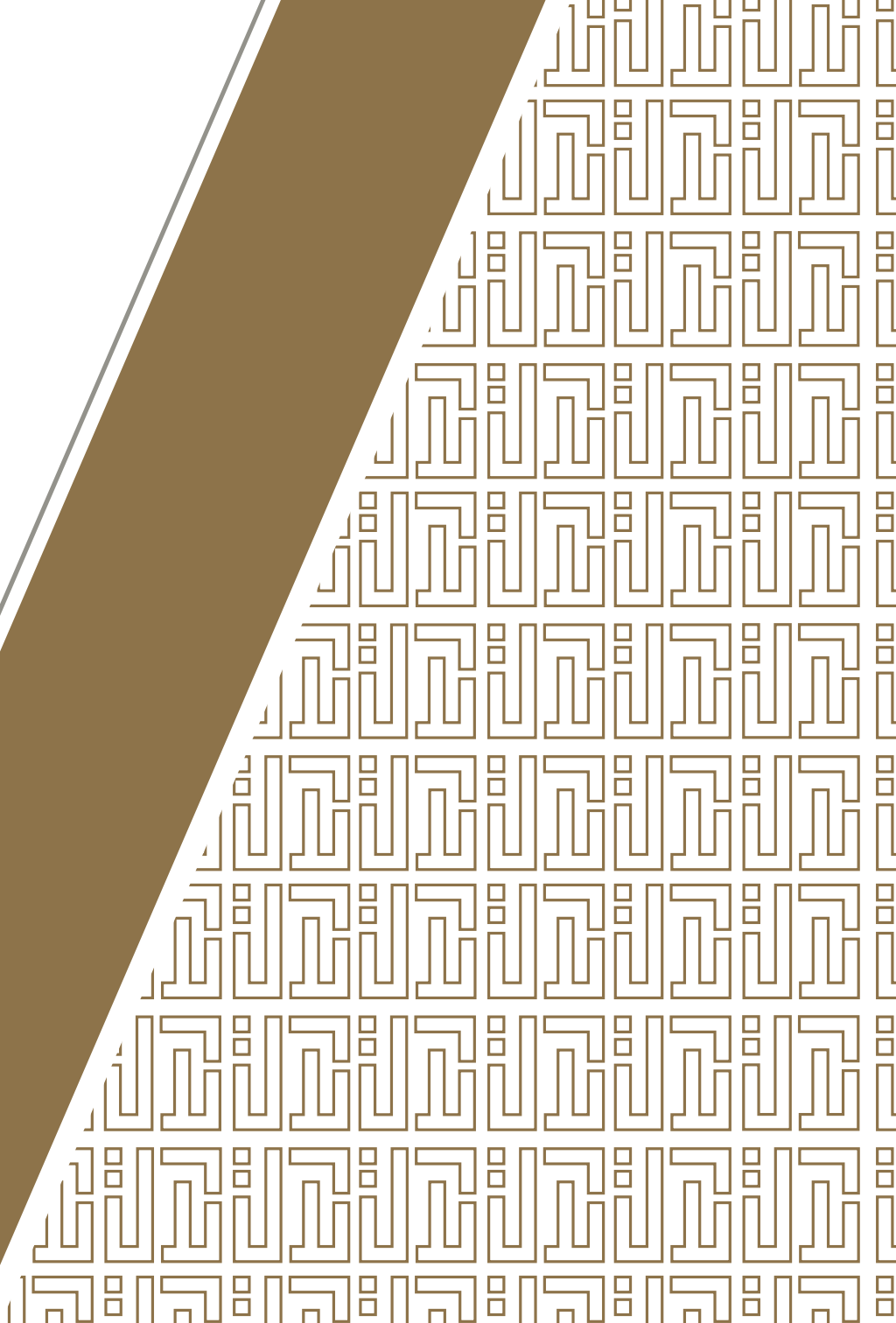


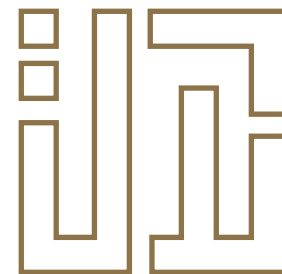


دلالة القابضة  
DLALA HOLDING

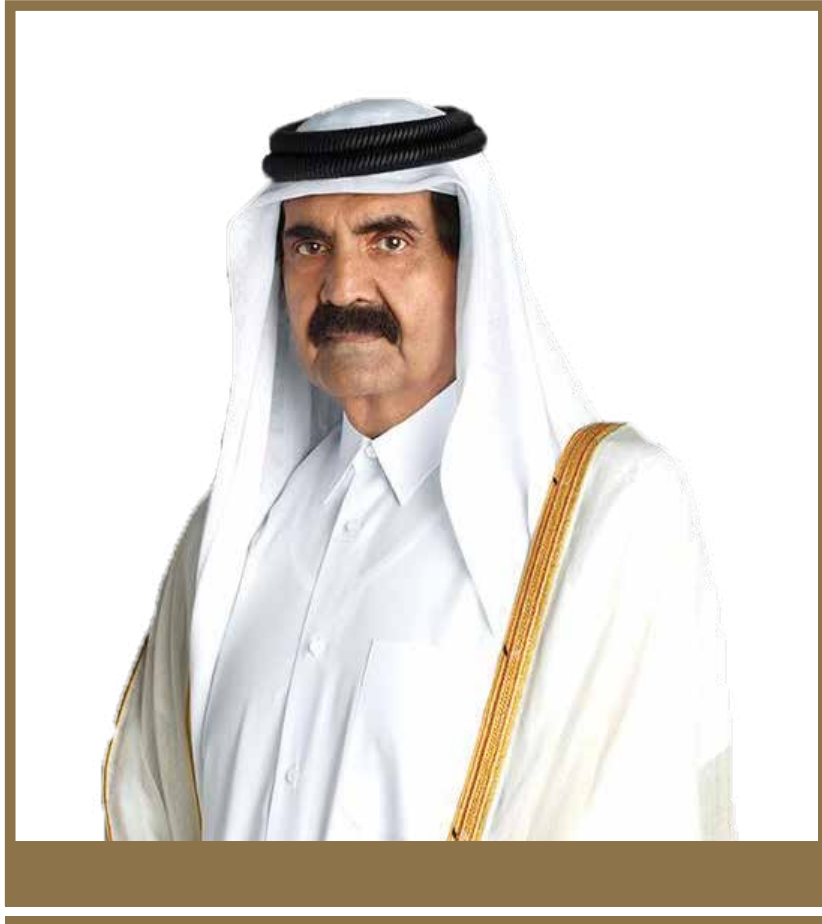
**ANNUAL REPORT 2014**



**IT'S ABOUT TRUST** //







**// H.H Sheikh Hamad bin Khalifa Al Thani  
The Father Emir**



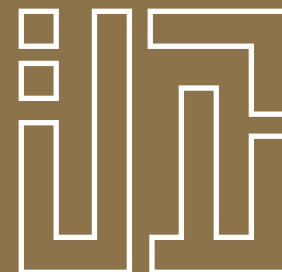
**// H.H Sheikh Tamim bin Hamad bin Khalifa Al Thani  
Emir of the State of Qatar**





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**MISSION, VISION AND PROFILE** //



## /// Group dynamics Dlala Holding (Q.S.C)

Dlala Brokerage and Investment Holding Company (Q.S.C.) was established in May 2005, with a paid-up capital of QR 200 million (Almost \$ 55 million dollars). In September 2005, the Company became the first non-banking financial organization to be listed on Qatar Exchange (QE) in order to provide brokerage services to investors in equity markets.

Dlala Holding later went on to establish both Dlala Brokerage Company (W.L.L.) and Dlala Islamic Brokerage Company (W.L.L.). Both companies commenced operations in January 2006 and are registered on QE.

In a short span of time, Dlala Holding has managed to win the confidence of local and regional investors in QE, thanks to its expertise and experience in brokerage and investment. The investors' growing confidence is adequately reflected in the evolution of the Company's operations. Today the Company's ultimate aim is to help investors to make the most appropriate investment decisions.

