000)	(75,000,000)
Balance at 31 December 2014	**1,000,000,000**	**44,582,294**	**255,486,656**	**1,300,068,950**

The attached notes from 1 to 28 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Notes	*2014* *QR*	*2013* *QR*
OPERATING ACTIVITIES			
Profit for the year		**169,439,142**	134,032,942
Adjustments for:			
Depreciation	10	**255,275**	470,364
Net fair value loss on investment properties	9	**60,080**	2,461,130
Provision for impairment of receivables	17	**14,625,696**	12,745,827
Provision for impairment of Wakala investments	17	**30,677,198**	-
Provision for (reversal of) employees' end of service benefits	13	**245,796**	(243,418)
Dividend income	16	**(1,940,000)**	-
Profit from deposits with Islamic banks	16	**(438,804)**	(577,484)
Finance costs		**30,614,052**	14,579,995
Operating profit before working capital changes		**243,538,435**	163,469,356
Working capital changes:			
Receivables and prepayments		**(366,333,110)**	(390,021,782)
Due to a related party		**(3,618,702)**	5,601,046
Payables and other liabilities		**(46,817,614)**	96,719,839
Cash flows used in operations		**(173,230,991)**	(124,231,541)
Finance costs paid		**(30,614,052)**	(14,579,995)
Employees' end of service benefits paid	13	**(529,152)**	(320,515)
Net cash flows used in operating activities		**(204,374,195)**	(139,132,051)
INVESTING ACTIVITIES			
Additional development costs of investment properties	9	**-**	(6,997)
Addition to project in progress	8	**(6,498,588)**	(66,230,740)
Profit received from deposits with Islamic banks		**438,804**	577,484
Proceeds from Wakala investments	7	**-**	3,645,605
Dividends received		**1,940,000**	-
Purchase of property and equipment	10	**(47,037)**	(141,998)
Net cash flows used in investing activities		**(4,166,821)**	(62,156,646)
FINANCING ACTIVITIES			
Proceeds from Islamic finance facilities		**448,063,898**	208,485,362
Repayment of Islamic finance facilities		**(222,109,450)**	(60,000,000)
Dividends paid		**(69,472,571)**	(54,943,238)
Net cash flows from financing activities		**156,481,877**	93,542,124
DECREASE IN ISLAMIC BANK BALANCES AND CASH		**(52,059,139)**	(107,746,573)
Islamic bank balances and cash at 1 January		**85,983,309**	193,729,882
ISLAMIC BANK BALANCES AND CASH AT 31 DECEMBER		**33,924,170**	85,983,309

The attached notes from 1 to 28 form an integral part of these consolidated financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Mazaya Qatar Real Estate Development Q.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.

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.

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 2014, include the following subsidiaries:

Name of The Company	*Share capital QR*	*Country of incorporation*	*Effective percentage of ownership*	
			2014	*2013*
Qortuba Real Estate Investment Company S.P.C.	200,000	Qatar	**100%**	100%
Gulf Spring Real Estate Investment and Development Company S.P.C.	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.	12,106	Lebanon	**100%**	100%

Notes:

1. Granada Real Estate Investment Company W.L.L. is registered in the names of Mazaya Qatar Real Estate Development Q.S.C. and an employee of the Group, who is holding these investments on behalf of the Group. This investment has been treated as fully owned subsidiary of the Group on the basis that the beneficial interest of the investment resides with the Group.

2. Mazaya Lebanon for Tourism Development and Real Estate S.A.R.L. is registered in the name of three Directors of the Group, who are holding this investment on behalf of the Group. This investment has been treated as fully owned subsidiary of the Group on the basis that the beneficial interest of the investment resides with the Group.

3. The commercial registration of Gulf Spring Real Estate Investment and Development Company S.P.C. has been expired on 2 November 2011.