In 2009, Dlala established its real estate investment arm – Dlala Real Estate - to provide different services in real estate business in Qatar such as property management, real estate brokerage, real estate development and real estate evaluation. Dlala's current board of directors consists of nine members four of them representing government organizations. They are: Pension Fund of the General Retirement & Social Insurance Authority; Qatar Foundation for Education, Science and Community Development; Education and Health

Fund – Ministry of Finance and Investment Fund of Qatar Amred Forces. Dlala Holding's board of directors oversee the strategic administration of all its activities and ensures its conformity with the business practices of leading national organizations.

### Mission

To exceed our customers' expectations for quality, trustworthy service and professional excellence by delivering exceptional value and maintaining the highest standards of ethics and professional integrity.

To employ skilled and experienced professionals, who take pride in working closely as a team as well as with our clients and business partners.

To pursue technical innovation and growth and ensure compliance with the best practices in order to add more value to our customers and create successful opportunities for our stakeholders.

To foster a business environment that encourages professional and Financial growth.

To ensure continuous improvement and transparency by adopting the best management practices.

To provide reasonable and sustainable returns to our shareholders.

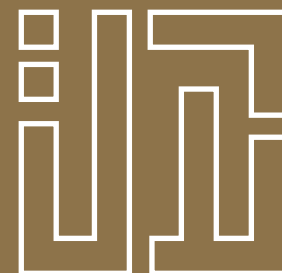
To be a responsible corporate citizen.

### Vision

We strive to adopt the best global business practices within our regional and local cultures; are committed to employ the right mix of business expertise, professional experts and automated solutions and are determined to serve our customers in an environment that adheres to the highest ethical standards.

We aim to be recognized as the best brokerage house in Qatar, and aspire to be a fully integrated investment entity that would re-engineer the regional investment scene.

**BOARD OF DIRECTORS** //







**Mr. Ahmed Mohamed AlAsmakh**  
Managing Director



**Mr. Nasser Hamad Al Sulaiti**  
Chairman



**H. E. Sheikh Abdulrahman Bin Hamad Al-Thani**  
Vice Chairman



**Mr. Khalid Al Sowaidi**  
Member of B. O. D



**H. E. Sheikh Suhaim Bin Khalid Al-Thani**  
Member of B. O. D



**Mrs. Moza Mohamed Al Sulaiti**  
Member of B. O. D



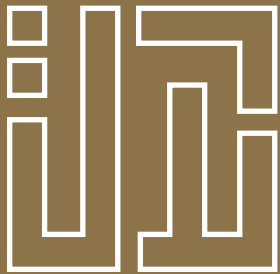
**Mr. Jaber Bin Hajjaj Al Ashahwani**  
Member of B. O. D



**Mr. Ali Hussain Al-Sada**  
Member of B. O. D



**Mr. Waleed Raslan Al-Abdulla**  
Member of B. O. D



**SUMMARY OF THE REPORT OF THE  
BOARD OF DIRECTORS**

## Summary of Board of Directors Report for the Financial Year ending 31st December 2014

Dear Sirs,

I am pleased to present to you, personally and on behalf of Dlala Brokerage and Investment Holding Company Board of Directors (BOD), a summary of Board of Directors annual report on Group activities and outcomes of its business during the financial year ending on 31st December 2014. The year 2014 witnessed success as usual for Dlala Holding in which it has significantly developed its resources and overcome all difficulties it faced in the past. Dlala also utilized economic milestone reached within the state in general and within Qatar Stock Exchange in specific to achieve outstanding results for the first time in its history throughout 9 years.

### **Honorable shareholders:**

having passed through all difficulties faced by the Dlala Holding over the past years, the Group was able to develop its internal systems and activate its various departments to enable it from utilization of all its operational arms and diversify its investments at the optimum manner. During the year the Group was successful in achieving profits from its all operating segments including management of investment portfolio.

### **Financial Outcomes:**

In terms of the Group financial performance, I am pleased to announce that during 2014 Dlala Holding has achieved highest profits since its

incorporation in 2005. The Group recorded a net profits of QAR 66.8 Million during 2014 and achieved Earning per Share (EPS) of QAR 3.0. Based on such outcomes, and due to the commitment undertaken by Dlala Holding to increase shareholders' revenue, BOD recommended to issue a bonus share of 28% of its capital to be approved by the shareholders at the General Assembly.

### **Future Plans:**

The management has decided to increase the capital of the two subsidiaries companies (Dlala Brokerage and Dlala Islamic) in order to increase the operational efficiencies. The process of increasing the capital of these two companies are in progress and expected to be finalized soon.

### **Governance Report:**

Company has prepared a detailed report on Corporate governance covering the financial year starting 1st January- 31st December 2014 AD, in accordance with Corporate Governance Code for Companies Listed on Markets issued by Qatar Financial Market Authority. The report was printed for shareholders review and is also available on company's website.

### **Honorable shareholders:**

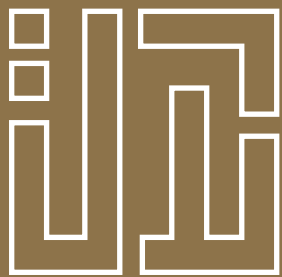
Through Dlala Brokerage and Investment Holding Company, we attempt to efficiently contribute

to development of company's assets in order to provide the best revenues for shareholders and in order for the company to be a significant part of development process within the State of Qatar. Also we seek contribution in achieving Qatar Vision 2030 to which we all aspire.

Finally, I would like to take the opportunity to present-on behalf of all of you and all Dlala Holding employees and BOD- our deep appreciation and gratefulness to H.H. Sheikh Tamim bin Hamad bin Khalifa Al Thani Emir of Qatar, may Allah bless him, for his wise vision and policy adopted to develop Qatar economy and achieve prosperity in all fields. I would also like to present my gratefulness for honorable shareholders for their confidence, and we look forward to fulfill their expectations. We hope to find you well and witness together Dlala's success.

Board of Directors would also like to thank all Dlala employees for their efforts and dedication and their concern for achieving company's success and customers' interest.

**Naser Hamad Al Sulaiti**  
**Chairman**



**SERVICE CHANNELS**

## // Dlala Brokerage Company (W.L.L)

### Mission

Dlala Brokerage Company (W.L.L.) is determined to be recognised as a pioneer in the brokerage sector by helping investors to make timely and appropriate investment decisions, observing the highest ethical and professional standards and, delivering the expectations of our customers.

We strive to ensure 'total satisfaction' for our customers and employees and aim to provide our customers with the most modern means of trading, that utilises the latest state-of-the-art e-trading methods, both online and through our call centre. We are committed to provide our investors with the best possible service, wherever they might be, and help them fulfill their aspirations and investment goals.

### Vision

To assume a leading role in promoting the integration of stock markets around the world by exploring newer avenues of co-operation among them and by establishing a platform that brings together all the leading brokerage companies in these markets.



دلالة للوساطة  
DLALA BROKERAGE

## // Dlala Islamic Brokerage Company (W.L.L)

### Mission

To become the first choice of investors who are seeking to enhance their investments in the securities markets, in a modern and professional manner and in accordance with the principles of Islamic Shari'a utilising state-of-the-art Shari'a-compatible mechanisms that the Company will introduce in the field of financial brokerage.

### Vision

**To maximize the presence of Islamic capital in the international markets.**

Dlala Islamic Brokerage Company (W.L.L.), the Islamic trading and brokerage arm of Dlala Holding, was established in January 2006 with the aim of providing brokerage services, in accordance with Islamic Shari'a rules and laws.

The Company has a special (Fatwa) panel that ensures that its activities and transactions are in compliance with Shari'a principles and guidelines. It is an internal independent panel comprising renowned Islamic scholars. The panel provides their views and opinions on the buying and selling of shares of specific companies as well as on other sectors of investment, according to the terms and provisions of Islamic Shari'a. Dlala Islamic employs the latest international standards in brokerage and online e-trading and is backed by modern and sophisticated systems

that ensure the utmost privacy, security and confidentiality of customers' accounts. It also provides investors with trading services through its call centre, which is equipped with the latest communication systems and network in order to ensure high quality and swift services.