The consolidated financial statements of the Group for the year ended 31 December 2014 were authorised for issue by the Board of Directors on 12 March 2015.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, modified to include the measurement at fair value of investment properties. The consolidated financial statements have been presented in Qatari Riyals ("QR"), which is the Group's presentation and functional currency.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the applicable requirements of the Qatar Commercial Companies' Law No. 5 of 2002.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Mazaya Qatar Real Estate Development Q.S.C. and its subsidiaries (together referred to as the "Group") as at 31 December 2014. 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:

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

- 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 three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

2.3 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are disclosed in Note 25.

2.4 Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013, except for the adoption of the new standards and interpretations effective as of 1 January 2014 as noted below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Group, since none of the entity in the Group qualifies to be an investment entity under IFRS 10.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Changes in accounting policy and disclosures (continued)

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36
These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. These amendments have no impact on the Group.

Standards issued but not yet effective
The following new standards have been issued but are not yet effective. The Group is currently evaluating the impact of these new standards.

Topic	*Effective date*
IFRS 9 Financial Instruments	1 January 2018
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests	1 January 2016
Amendments to IAS 16 and IAS 38: Clarifications of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	1 January 2016
Amendments to IAS 27: Equity method in Separate Financial Statements	1 January 2016

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.5 Significant accounting policies

Islamic bank balances and cash
Islamic bank balances and cash in the statement of cash flows comprise Islamic bank balances and cash net of outstanding Islamic bank overdrafts, if any.

Receivables
Rent and other receivables are recognised at their original invoiced value. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Other financial assets
Financial assets resulting from the application of IFRIC 12 "Service Concession Arrangements" are recorded in the statement of financial position under the heading "Other financial asset" and recognized at amortized cost.

Available-for-sale financial assets
All available-for-sale financial assets are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Significant accounting policies (continued)

Available-for-sale financial assets (continued)
After initial recognition, available-for-sale financial assets which have a quoted market price and whose fair value can be reliably measured are remeasured at fair value. The unrealised gains and losses on remeasurement to fair value are reported as a separate component of equity under other comprehensive income until the investment is sold, collected or otherwise disposed off, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated statement of comprehensive income for the year.

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

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 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 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 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.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Significant accounting policies (continued)

Investment properties (continued)
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 comprehensive income.

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 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 comprehensive income.

Impairment and uncollectibility of financial assets
An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the consolidated statement of comprehensive income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated statement of comprehensive income;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

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.

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 that computers and equipment.

Depreciation is recognized in the consolidated statement of 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
Motor vehicles	5 years
Furniture and fixtures	5 years

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

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Significant accounting policies (continued)

Property and equipment (continued)
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 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 comprehensive income in the year the asset is derecognized.

Payables and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions
A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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 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.

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.

Derecognition of financial assets and liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

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

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Significant accounting policies (continued)

Derecognition of financial assets and liabilities
Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Groups' continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

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 indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's 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 groups 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 costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for furniture and equipment previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

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 Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor 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 the consolidated statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

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 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:

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Significant accounting policies (continued)

Fair values (continued)

- 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

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

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

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

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

The Group classifies all other liabilities as non-current.

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.

Contingencies
Contingent liabilities are not recognised in the consolidated financial statement. 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.

Revenue recognition

Rental income
Rental income receivable from operating leases is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises.

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

Service charges and expenses recoverable from tenants
Income arising from expenses recharged to tenants is recognized in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue, as the directors consider that the Group acts as principal in this respect.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Significant accounting policies (continued)

Revenue recognition (continued)

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

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

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

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

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.

Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

3 ISLAMIC BANK BALANCES AND CASH

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

	2014 *QR*	*2013* *QR*
Short term deposits (i)	**20,000,000**	1,000,000
Islamic bank balances	**13,904,220**	84,963,359
Cash in hand	**19,950**	19,950
	33,924,170	85,983,309

Note:
(i) Short term deposits are made for varying periods depending on the immediate cash requirements of the Group with original maturity dates of less than three months and carry profit at commercial market rates.

4 RECEIVABLES AND PREPAYMENTS

	2014 *QR*	*2013* *QR*
Trade receivables	**30,141,652**	16,641,660
Advances to contractors	**23,021,765**	44,334,877
Prepayments	**534,330**	573,893
Refundable deposits	**86,948**	86,948
Staff receivables	**10,370**	240,199
Other receivables	**1,141,618**	1,140,351
	54,936,683	63,017,928
Less: Provision for impairment	**(31,267,356)**	(16,641,660)
	23,669,327	46,376,268

Movements in the provision for impairment of trade and other receivables were as follows:

	2014 *QR*	*2013* *QR*
Balance at 1 January	**16,641,660**	3,895,833
Provided during the year (Note 17)	**14,625,696**	12,745,827
	31,267,356	16,641,660

At 31 December 2014, the entire trade receivables balance of QR 30,141,652 and other receivables of QR 1,125,704 were impaired (2013 : trade receivables of QR 16,641,660 were impaired).

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

2014	***Current*** ***QR***	***Non-current*** ***QR***	***Total*** ***QR***
Trade receivables	**30,141,652**	-	**30,141,652**
Advances to contractors	-	**23,021,765**	**23,021,765**
Prepayments	**534,330**	-	**534,330**
Refundable deposits	-	**86,948**	**86,948**
Staff receivables	**10,370**	-	**10,370**
Other receivables	**1,141,618**	-	**1,141,618**
	31,827,970	**23,108,713**	**54,936,683**

2013	*Current* *QR*	*Non-current* *QR*	*Total* *QR*
Trade receivables	16,641,660	-	16,641,660
Advances to contractors	21,313,112	23,021,765	44,334,877
Prepayments	573,893	-	573,893
Refundable deposits	-	86,948	86,948
Staff receivables	240,199	-	240,199
Other receivables	1,140,351	-	1,140,351
	39,909,215	23,108,713	63,017,928

5 OTHER FINANCIAL ASSETS

The Group had entered into a Service Concession Arrangement with Qatar Foundation for Education, Science and Community Development (the "Qatar Foundation" or "QF"), a related party, to build, operate and transfer (BOT) a residential compound. Under the terms of this agreement Qatar Foundation has contractually guaranteed to rent this compound at specified and determinable amount for a period of 20 years.

During the year, the Group has recognized revenue and cost relating to the arrangement amounting to QR 374,414,355 and QR 153,417,985, respectively. (2013 : QR 496,787,772 and QR 338,046,894 respectively).

As of December 31, the following amounts are reflected in the consolidated statement of financial position of the Group:

	2014 *QR*	*2013* *QR*
Other financial asset	**871,202,127**	496,787,772
Other financial asset are segregated between current and non-current portions as follows:		
Non-current portion	**648,629,455**	496,787,772
Current portion	**222,572,672**	-
	871,202,127	496,787,772

Expected receipts from the asset is pledged against the facilities obtained from an Islamic Bank.

6 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014 *QR*	*2013* *QR*
Investment in unquoted shares	**21,000,000**	21,000,000

Unquoted shares investment include investment made in a privately held Company in the State of Qatar. This investment is recorded at cost since the fair value cannot be reliably measured. Management believes that the amount is not impaired.

7 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 investments in amount of QR 30,677,198.

	2014 *QR*	*2013* *QR*
Wakala investments	**61,354,395**	61,354,395
Less: Provision for impairment (Note 17)	**(30,677,198)**	-
	30,677,197	61,354,395

8 PROJECT IN PROGRESS

	2014 *QR*	*2013* *QR*
Balance at 1 January	**92,097,064**	127,813,286
Additions	**6,498,588**	66,230,740
Transferred to construction contract	**-**	(101,946,962)
Balance at 31 December	**98,595,652**	92,097,064

Project in progress balance includes the amounts spent on development of one of the Company's projects. The Initial infrastructure development work for the project is completed and currently the main construction work is undergoing.

9 INVESTMENT PROPERTIES

	2014 *QR*	*2013* *QR*
At cost	**652,130,931**	652,130,931
Cumulative change in fair value	**110,383,070**	110,443,150
	762,514,001	762,574,081

The investment properties include:

(i) A property leased out under an operating lease agreement to a third party for an annual income computed at QR 14 million plus 50% of the gross operating profit with an increase in rental value every 3 years.