Dlala Islamic is proud to have a team of dedicated professionals who possess the expertise, qualifications and experience required to precisely and efficiently meet the needs of all its customers.



دلالة الإسلامية  
DLALA ISLAMIC

## // Dlala Real Estate Company (W.L.L)

### Mission

To establish ourselves as the real estate company of choice, offering modern solutions for property management, building trust, raising the standards of customer service and protecting owners and investors from risk.

### Vision

To be pioneers in Real Estate management and marketing and to offer the very best technological solutions for customer services.

### Profile

Dlala Real Estate, the third subsidiary of Dlala Holding has been launched to offer clients in Qatar, leading edge solutions to property management and marketing. Its system and policies and procedures have been designed to provide quality and professional services to client through quick, simple and convenient procedures and financial settlements. Additionally, it is committed to securing owners and investors rights whilst keeping risk to minimum.



دلالة العقارية  
DLALA REAL ESTATE







## // The range of activities:

### **Property Management:**

#### **Rental Collection:**

Automated functionality of rentals due and collection insures that collection is made on time. Supported by legal and back office procedures.

#### **Rental Services (renting and contract management):**

Our automated notification functionality accelerate the rent process and improve property occupancy rate, using our wide range of advertising and marketing plans.

#### **Facilities Management:**

We hire and supervise experienced personnel/ independent contractors who will provide service to landlord properties.

#### **Sell & Buy Brokerage:**

We work closely with our customers to secure the possible deal in the market. Dlala policies and procedures are designed to facilitate both buyer and seller interest.

### **Electronic Follow Up:**

#### **Landlord Access:**

For Landlords to follow up electronically the details of the property transactions like (Tenant details, unit status, rent amounts and payments, contract dates and other relevant details).

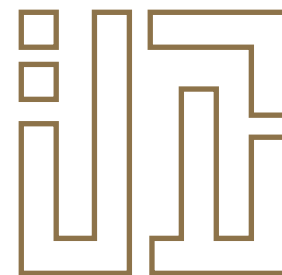
#### **Notify me:**

communicate electronically real time with our customers to notifying them with listed properties.

#### **Certified Real Estate Evaluator:**

Dlala policies and procedures are designed to produce a trusted evaluation documentation presenting properties market price.

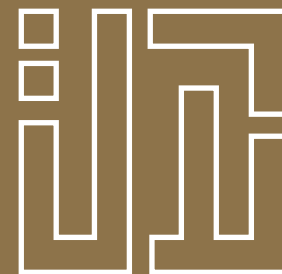
**IT'S ABOUT TRUST** //





دلالة القابضة  
DLALA HOLDING

**BOARD COMMITTEES** //



## Board Committees

### Audit Committee

The Committee is responsible for supervising and undertaking all internal and external audit activities, according to the pre-approved action plan of the Board of Directors. The Committee comprises of four members of the Board. The membership of the Committee will correspond to the tenure of Board membership. All members of the Audit Committee have accounting and financial experience.

The members of the Audit Committee are:

- Mrs. Moza Al Sulaiti – Chairman
- Mr. Khaled Abdullah Al Swaidi - Member
- Mr. Waleed Al Abdullah Member

The responsibilities of the Committee:

1. Report to the Board any matters that, in the opinion of the Committee, necessitate action and recommend follow-up action.
2. Report to the Board on the matters related to the Committee as outlined in QFMA CGC.
3. Consider other issues as determined by the Board.
4. Monitor risk factors related to Dlala and recommend to the Board for mitigating the risk factors.
5. Review the Financial and Internal Control and

risk management systems.

6. Discuss the Internal Control systems with the management to ensure management's performance of its duties towards the development of efficient Internal Control systems.

7. Consider the findings of principal investigations in Internal Control matters requested by the Board or carried out by the Committee on its own initiative with the Boards' approval.

8. Review Dlala's financial and accounting policies and procedures.

9. Monitor accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, and to review such statements and reports, with special focus on -

- Any changes to the accounting policies and practices;
  - Matters subject to the discretion of Senior Executive Management;
  - Major amendments resulting from the audit;
  - Continuation of Dlala as a viable going concern;
  - Compliance with the accounting standards - International Financial Reporting Standards. Compliance with the applicable listing rules in Qatar Exchange; and
  - Compliance with disclosure rules and any other requirements relating to the preparation of financial reports
10. Consider any significant and unusual matters

contained or to be contained in Dlala's financial reports and accounts.

11. Oversee and follow up the independence and objectivity of the External Auditor and for determining the nature, scope and efficiency of the external audit in accordance with International Standards on Auditing and International Financial Reporting Standards.

12. Ensure that the External Auditor conducts an annual and semi-annual independent audit with the purpose of providing an objective assurance to the Board and shareholders that the financial statements are prepared in accordance with related laws and regulations and International Financial Reporting Standards and accurately represent the financial position and performance of Dlala in all material respects.

13. Meet with the External Auditors at least once a year.

14. Consider any issues raised by the External Auditors.

15. Ensure the timely reply by the Board to the queries and matters contained in the External Auditors' letters or reports.

16. Ensure that External Auditor attends the General Assembly and delivers the annual report and answers any queries in this respect.

**17.** Recommend to the Board regarding appointment of External Auditors, by following the following guidelines –

- a.** External auditors should be independent and not have non-audit interests in Dlala and its Board Members. External Auditor shall not have any conflicts of interests in his relation to Dlala.
- b.** External auditors should be an audit professional with relevant experience in auditing financial statements of listed companies based on International Standards on Auditing and International Financial Reporting Standards.
- c.** Follow the applicable rules and regulations regarding auditor rotation.

**18.** Review the letter of appointment of the External Auditor, his business plan and any significant clarifications he requests from senior management as regards the accounting records, the financial accounts or control systems as well as the Senior Executive management's reply.

**19.** Evaluate the performance of External Auditor.

**20.** Oversee the functioning of Internal Audit and in particular to ensure that the following Internal Audit functions are performed –

- a.** Audit the Internal Control Systems and oversee their implementation.
- b.** Internal Audit to be carried out by operationally independent, appropriately trained and competent staff.

**c.** Internal Audit will submit the report to the Board through the Committee.

**d.** Internal Audit has access to all Dlala activities.

**e.** Internal Audit to be independent from day-to-day functioning of Dlala. Independence to be reinforced by the compensation of Internal Audit being determined by the Board based on the recommendation of the Committee.

**f.** Internal Auditor will attend the General Assembly.

**21.** Ensure that the Internal Audit function includes at least one internal auditor appointed by the Board.

**22.** Recommend to the Board for approval of the scope of Internal Audit and to particularly include the following –

- a.** Control and oversight procedures of financial affairs, investments, and risk management.
- b.** Comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes.
- c.** Assessment of the performance of the Board and senior management in implementing the Internal Control Systems, including the number of times the Board was notified of control issues (including risk management) and the manner in which such issues were handled by the Board.

**d.** Internal Control failure, weaknesses or contingencies that have affected or may affect the Dlala's financial performance and the procedure followed by Dlala in addressing Internal Control failures (especially such problems as disclosed in Dlala's annual reports and financial statements).

**e.** Dlala's compliance with applicable market listing and disclosure rules and requirements.

**f.** Dlala's compliance with Internal Control systems in determining and managing risk.

**g.** All relevant information describing Dlala's risk management operations.

**23.** Ensure that the Internal Audit Report is prepared every three months and submitted to the Committee and Board.

**24.** Supervise and monitor the financial, administrative and technical activities of Internal Audit.

**25.** Evaluate the performance of Internal Auditor.

**26.** Ensure that External and Internal Auditors are separate legal entities and ensure that all other requirements of appointing External Auditor are applied to the appointment of Internal Auditor including auditor rotation (incases when the Board decides to outsource Internal Audit function to an external consultant)

**27.**Coordinate with the Board, Senior Executive Management & Dlala's Chief Financial Officer or the person undertaking the latter's responsibilities.

**28.**Coordinate between the Internal Auditor and External Auditor, the availability of necessary resources, and the effectiveness of the Internal Controls.

**29.**Review remarks raised on any of the reports submitted to the Committee and forward them to the concerned departments for follow-up and timely action.

**30.**Develop rules, through which employees of Dlala can confidentially report any concerns about matters in the financial reports or Internal Controls or any other matters that raise suspicions, where such matter is unethical, illegal or detrimental to Dlala. Ensure that proper arrangements are available to allow independent and fair investigation of such matters whilst ensuring that the aforementioned employee is afforded confidentiality and protected from reprisal.

**31.**Consider issues raised by the Dlala's Chief Financial Officer or the person undertaking the latter's responsibilities, or Compliance Officer or Internal Auditors or External Auditors.

**32.**Oversee Dlala's adherence to professional conduct rules.

**33.**Ensure all laws and instructions regarding Dlala's activities are duly adhered to.

**34.**Ensure that the rules of procedure related to the powers assigned to the Board are properly applied;

**35.**Attend the General Assembly.

**36.**Consult at Dlala's expense any independent expert or consultant with prior approval from the Board.

**37.**Recommend and follow-up all activities related to training, promotion and development of human resources.

**38.**Delegate responsibilities to a sub-committee comprising one or more of its members or to Dlala's CEO.

### **Executive Committee**

The Executive Committee comprises five Board members and is headed by the Chairman. The membership of the Committee will correspond to the tenure of Board membership.

The members of the Executive Committee are:

- H.E. Abdul Rahman Bin Hamad Khaled Al Thani – Chairman
- H.E. Sheikh Suhaim Bin Khaled Al Thani – Member
- Mr. Ahmed Al Asmakh – Member

### **The responsibilities of the Committee as documented in the Board meeting minutes of 2005 are to:**

**1.**Review the preliminary balance sheet before presenting it to the Board of Directors.

**2.**Approve all agreed upon agreements and obligations that are beyond the authority of the CEO.

**3.**Approve all expenses that are beyond the authority of the CEO.

**4.**Review the quality and efficiency of the services provided by the Company and recommend ways of improvement and development.

**5.**Develop future plans and strategies according to the policies of the Board of Directors.

**6.**Supervise and monitor the funds invested by the Company in order to ensure their compliance with the approved policies of the Company.

**7.**Develop general guidelines and policies for investments and present them to the Board of Directors.

### **Nomination, Remuneration and Governance Committee**

Nomination, Remuneration and Governance Committee comprises of four members of the Board. The membership of the Committee will correspond to the tenure of Board membership.

The members of the Committee are:

- Mr. Nasser Al Sulaiti – Chairman
- Jabir bin Hajjaj Al Shahwani– Member
- Mrs. Moza Al Sulaiti – Member

#### **The responsibilities of the Committee:**

1. Report to the Board any matters that, in the opinion of the Committee, necessitate action and to recommend necessary follow-up action.
2. Report to the Board on the matters related to the Committee as outlined in the QFMA CGC and its terms of reference.
3. Consider other issues as determined by the Board.
4. Responsible for the Board nomination process and overseeing the process regarding appointment of Board of Directors.

5. Responsible for formulating and publishing a formal, rigorous and transparent procedure for nomination of Board Members based on the requirements of the Dlala Holding's bylaws (including Articles of Association), QFMA CGC, Commercial Companies Law and other relevant authority.

6. Propose to the Board for amendment to the Articles of Association for approval by the Extraordinary General Assembly of the shareholders, where ever the Committee deems such amendments to be necessary.

7. Establish and publish (after approval from the shareholders in the General Assembly) a remuneration policy, which governs the remuneration of the Chairman of the Board, Board Members and Senior Executive Management based on Dlala's bylaws (including Articles of Association), QFMA CGC, Commercial Companies Law, other applicable regulations and international best practices applicable to Qatar.

8. Define and implement Related Party Policy to govern commercial transaction with the related parties and potential conflicts of interest, with reference to the definition of related parties as included in the QFMA CGC. Such policy to include the requirements as specified in the QFMA CGC.

9. Ensure, in co-operation with the Chairman of the Board, that an annual evaluation of the Board's performance is performed.

10. Prepare and present to the Board for approval – Management succession plan, Induction program for new Board Members, Training process and plan for Board Members, Annual Corporate Governance Report as per requirements of QFMA CGC.

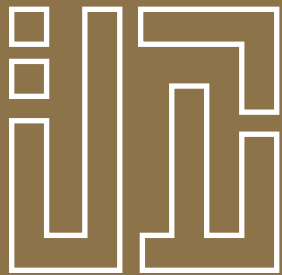
11. Attend the General Assembly. (Article 14.2 – QFMA CGC)

12. Consult at Dlala's expense any independent expert or consultant with prior approval from the Board.

13. Delegate responsibilities to a sub-committee comprising one or more of its members or to Dlala's CEO.

Keep the Board updated about the latest developments in the area of corporate governance and industry best practices.





**CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2014**

## /// Consolidated Financial Statements 31 December 2014

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY Q.S.C.**

#### **Report on the Consolidated Financial Statements**

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

#### **Board of Directors' Responsibility for the Consolidated Financial Statements**

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

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

#### **Opinion**

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

#### **Report on Legal and Other Regulatory Requirements**

Furthermore, in our opinion, proper books of account have been kept by the Company and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. 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. 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 on its financial position.

**Ziad Nader  
of Ernst & Young  
Auditor's Registration No. 258**

**Date: 18 February 2015  
Doha**

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 31 December 2014

ASSETS	Notes	2014 QR'000	2013 QR'000
Current assets			
Cash and bank balances	4	162,034	105,030
Bank balances – customer funds	5	732,596	364,075
Due from customers	6	12,734	48,290
Due from Qatar Central Securities Depository (QCSD)		70,743	27,699
Financial investments - available-for-sale	7	123,198	134,135
Other assets	9	63,278	45,501
		<u>1,164,583</u>	<u>724,730</u>
Non-current asset			
Property and equipment	10	43,480	44,904
<b>TOTAL ASSETS</b>		<u><b>1,208,063</b></u>	<u><b>769,634</b></u>
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		812,043	443,374
Due to Qatar Central Securities Depository (QCSD)		-	1,774
Other liabilities	11	97,928	83,508
		<u>909,971</u>	<u>528,656</u>

LIABILITIES AND EQUITY	Notes	2014 QR'000	2013 QR'000
Non-current liability			
Employees' end of service benefits	12	3,527	2,611
<b>Total liabilities</b>		<u><b>913,498</b></u>	<u><b>531,267</b></u>
Equity			
Share capital	13	222,000	222,000
Legal reserve	14	24,821	18,143
Fair value reserve		(14,701)	(5,785)
Retained earnings		62,388	3,964
<b>Equity attributable to owners of the parent</b>		<u><b>294,508</b></u>	<u><b>238,322</b></u>
Non-controlling interests		57	45
<b>Total equity</b>		<u><b>294,565</b></u>	<u><b>238,367</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>1,208,063</b></u>	<u><b>769,634</b></u>

Nasser Hamad Al Sulaiti  
Chairman

Ahmed Mohamed Al Asmakh  
Managing Director

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

**CONSOLIDATED STATEMENT OF INCOME**  
For the year ended 31 December 2014

	Notes	2014 QR'000	2013 QR'000
Brokerage and commission income		103,940	44,798
Brokerage and commission expense	16	<u>(34,493)</u>	<u>(15,831)</u>
Net brokerage and commission income		69,447	28,967
Net investment income	17	26,163	22,278
Real estate income	18	6,409	26,140
Interest income		1,026	1,161
Other operating income		<u>86</u>	<u>36</u>
Net operating income		103,131	78,582
Other income		201	2,233
Reversal of impairment losses on property and equipment	10	-	1,688
General and administrative expenses	19	<b>(33,988)</b>	(26,450)
Losses on claims by customers	20	-	(28,847)
Impairment losses on available-for-sale investments		-	(13,408)
Write-off of capital work-in-progress	10	-	(2,370)
Depreciation	10	<b>(2,560)</b>	(4,278)
Islamic finance costs		<u>-</u>	<u>(1,714)</u>
PROFIT FOR THE YEAR		<u>66,784</u>	<u>5,436</u>