(ii) A property leased out under an operating lease agreement to a related party for an annual rent of QR 24.75 million with an increase in rental value every 5 years. Rental income from the property is pledged against the facilities obtained from Islamic banks.

The fair value of the Group's investment properties at 31 December 2014 and 2013 has been arrived at on the basis of a valuation carried out at that date by an independent valuer not related to the Group. The valuations were prepared by certified valuers, 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 lowest and best use of the properties is their current use.

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

	2014 *QR*	*2013* *QR*
At 1 January	**762,574,081**	765,028,214
Fair value movement during the year	**(60,080)**	(2,461,130)
Development costs during the year	**-**	6,997
	762,514,001	762,574,081

10 PROPERTY AND EQUIPMENT

	Computer and equipment QR	*Furniture and fixtures QR*	*Motor vehicles QR*	*Total QR*
Cost:				
At 1 January 2013	1,449,837	1,263,803	155,000	2,868,640
Additions	140,594	1,404	-	141,998
At 31 December 2013	1,590,431	1,265,207	155,000	3,010,638
Additions	47,037	-	-	47,037
Disposals	(23,592)	-	-	(23,592)
At 31 December 2014	1,613,876	1,265,207	155,000	3,034,083
Depreciation:				
At 1 January 2013	1,164,875	881,158	85,441	2,131,474
Charge for the year	225,939	213,425	31,000	470,364
At 31 December 2013	1,390,814	1,094,583	116,441	2,601,838
Charge for the year	156,421	67,854	31,000	255,275
Relating to disposals	(23,592)	-	-	(23,592)
At 31 December 2014	1,523,643	1,162,437	147,441	2,833,521
Net carrying amount 31 December 2013	199,617	170,624	38,559	408,800
31 December 2014	**90,233**	**102,770**	**7,559**	**200,562**

11 PAYABLES AND OTHER LIABILITIES

	2014 QR	*2013 QR*
Retention payable	**40,419,445**	34,932,451
Accrued expenses	**31,006,371**	30,564,803
Deferred rental income	**13,612,500**	16,500,000
Dividend payables	**10,584,191**	5,056,762
Social and Sports Fund contribution	**7,586,803**	3,350,824
Accounts payable	**1,140,013**	50,998,689
	104,349,323	141,403,529

11 PAYABLES AND OTHER LIABILITIES (continued)

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

2014	*Current* *QR*	*Non-current* *QR*	*Total* *QR*
Retention payable	-	40,419,445	40,419,445
Accrued expenses	31,006,371	-	31,006,371
Deferred rental income	13,612,500	-	13,612,500
Dividend payables	10,584,191	-	10,584,191
Social and sports fund contribution	7,586,803	-	7,586,803
Accounts payable	1,140,013	-	1,140,013
	63,929,878	40,419,445	104,349,323

2013	*Current* *QR*	*Non-current* *QR*	*Total* *QR*
Retention payable	-	34,932,451	34,932,451
Accrued expenses	30,564,803	-	30,564,803
Deferred rental income	16,500,000	-	16,500,000
Dividend payables	5,056,762	-	5,056,762
Social and sports fund contribution	3,350,824	-	3,350,824
Accounts payable	50,998,689	-	50,998,689
	106,471,078	34,932,451	141,403,529

12 ISLAMIC FINANCE FACILITIES

	Notes	*2014* *QR*	*2013* *QR*
Islamic facility 1	(i)	260,150,912	-
Islamic facility 2	(ii)	174,288,898	-
Islamic facility 3	(iii)	-	173,485,362
Islamic facility 4	(iv)	-	35,000,000
		434,439,810	208,485,362
Presented in the consolidated statement of financial position as follows:			
Current portion		12,221,204	208,485,362
Non-current portion		422,218,606	-
		434,439,810	208,485,362

Notes:

(i) During 2014, the Group entered into an Ijarah agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 273,775,000. The Islamic facility commenced on 2014 and is repayable in 8 annual variable instalments from the end of 2014 to till the end of 2021 and a final settlement in 2022. The Islamic facility carries profit rate at market rates. The Islamic facility is secured by pledging against the rental income from one of the Group's investment properties.