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

	Notes	2014 QR'000	2013 QR'000
Attributable to:			
Owners of the parent		66,772	5,439
Non-controlling interests		<u>12</u>	<u>(3)</u>
		<u>66,784</u>	<u>5,436</u>
BASIC AND DILUTED EARNINGS PER SHARE (QR)			
(Attributable to owners of the parent)	21	<u>3.01</u>	<u>0.25</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2014

	2014 QR'000	2013 QR'000
Profit for the year	<u>66,784</u>	<u>5,436</u>
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Net fair value gain on available-for-sale investments	11,364	12,779
Net gain on disposal of available-for-sale investments reclassified to the consolidated statement of income (Note 17)	(20,280)	(15,380)
Impairment losses on available-for-sale investments reclassified to the consolidated statement of income	-	13,408
Net other comprehensive (loss) income to be classified to profit or loss in subsequent periods	<u>(8,916)</u>	<u>10,807</u>
Items not to be reclassified to profit or loss in subsequent periods	-	-
Total other comprehensive (loss) income for the year	<u>(8,916)</u>	<u>10,807</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>57,868</u></b>	<b><u>16,243</u></b>
Attributable to:		
Owners of the parent	57,856	16,246
Non-controlling interests	<u>12</u>	<u>(3)</u>
	<b><u>57,868</u></b>	<b><u>16,243</u></b>

## CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2014

	Notes	2014 QR'000	2013 QR'000
<b>OPERATING ACTIVITIES</b>			
Profit for the year		66,784	5,436
Adjustments for:			
Depreciation	10	2,560	4,278
Write off of capital work-in-progress	10	-	2,370
Reversal of impairment losses on property and equipment	10	-	(1,688)
Provision for employees' end of service benefits	12	1,041	945
Gain on disposal of available-for-sale investments	17	(20,280)	(15,380)
Loss on disposal of property and equipment	19	-	12
Impairment losses on available-for-sale investments		-	13,408
Interest income		(1,026)	(1,161)
Islamic finance costs		-	1,714
Dividend income	17	<u>(5,883)</u>	<u>(6,898)</u>
Operating profit before working capital changes		<b>43,196</b>	3,036
Working capital changes:			
Customers funds		(368,521)	(196,141)
Due from customers		35,556	(38,811)
Due from/to QCSD		(44,818)	(19,364)
Trading properties		-	171,672

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

**CONSOLIDATED STATEMENT OF CASH FLOWS ( CONTINUED )**  
**For the year ended 31 December 2014**

	Notes	2014 QR'000	2013 QR'000
<b>WORKING CAPITAL CHANGES ( CONTINUED )</b>			
Other assets		(17,777)	(12,151)
Due to customers		368,669	267,050
Other liabilities		<u>12,885</u>	<u>(2,040)</u>
Net cash flows from operations		29,190	173,251
Employees' end of service benefits paid	12	(125)	(182)
Contribution paid to social fund		<u>(136)</u>	<u>(653)</u>
Cash flows from operating activities		<u>28,929</u>	<u>172,416</u>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of available-for-sale investments	17	807,976	696,069
Purchase of available-for-sale investments		(785,674)	(734,757)
Purchase of property and equipment	10	(1,136)	(1,199)
Proceeds from sale of property and equipment		-	20
Proceeds from disposal of a joint venture		-	1,802
Interest received		1,026	1,161
Dividend received		<u>5,883</u>	<u>6,898</u>
Net cash flows from (used in) investing activities		<u>28,075</u>	<u>(30,006)</u>

	Notes	2014 QR'000	2013 QR'000
<b>FINANCING ACTIVITIES</b>			
Repayment of Islamic financing facility		-	(110,000)
Islamic financing cost paid		-	(4,101)
Proceeds from sale of fractional shares arising from bonus issue		<u>-</u>	<u>123</u>
Net cash flows used in financing activities		<u>-</u>	<u>(113,978)</u>
INCREASE IN CASH AND BANK BALANCES		57,004	28,432
Cash and bank balances at 1 January		<u>105,030</u>	<u>76,598</u>
CASH AND BANK BALANCES AT 31 DECEMBER	4	<u>162,034</u>	<u>105,030</u>

The accompanying notes 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

	Attribute to owners of the Parent							
	Share capital	Legal reserve	Fair value reserve	Proposed bonus shares	Retained earnings	Total	Non-controlling interests	Total equity
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at 1 January 2013	200,000	15,586	(16,592)	22,000	1,095	222,089	48	222,137
Profit for the year	-	-	-	-	5,439	5,439	(3)	5,436
Other comprehensive income for the year	-	-	10,807	-	-	10,807	-	10,807
Total comprehensive income for the year	-	-	10,807	-	5,439	16,246	(3)	16,243
Transfer to legal reserve	-	2,557	-	-	(2,557)	-	-	-
Contribution to Social and Sports Development Fund (Note 11)	-	-	-	-	(136)	(136)	-	(136)
Bonus shares issued (Note 15)	22,000	-	-	(22,000)	-	-	-	-
Proceeds from sale of fractional shares arising from bonus issue	-	-	-	-	123	123	-	123
Balance at 31 December 2013	222,000	18,143	(5,785)	-	3,964	238,322	45	238,367
Profit for the year	-	-	-	-	66,772	66,772	12	66,784
Other comprehensive loss for the year	-	-	(8,916)	-	-	(8,916)	-	(8,916)
Total comprehensive income for the year	-	-	(8,916)	-	66,772	57,856	12	57,868
Transfer to legal reserve	-	6,678	-	-	(6,678)	-	-	-
Contribution to Social and Sports Development Fund (Note 11)	-	-	-	-	(1,670)	(1,670)	-	(1,670)
Balance at 31 December 2014	<u>222,000</u>	<u>24,821</u>	<u>(14,701)</u>	<u>-</u>	<u>62,388</u>	<u>294,508</u>	<u>57</u>	<u>294,565</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**At 31 December 2014**

**1. LEGAL STATUS AND PRINCIPAL ACTIVITIES**

Dlala Brokerage and Investments Holding Company Q.S.C. (the “Company”) is a Qatari Shareholding Company (Q.S.C.) incorporated in the State of Qatar on 24 May 2005 under Commercial Registration No. 30670. The Company is listed in the Qatar Exchange and is governed by the provisions of the Qatar Commercial Companies Law No. 5 of 2002, and the regulations of Qatar Financial Markets Authority and Qatar Exchange. The Company’s registered office is at P.O. Box 24571, Doha, State of Qatar.

The Company, together with its subsidiaries (together referred to as the “Group”), is engaged in brokerage activities at the Qatar Exchange, real estate and other investment activities.

The consolidated financial statements of the Group for the year ended 31 December 2014 were authorised for issue by the Board of Directors on 18 February 2015.

**2. BASIS OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of Dlala Brokerage and Investments Holding Company Q.S.C. and its subsidiaries. The principal subsidiaries of the Group are as follows:

Entity	Relationship	Country of incorporation	Ownership interest 2014	Ownership interest 2013
Dlala Brokerage Company W.L.L.	Subsidiary	Qatar	99.98%	99.98%
Dlala Islamic Brokerage Company W.L.L.	Subsidiary	Qatar	99.98%	99.98%
Dlala Real Estate S.P.C.	Subsidiary	Qatar	100%	100%
Dlala Investment Company L.L.C. (Dormant)	Subsidiary	Qatar	99.90%	99.90%
Dlala International L.L.C. (Dormant)	Subsidiary	Qatar	99.50%	99.50%
Dlala Information Technology S.P.C. (Dormant)	Subsidiary	Qatar	100%	100%

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All material intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from the equity attributable to the owners of the parent. Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance. Any 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 any goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and any cumulative translation differences recorded in equity, and recognises the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in the consolidated statements of income. It will also reclassify the parent’s share of components previously recognised in other comprehensive income to the profit or loss or retained earnings, as appropriate.



### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

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

The consolidated financial statements are prepared under the historical cost basis, except for available-for-sale investments that have been measured at fair value.

The consolidated financial statements have been presented in Qatar Riyals (QR), which is the Group’s functional and presentation currency and all values are rounded to the nearest thousand (QR’000) except when otherwise indicated.

#### Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective as of 1 January 2014.

#### 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 on the Group, since Group does not qualify to be an investment entity under IFRS 10.

#### 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, amendments and interpretations issued but not adopted

Standards issued but not yet effective up to the date of issuance of the Group’s consolidated financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective. The Group is currently considering the implications of the new IFRSs, which are effective for future accounting periods and has not early adopted any of the new Standards as listed below:

Entity	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

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Summary of significant accounting policies

##### Revenue

Brokerage and commission income is recognized when a sale or purchase transaction is completed and the right to receive the commission has been established.

Real estate brokerage fee income is recognized when a rental contract is signed between the landlord and the tenant and when the right to receive the income has been established.

Revenue from sale of trading properties is recognized when significant risk and rewards of ownership are passed to the buyer and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold. Income from cancellation of sales contract is recognized based on underlying contractual terms.

Dividend income is recognized when the right to receive the dividend is established. Interest income is recognised on time proportionate basis using the effective interest rate method.

##### Due from customers

Amount due from customers are carried at original invoice amount less any allowance for non-collectability of receivables. An allowance for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the customer) that the Group will not be able to collect part or all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired receivables are derecognized when they are assessed as uncollectible.

##### Financial investments – available-for-sale

Available-for-sale investments are non-derivatives that are either designated in this category nor classified in any other categories. Available for sale financial assets are recognized initially at fair value plus transaction costs. After initial recognition, available for sale financial assets are subsequently re-measured at fair value, with any resultant gain or loss directly recognised as a separate component of equity under other comprehensive income until the investment is sold, collected or the investment is determined to be impaired, at which time the cumulative gain or less previously reported in equity is included in the consolidated statement of income for that year. Dividends earned on investments are recognised in the consolidated statement of income as “dividend income” when the right to receive dividend has been established. All regular way purchases and sales of investments are recognised on the trade date when the Group becomes or commit to be a party to contractual provisions of the instrument.

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

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the consolidated statement of income is transferred from equity to consolidated statement of income. Impairment losses on equity instruments recognized in the consolidated statement of income are not subsequently reversed. Reversals of impairment losses on debt instruments are done through the consolidated statement of income; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statement of income.

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Trading properties

Trading properties are real estate properties developed or held for sale in the ordinary course of business. Trading properties are held at the lower of cost and net realisable value. Cost of trading properties comprise all costs of purchase, cost of construction and other costs incurred in bringing the property to their present location and condition.

#### Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. Costs include expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets 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. Purchase software that is integral to the functionality of the related equipment is capitalized as part of related equipment.

Land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Building	20 years
Leasehold improvements	5 years
Furniture and fixtures	10 years
Computers and software	3 to 5 years
Office equipment	5 years
Motor vehicles	5 years

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

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 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 de-recognition of the asset is included in the consolidated statement of income in the year the asset is derecognized.

#### Impairment and uncollectibility of financial assets

An assessment is made at the end of each reporting period 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 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 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.

#### Cash and bank balances

For the purposes of the consolidated statement of cash flows, cash and bank balances consist of cash in hand, balances with banks and short term deposits with an original maturity of less than three months.

#### Due to customers

Amounts due to customers are recognized initially at fair value of the amounts to be paid, less directly attributable transaction costs. Subsequent to initial recognition, due to customers are measured at amortized cost.

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Summary of significant accounting policies (continued)

##### Islamic financing facility

Islamic financing facility is recognised initially at fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, Islamic financing facility is measured at amortized cost using the effective interest rate method, with any differences between the cost and final settlement values being recognized in the consolidated statement of income over the period of borrowings. Installments due within one year at amortized cost are shown as current liability.

##### Borrowing costs

Borrowing costs are recognised in the period in which they are incurred with unpaid amounts included in "Islamic financing facility".

Borrowing costs that are directly attributable to the construction of investment properties, properties under developments and, property and equipment are capitalised. The capitalisation of borrowing costs will cease once the asset is ready for its intended use. All other borrowing costs are recognised as expense.

##### Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

##### Employees' end of service benefits

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

The Group also provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the staff cost in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

##### 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 end of the reporting period. All differences are taken to the consolidated statement of income.

##### Fair value measurement

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:

- a) In the principal market for the asset or liability
- or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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

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

The fair value of financial investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets at the close of business on the reporting date.

For financial instruments where there is no active market, the fair value is determined by using discounted cash flow analysis or reference to broker or dealer price quotations. For discounted cash flow analysis, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Summary of significant accounting policies (continued)

##### Fair value measurement (continued)

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:

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

##### Derecognition of financial assets and liabilities

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. 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.

###### b) 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 income.

##### Current versus non-current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

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

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Summary of significant accounting policies (continued)

#### Current versus non-current classification (continued)

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period or
- d) 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.

### 4. CASH AND BANK BALANCES

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

	2014 QR'000	2013 QR'000
Cash and bank balances	<u>162,034</u>	<u>105,030</u>

Bank balances include short term deposits made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

### 5. BANK BALANCES – CUSTOMER FUNDS

Bank balances - customer funds represent bank balances for customers, which the Group holds until the customers commit those funds to the purchase of shares following which the Group transfers the committed funds to the Group's bank accounts and settles the transactions with the settlement authority.

### 6. DUE FROM CUSTOMERS

	2014 QR'000	2013 QR'000
Amounts due from customers	16,764	52,320
Less: Allowance for impairment	<u>(4,030)</u>	<u>(4,030)</u>
	<u>12,734</u>	<u>48,290</u>

At 31 December 2014, amounts due from customers at nominal value of QR 4,030 thousand (2013: QR 4,030 thousand) were impaired. The Group provides fully for all balances due from its customers, which under legal cases. There were no movements in the allowance for impairment during the year (2013: Nil).

## 6. DUE FROM CUSTOMERS (continued)

At 31 December, the aging of unimpaired amounts due from customers is as follows:

	Total QR'000	Neither past due nor impaired QR'000	Past due but not impaired				
			< 30 days QR'000	30 – 60 days QR'000	61 – 90 days QR'000	91 – 120 days QR'000	>120 days QR'000
2014	12,734	12,733	1	-	-	-	-
2013	48,290	29,025	2,055	9	-	-	17,201

Unimpaired amounts due from customer balances are expected to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

## 7. FINANCIAL INVESTMENTS – AVAILABLE-FOR-SALE

	31 December 2014			31 December 2013		
	Listed QR'000	Unlisted QR'000	Total QR'000	Listed QR'000	Unlisted QR'000	Total QR'000
Shares	118,209	2,073	120,282	129,553	1,928	131,481
Funds	-	2,916	2,916	-	2,654	2,654
Total	<u>118,209</u>	<u>4,989</u>	<u>123,198</u>	<u>129,553</u>	<u>4,582</u>	<u>134,135</u>

## 8. TRADING PROPERTIES

	2014 QR'000	2013 QR'000
At 1 January	-	171,672
Acquired during the year	45,492	68,628
Sold during the year (Note 18)	<u>(45,492)</u>	<u>(240,300)</u>
At 31 December	<u>          </u>	<u>          </u>

## 9. OTHER ASSETS

	2014 QR'000	2013 QR'000
Advance paid for real estate projects	60,294	42,675
Prepayments	1,995	2,127
Other receivables	<u>989</u>	<u>699</u>
	<u>63,278</u>	<u>45,501</u>



## 10. PROPERTY AND EQUIPMENT

Cost	Land QR'000	Building QR'000	Leasehold improvements QR'000	Furniture and fixtures QR'000	Computers and software QR'000	Office equipment QR'000	Motor vehicles QR'000	Capital work-in -progress QR'000	Total QR'000
As at 1 January 2014	29,097	13,860	98	1,843	36,151	3,075	772	982	85,878
Additions	-	26	-	2	47	89	157	815	1,136
Reclassification	-	-	-	(298)	298	-	-	-	-
Transfers	-	-	-	-	1,785	-	-	(1,785)	-
As at 31 December 2014	<u>29,097</u>	<u>13,886</u>	<u>98</u>	<u>1,547</u>	<u>38,281</u>	<u>3,164</u>	<u>929</u>	<u>12</u>	<u>87,014</u>
Depreciation:									
As at 1 January 2014	-	2,267	84	819	34,872	2,308	624	-	40,974
Charge for the year	-	718	13	155	1,188	381	105	-	2,560
Relating to reclassification	-	-	-	(197)	197	-	-	-	-
As at 31 December 2014	-	<u>2,985</u>	<u>97</u>	<u>777</u>	<u>36,257</u>	<u>2,689</u>	<u>729</u>	-	<u>43,534</u>
Net book value:									
As at 31 December 2014	<u>29,097</u>	<u>10,901</u>	<u>1</u>	<u>770</u>	<u>2,024</u>	<u>475</u>	<u>200</u>	<u>12</u>	<u>43,480</u>

## 10. PROPERTY AND EQUIPMENT (continued)

Cost	Land	Building	Leasehold	Furniture and	Computers and	Office	Motor vehicles	Capital work-in	Total
	QR'000	QR'000	improvements	fixtures	software	equipment	QR'000	-progress	
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
As at 1 January 2013	29,097	12,106	98	1,917	36,555	3,281	772	3,566	87,392
Additions	-	73	-	15	69	60	-	982	1,199
Disposals	-	(7)	-	(89)	(473)	(266)	-	-	(835)
Reclassification during the year	-	-	-	-	-	-	-	(1,196)	(1,196)
Write-off of capital work-in-progress	-	-	-	-	-	-	-	(2,370)	(2,370)
Reversal of impairment losses (Note)	-	1,688	-	-	-	-	-	-	1,688
<b>As at 31 December 2013</b>	<b>29,097</b>	<b>13,860</b>	<b>98</b>	<b>1,843</b>	<b>36,151</b>	<b>3,075</b>	<b>772</b>	<b>982</b>	<b>85,878</b>
Depreciation:									
As at 1 January 2013	-	1,658	69	728	32,324	2,194	526	-	37,499
Charge for the year	-	612	15	157	3,021	375	98	-	4,278
Disposals	-	(3)	-	(66)	(473)	(261)	-	-	(803)
<b>As at 31 December 2013</b>	<b>-</b>	<b>2,267</b>	<b>84</b>	<b>819</b>	<b>34,872</b>	<b>2,308</b>	<b>624</b>	<b>-</b>	<b>40,974</b>
Net book value:									
As at 31 December 2013	29,097	11,593	14	1,024	1,279	767	148	982	44,904

**Note:** During the year 2013, the Group reversed an amount of QR 1,688 thousand (net of depreciation) against an impairment loss of QR 2,078 thousand recorded in 2009. The reversal was based on a valuation performed by an independent real estate valuer.

## 11. OTHER LIABILITIES

	2014 QR'000	2013 QR'000
Advances received from customers for a real estate project	65,903	48,610
Dividend payable	17,210	17,680
Accrued expenses	10,799	2,536
Contribution to Social and Sports Development Fund (ii)	1,670	136
Commission payable	1,452	730
Provision for legal claims (i)	-	10,217
Other payables	<u>894</u>	<u>3,599</u>
	<u>97,928</u>	<u>83,508</u>

### Notes:

(i) As at 31 December 2013, provision for legal claims includes provision made in relation to claims made by customers and ex-employees against the Group. In particular, the management recognized a provision of QR 9,335 thousand in 2013, based on a legal opinion provided by Messrs. Abdulla Ahmed Taher – Advocates and Legal Consultants in relation to a legal claim made by a customer.

(ii) Pursuant to Law No. 13 of 2008 and further clarification of the law issued in 2010, the Group made an appropriation of QR 1,670 thousand (2013: QR 136 thousand) to the Social and Sports Development Fund of Qatar. This amount represents 2.5% of the net profit for the year.

## 12. EMPLOYEES' END OF SERVICE BENEFITS

The movements in the provision recognised in the consolidated statement of financial position are as follows:

	2014 QR'000	2013 QR'000
Provision as at 1 January	2,611	1,848
Provided during the year	1,041	945
End of service benefit paid	<u>(125)</u>	<u>(182)</u>
Provision as at 31 December	<u>3,527</u>	<u>2,611</u>

## 13. SHARE CAPITAL

	2014 QR'000	2013 QR'000
Authorised, issued and fully paid:		
Balance at the beginning of the year:		
22,200,000 shares of QR 10 each (2013: 20,000,000 shares of QR 10 each)	222,000	200,000
Add: Bonus shares issued 2,200,000 shares at QR 10 each (Note 15)	-	22,000
Balance at the end of the year 22,200,000 shares of QR 10 each	<u>222,000</u>	<u>222,000</u>

#### 14. LEGAL RESERVE

In accordance with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association, 10% of the profit for the year is required to be transferred to the legal reserve. The transfers are made based on the profits earned by each subsidiary of the Group. The Group may resolve to discontinue such annual transfers, when the reserve equals 50% of the issued capital. This reserve is not available for distribution, except in the circumstances stipulated by the above law.

#### 15. DIVIDENDS

Subsequent to the reporting date, the Board of Directors has proposed a final bonus share issue of 28 shares for every 100 shares held at 31 December 2014, amounting to QR 62,160 thousand.

At the Extra Ordinary General Assembly held on 2 April 2013, the shareholders have approved a bonus share issue of 11 shares for every 100 shares held at 31 December 2012 (Note 13), amounting to QR 22,000 thousand.

#### 16. BROKERAGE AND COMMISSION EXPENSE

	2014 QR'000	2013 QR'000
Commission paid to Qatar Exchange	31,104	12,840
Other brokerage expenses	2,870	1,277
Other commission expenses	<u>519</u>	<u>1,714</u>
	<u>34,493</u>	<u>15,831</u>

#### 17. NET INVESTMENT INCOME

	2014 QR'000	2013 QR'000
Net gain on disposal of available-for-sale investments (Note (i))	20,280	15,380
Dividend income	<u>5,883</u>	<u>6,898</u>
	<u>26,163</u>	<u>22,278</u>

Note (i): Net gain on disposal of available-for-sale investments:

	2014 QR'000	2013 QR'000
Proceeds from disposal of available-for-sale investments	807,976	696,069
Cost of disposal	<u>(787,696)</u>	<u>(680,689)</u>
	<u>20,280</u>	<u>15,380</u>

#### 18. REAL ESTATE INCOME

	2014 QR'000	2013 QR'000
Gain on sale of trading properties (Note( i))	4,472	25,556
Other real estate income	1,636	13
Real estate brokerage fee income	<u>301</u>	<u>571</u>
	<u>6,409</u>	<u>26,140</u>

## 18. REAL ESTATE INCOME (continued)

Note (i): Gain on sale of trading properties:

	2014 QR'000	2013 QR'000
Sale proceeds	49,964	265,856
Cost of trading properties sold (Note 8)	<u>(45,492)</u>	<u>(240,300)</u>
	<u>4,472</u>	<u>25,556</u>

## 19. GENERAL AND ADMINISTRATIVE EXPENSES

	2014 QR'000	2013 QR'000
Staff costs and directors' remuneration	24,760	15,770
IT and communication costs	3,624	3,207
Bank guarantee fees	1,399	837
Marketing expenses	1,300	673
Consulting and professional fees	629	1,085
Communication expenses	606	537
Rent expenses	343	460
Maintenance expenses	342	546
License and regulatory fees	471	601
Penalties	50	400
Insurance expenses	49	44
Commission paid to General Manager (Real Estate) (Note 22)	-	1,689
Loss on disposal of property and equipment	-	12
Miscellaneous expenses	<u>415</u>	<u>589</u>
	<u>33,988</u>	<u>26,450</u>

## 20. LOSSES ON CLAIMS BY CUSTOMERS

During the year ended 31 December 2013, three customers of the Group lodged formal complaints with the authorities against the Group, claiming compensation for the losses suffered by them on their share trading account maintained with the Group. Consequent to investigations, the Group discovered that such losses suffered by the customers resulted from misconduct by the Group's ex-employees in previous years (dating back to 2006), and is in the process of taking necessary legal actions against the perpetrators to recover the losses. However, in compliance with the applicable laws and regulations, the management of the Group has resolved to compensate the customers and account for the losses suffered by them in the second quarter of 2013. Accordingly, the Group has recognized a loss of QR 28.8 million during the year ended 31 December 2013 relating to these complaints in accordance with the applicable International Financial Reporting Standards. The above customers have been compensated and the claims have been settled in full as of 31 December 2014.