12 ISLAMIC FINANCE FACILITIES (continued)

(ii) During 2014, the Group entered into a Murabaha agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 450,000,000. The agreement carries profit rate at market rates. The Islamic facility commenced on 2014, the Group had drawn QR 174,288,898 as of 31 December 2014 and is repayable in 11 variable semi-annual instalments. Expected receipts from one of the Group's assets is pledged against the Islamic facility.

(iii) During 2012, the Group entered into a Syndicated Murabaha agreement with an Islamic Bank in order to finance a real estate project of the Group for USD 106,600,000. The agreement carries profit rate at market rates. The Group had drawn USD 47,675,424 from the Islamic facility as of 31 December 2013. The outstanding balance was settled in full during the year.

(iv) During 2013, the Group entered into a Murabaha agreement with an Islamic Bank in order to finance real estate projects of the Group for an amount of QR 35,000,000. The agreement carries profit rate at market rates. The outstanding balance has been settled in full during the year.

Note:

Islamic finance cost for the year amounted to QR 30,614,052 (2013: QR 14,579,995).

13 EMPLOYEES' END OF SERVICE BENEFITS

The movements in the provision are as follows:

	2014 ***QR***	*2013* *QR*
At 1 January	**1,225,965**	1,789,898
Provided (reversed) during the year	**245,796**	(243,418)
End of service benefits paid	**(529,152)**	(320,515)
At 31 December	**942,609**	1,225,965

14 SHARE CAPITAL

	2014 ***QR***	*2013* *QR*
Authorized, issued and fully paid		
100,000,000 shares of QR 10 each.	**1,000,000,000**	1,000,000,000

15 LEGAL RESERVE

The Qatar Commercial Companies' Law No.5 of 2002, requires the Company to transfer 10% of the net profit of the year to a legal reserve. Such transfers may be discontinued at the option of the Company when the legal reserve equates to 50% of the share capital. During the year the Group has transferred QR 16,943,914 (2013 : QR 13,403,294) to the reserve. The reserve is not normally available for distribution except in the circumstances stipulated in the above mentioned law.

16 OTHER INCOME

	2014 QR	2013 QR
Gain on settlement of payables	3,900,631	-
Dividend income	1,940,000	-
Profit from deposits with Islamic banks	438,804	577,484
Income from tenders	325,000	-
Miscellaneous income	51,174	41,347
	6,655,609	618,831

17 PROVISION FOR INVESTMENT AND RECEIVABLES IMPAIRMENT

	2014 QR	2013 QR
Provision for impairment of Wakala investments (Note 7)	30,677,198	-
Provision for impairment of trade and other receivables (Note 4)	14,625,696	12,745,827
	45,302,894	12,745,827

18 GENERAL AND ADMINISTRATIVE EXPENSES

	2014 QR	2013 QR
Staff costs	14,477,095	15,296,921
Board of Directors remuneration	6,750,000	4,500,000
Rent	1,370,692	1,281,456
Legal and professional expenses	1,233,298	1,556,339
Registration and regulatory fees	767,329	689,058
Marketing and advertising	406,928	1,127,200
Sharia Board remuneration	120,000	100,000
Business development	96,405	141,734
Other miscellaneous expenses	820,420	677,960
	26,042,167	25,370,668

19 MANAGEMENT FEES

	2014 QR	2013 QR
Management fees	2,500,000	3,000,000

The Group entered into an agreement with Al Mazaya Holding Company whereas the latter is providing managerial services to the Group for a fee amounting to QR 2,500,000 for the year 2014 (2013: QR 3,000,000).

20 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:

	2014 *QR*	*2013* *QR*
Profit attributable to shareholders of the parent	**169,439,142**	134,032,942
Weighted average number of shares outstanding during the period	**100,000,000**	100,000,000
Basic and diluted earnings per share (QR)	**1.694**	1.340

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

21 CONTRIBUTION TO SOCIAL AND SPORTS ACTIVITIES FUND

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit of QR 4,235,979 (2013: QR 3,350,824) equivalent to 2.5% of the consolidated net profit for the year for the support of sports and social activities.

22 DIVIDENDS

At the General Assembly meeting held on 22 April 2014, the shareholders approved a cash dividend of QR 0.75 per share amounting to a total of QR 75,000,000 for the year ended 31 December 2013 (2013: QR 0.60 per share amounting to a total of QR 60,000,000 for the year ended 31 December 2012).

The Board of Directors has proposed cash dividend of QR 0.30 per share amounting to a total of QR 30,000,000 and bonus shares issue at 5% for the year ended 31 December 2014. The proposed dividend for the year ended 31 December 2014 will be submitted for approval at the Annual General Assembly meeting.

23 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent entities where the Group is one of their founders, major shareholders in the Company, 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 period were as follows:

	2014 *QR*	*2013* *QR*
Management fees	**2,500,000**	3,000,000
Construction revenue	**374,414,355**	496,787,772
Rental income	**37,097,467**	24,750,000

23 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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

	2014 QR	*2013 QR*
Al Mazaya Holding Company	**1,982,344**	5,601,046

The maturity of related party balances are as follows:

	2014 QR	*2013 QR*
Current	**1,982,344**	5,601,046

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

	2014 QR	*2013 QR*
Board remuneration	**6,750,000**	4,500,000
Salaries and short-term benefits	**5,266,763**	3,369,371
Employees' end of service benefits	**66,310**	66,310
	12,083,073	7,935,681

24 CONTINGENCIES AND COMMITMENTS

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

	2014 QR	*2013 QR*
Bank guarantees	**1,000,000**	1,000,000

Capital commitment:

	2014 QR	*2013 QR*
Contractual commitments for project in progress	**163,005,641**	304,275,966
Commitments for operating leases	**2,489,586**	3,847,542

Commitments for operating leases are further analysed as follows:

	2014 QR	*2013 QR*
Within one year	**1,357,956**	1,357,956
After one year but not more than five years	**1,131,630**	2,489,586
	2,489,586	3,847,542

24 CONTINGENCIES AND COMMITMENTS (continued)

Litigations and claims
Various legal cases were filed against and by the Group as of 31 December 2014. 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.

25 FINANCIAL RISK OBJECTIVES, POLICIES AND 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 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.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from rental activities, advances to contractors and suppliers, Islamic bank balances and due from related parties.

Allowances for impairment
The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in its receivables. The main component of this allowance is a provision policy loss component that relates to individually significant exposures. The allowances for impairment of receivables and movement thereon during the year is disclosed in Note 4.

Advances and related parties
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each contractor/suppliers and related party. The demographics of the Group's project base, including the default risk of the industry and country, in which the contractor/supplier operate, has less of an influence on credit risk. Material amounts of the Group's advances/collections are attributable to contractors originating from the State of Qatar and all these balances are against bank guarantees.

On the other hand, all material transactions with related parties are firstly approved by the Board of Directors, and / or the Shareholders in their General Assembly Meetings, if stipulated under the relevant laws. The Group's policy is that advances and related parties are stated at original paid advance / invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery, if any.

Balances with Islamic banks
Credit risk on balances and placements with banks and other financial institutions is limited as they are placed with Islamic banks having good credit ratings assigned by international credit rating agencies.

25 FINANCIAL RISK OBJECTIVES, POLICIES AND MANAGEMENT (continued)

Credit risk (continued)
The carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amounts 2014 QR	2013 QR
Short term deposits and Islamic banks balances	**33,904,220**	85,963,359
Receivables and other debit balances	**31,380,588**	18,109,158
Other financial assets	**871,202,127**	496,787,772
Wakala investments	**30,677,197**	61,354,395
	967,164,132	662,214,684

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet 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.

As at 31 December 2014	***Less than 3 months QR***	***3 to 12 months QR***	***1 to 5 years QR***	***> 5 years QR***	***Total QR***
Accounts payable	**1,140,013**	**-**	**-**	**-**	**1,140,013**
Islamic finance facilities	**-**	**24,750,000**	**254,768,020**	**264,483,095**	**544,001,115**
Due to a related party	**-**	**1,982,344**	**-**	**-**	**1,982,344**
Retention payables	**-**	**-**	**40,419,445**	**-**	**40,419,445**
Dividend payables	**-**	**2,660,713**	**7,923,478**	**-**	**10,584,191**
Total	**1,140,013**	**29,393,057**	**303,110,943**	**264,483,095**	**598,127,108**

As at 31 December 2013	*Less than 3 months QR*	*3 to 12 months QR*	*1 to 5 years QR*	*> 5 years QR*	*Total QR*
Accounts payable	50,998,689	-	-	-	50,998,689
Islamic finance facilities	35,131,250	179,268,207	-	-	214,399,457
Due to a related party	-	5,601,046	-	-	5,601,046
Retention payables	-	-	34,932,451	-	34,932,451
Dividend payables	-	1,271,197	3,785,565	-	5,056,762
Total	86,129,939	186,140,450	38,718,016	-	310,988,405

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.

25 FINANCIAL RISK OBJECTIVES, POLICIES AND MANAGEMENT (continued)

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group is not exposed to foreign currency risk as there are no balances denominated in foreign currency at the reporting date

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 profit rate profile of the Group's profit bearing financial instruments was:

	2014 *QR*	*2013* *QR*
Short term deposits	**20,000,000**	1,000,000
Islamic finance facilities	**434,439,810**	208,485,362

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 2014	**(1,036,100)**
At 31 December 2013	(518,713)

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

- The cost of the development schemes may increase if there are delays in the planning process. The Group uses its related parties in developing its projects, which employs experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process, and utilizes the accumulated experience in contracting for the purpose of reducing development costs as compared to the relevant market.
- A major tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associated property (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.

25 FINANCIAL RISK OBJECTIVES, POLICIES AND MANAGEMENT (continued)

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

Capital management
The management's policy is to maintain a strong capital base so as to maintain investor, creditor and to sustain future development of the business. The management monitors the capital, which the Group defines as share capital and retained earnings and is measured at QR 1,255,486,656 on 31 December 2014 (2013: QR 1,182,227,407).

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 2014 and 31 December 2013.

The Group's main objectives when managing capital are:
- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and
- to remain within the Group's quantitative banking covenants and attain a strong credit rating.

Further, the Board seeks to maintain a balance between higher targeted returns 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:

	2014 *QR*	*2013* *QR*
Total liabilities	**541,714,086**	356,715,902
Less: Islamic bank balances and cash	**(33,924,170)**	(85,983,309)
Net debt	**507,789,916**	270,732,593
Total equity	**1,300,068,950**	1,209,865,787
Net debt to equity ratio at 31 December	**39%**	22%

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 value ratio at the reporting date was as follows:

	2014 *QR*	*2013* *QR*
Islamic financing borrowings	**434,439,810**	208,485,362
Fair value of investment properties	**762,514,001**	762,574,081
Borrowing to fair value ratio at 31 December	**57%**	27%

25 FINANCIAL RISK OBJECTIVES, POLICIES AND MANAGEMENT (continued)

Accounting classifications and fair values

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

	2014		*2013*	
	Fair values QR	***Carrying amounts QR***	*Fair values QR*	*Carrying amounts QR*
Financial assets				
Islamic bank balances and short term deposits	**33,904,220**	**33,904,220**	85,963,359	85,963,359
Receivables and other debit balances	**30,254,884**	**30,254,884**	18,109,159	18,109,159
Other financial asset	**871,202,127**	**871,202,127**	496,787,772	496,787,772
Wakala investment	**30,677,197**	**30,677,197**	61,354,395	61,354,395
	966,038,428	**966,038,428**	662,214,685	662,214,685
Financial liabilities				
Islamic finance facilities	**434,439,810**	**434,439,810**	208,485,362	208,485,362
Due to related parties	**1,982,344**	**1,982,344**	5,601,046	5,601,046
Payables and other liabilities	**52,143,649**	**52,143,649**	90,987,902	90,987,902
	488,565,803	**488,565,803**	305,074,310	305,074,310

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments 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

As at 31 December 2014, the Group held the following financial instruments measured at fair value:

		Fair value measurement using		
31 December 2014	*Total QR*	*Quoted prices in active markets Level 1 QR*	*Significant observable inputs Level 2 QR*	*Significant unobservable inputs Level 3 QR*
Financial assets :				
Investment properties	**762,514,001**	-	-	**762,514,001**

		Fair value measurement using		
31 December 2013	*Total QR*	*Quoted prices in active markets Level 1 QR*	*Significant observable inputs Level 2 QR*	*Significant unobservable inputs Level 3 QR*
Financial assets :				
Investment properties	762,574,081	-	-	762,574,081

Unquoted available-for-sale equity investments amounting to QR 21,000,000 (31 December 2013: QR 21,000,000) are recorded at cost since the fair value cannot be reliably measured. During the year ending 31 December 2014, 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.

26 KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of 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.

Useful lives of property and equipment
The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear, technical and commercial obsolescence. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of available-for-sale financial assets
For available-for-sale assets, the Group assess at each reporting date whether there is objective evidence that an investment or a Group of investments is impaired. In the case of a financial assets is classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated statement of comprehensive income, is removed from equity and recognised in the consolidated statement of comprehensive income.

Impairment of Wakala investments
Wakala investments are held at the lower of cost and fair value. The Group assess at each reporting date whether there is objective evidence that the Wakala investment is impaired. Where there is evidence of impairment, the cumulative loss, measured as the difference between the carrying value and the current fair value, less any impairment loss previously recognised in the consolidated statement of comprehensive income, is removed from equity and recognised in the consolidated statement of comprehensive income.

At the reporting date, carrying value of Wakala investments is QR 61,354,395 (2013: QR 61,354,395), with provisions for impairment of QR 30,677,198 (2013: Nil). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Impairment of trade and other receivable
An estimate of the collectible amount of trade and other receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade and other receivable were QR 31,283,270 (2013: QR 17,782,011), and the allowance for impairment of trade and other receivables was QR 31,267,356 (2013: QR 16,641,660). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Valuation of property
Investment properties are stated at fair value. The Group used external, independent evaluators to determine the fair value of the investment properties. The independent evaluator uses the market situations, estimated yield and expected future cash flows and the recent real estate transactions with similar characteristics and location of properties for the valuation of investment properties.

If an independent valuation is carried out at the intermediate period, the management determines the year end valuation by applying appropriate discounting rate on the intermediate valuation based on the market situations, estimated yield and expected future cash flows. Thus the management believes it's a more transparent and accurate valuation.

26 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Service concession arrangements

Management has estimated that the present value of the guaranteed monthly amount under the build, operate and transfer agreement with Qatar Foundation (Note 5) represents the fair value of the construction element of the agreement and therefore fully pertains to construction revenue and is thus recognized in accordance with the Group's relevant accounting policies.

The present value of the guaranteed amount has been estimated using the minimum guaranteed rental rate per square meter applied to the estimated leasable area. The Group has used a rate of 7.75% to discount the expected cash inflows under the service concession arrangements (Note 5).

27 SEGMENT INFORMATION

The Group has only one business segment, that is investment in and development operations of real estate properties. Geographically, the Group operates mainly in the State of Qatar and Dubai. Dubai operations are not considered reportable segment.

28 COMPARATIVE FIGURES

Certain comparative figures in the financial statements for the year ended 31 December 2013 were reclassified to match with the current year's classification. However, such reclassifications did not have any effect on the previously reported profit or equity.