## 21. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year.

	2014	2013
Profit attributable to owners of the parent (QR'000)	<u>66,772</u>	<u>5,439</u>
Weighted average number of shares outstanding during the year (in thousands) (Note 13)	<u>22,200</u>	<u>22,200</u>
Basic and diluted earnings per share (QR)	<u>3.01</u>	<u>0.25</u>

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

The weighted average number of shares has been calculated as follows:

	2014	2013
Qualifying shares at the beginning of the year (in thousands)	22,200	20,000
Effect of bonus share issue (in thousands)	-	2,200
Balance at the end of the year (in thousands)	<u>22,200</u>	<u>22,200</u>

## 22. RELATED PARTY DISCLOSURES

Related parties represent major shareholders, 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.

Transactions with related parties included in the consolidated statement of income are as follows:

	2014 QR'000	2013 QR'000
Commission paid to General Manager (Real Estate)	-	1,689
Brokerage and commission income (Board of Directors)	<u>3,117</u>	<u>170</u>

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

	2014 QR'000	2013 QR'000
Board of Directors	<u>503</u>	<u>18</u>

The above balances are included under due to customers.

### Compensation of key management personnel

Key management personnel of the Group consist of Board of Directors and General Manger. The remuneration of key management personnel during the year was as follows:

	2014 QR'000	2013 QR'000
Salaries and short-term benefits	4,933	1,546
Pension benefits	17	29
Bonus – Board of Directors	<u>4,500</u>	-
	<u>9,450</u>	<u>1,575</u>

## 23. COMMITMENTS AND CONTINGENCIES

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

	2014 QR'000	2013 QR'000
Letters of guarantee	<u>275,000</u>	<u>150,913</u>

Letters of guarantee represent the financial guarantees issued by the banks on behalf of the Group to Qatar Exchange in the ordinary course of business and will mature within twelve months from the reporting date.

### Capital commitments

	2014 QR'000	2013 QR'000
Capital commitments	<u>364</u>	<u>803</u>

### Operating lease commitments

Future minimum rental payable under non-cancellable operating lease as at 31 December is as follows:

	2014 QR'000	2013 QR'000
Within one year	301	343
After one year but not more than three years	434	509
More than three years	<u>46</u>	<u>272</u>
	<u>781</u>	<u>1,124</u>

## 24. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their nature of activities and has three reportable segments and other activities. The three reportable segments are as follows:

- Stock Broking – this segment includes financial services provided to customers as a stock broker;
- Real Estate – this segment includes providing property management, marketing and sales services for real estate clients;
- IT and International – this segment includes IT management services and other overseas financial services;
- Others – represents the Holding Company, which provide corporate services to subsidiaries in the Group and engages in investing activities.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Transfer pricing between operating segments are on arm's length basis in a manner similar to transactions with third parties.

## 24. SEGMENT INFORMATION (continued)

The following table presents the revenue, profit, assets and liabilities information regarding the Group's operating segments for the year ended 31 December 2014 and 2013, respectively.

	Stock Broking QR'000	Real Estate QR'000	IT and International QR'000	Others QR'000	Elimination QR'000	Total QR'000
31 December 2014						
Brokerage and commission income	69,447	-	-	-	-	69,447
Other revenues (*)	<u>15,344</u>	<u>10,227</u>	<u>2</u>	<u>11,711</u>	<u>(3,600)</u>	<u>33,684</u>
Segment revenue	<u>84,791</u>	<u>10,227</u>	<u>2</u>	<u>11,711</u>	<u>(3,600)</u>	<u>103,131</u>
Segment profit/(loss)	<u>59,506</u>	<u>3,244</u>	<u>(30)</u>	<u>4,064</u>	<u>-</u>	<u>66,784</u>
Depreciation	<u>201</u>	<u>878</u>	<u>1</u>	<u>1,480</u>	<u>-</u>	<u>2,560</u>
Segment assets	<u>976,388</u>	<u>154,826</u>	<u>16,087</u>	<u>268,458</u>	<u>(207,696)</u>	<u>1,208,063</u>
Segment liabilities	<u>826,820</u>	<u>68,097</u>	<u>99</u>	<u>45,000</u>	<u>(26,518)</u>	<u>913,498</u>

The Group's operations are located in the State of Qatar.

\* Other revenues include investment and real estate income and profits.



## 24. SEGMENT INFORMATION (continued)

The following table presents the revenue, profit, assets and liabilities information regarding the Group's operating segments for the year ended 31 December 2014 and 2013, respectively.

	Stock Broking QR'000	Real Estate QR'000	IT and International QR'000	Others QR'000	Elimination QR'000	Total QR'000
31 December 2013						
Brokerage and commission income	28,967	-	-	-	-	28,967
Others revenues (*)	<u>14,671</u>	<u>28,634</u>	<u>68</u>	<u>9,734</u>	<u>(3,492)</u>	<u>49,615</u>
Segment revenue	<u>43,638</u>	<u>28,634</u>	<u>68</u>	<u>9,734</u>	<u>(3,492)</u>	<u>78,582</u>
Segment profit/(loss)	<u>(13,674)</u>	<u>20,511</u>	<u>11</u>	<u>(1,412)</u>	<u>-</u>	<u>5,436</u>
Depreciation	<u>411</u>	<u>589</u>	<u>-</u>	<u>3,278</u>	<u>-</u>	<u>4,278</u>
Segment assets	<u>568,770</u>	<u>133,391</u>	<u>17,136</u>	<u>264,636</u>	<u>(214,299)</u>	<u>769,634</u>
Segment liabilities	<u>475,500</u>	<u>49,906</u>	<u>99</u>	<u>38,883</u>	<u>(33,121)</u>	<u>531,267</u>

The Group's operations are located in the State of Qatar.

\* Other revenues include investment and real estate income and profits.

## 25. FINANCIAL RISK MANAGEMENT

### Objective and policies

The Group's principal financial liabilities comprise amounts due to customers, due to QCSD and certain other liabilities. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as amounts due from customers, due from QCSD, available-for-sale investments, bank balances - customer funds, cash and bank balances, which arise directly from its operations

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks, which are summarized below.

### Market risk

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

### Interest rate risk

The Group is exposed to interest rate risk on its floating rate interest bearing financial instruments. The following table demonstrates the sensitivity of the consolidated statement of income to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the Group's profit for the year, based on the floating rate financial instruments held at 31 December 2014. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

Increase  
in basis  
points

Effect on  
profit  
QR'000

2014	+25 b.p	404
2013	+25 b.p	368

There is no impact on the Group's equity.

### Equity price risk

The following table demonstrates the sensitivity of the effect of cumulative changes in fair values recognised in the equity to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

Changes  
in equity  
prices

Effect on  
equity  
QR'000

2014		
Available-for-sale investments - Qatar Exchange	+5%	5,910
2013		
Available-for-sale investments - Qatar Exchange	+5%	6,478

### Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk. The Group is not exposed to significant currency risk, in light of minimal balances in foreign currencies other than US Dollars.

## 25. FINANCIAL RISK MANAGEMENT (continued)

### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its due from customers, bank balances and bank balances – customer funds, due from QCSD and certain other assets, as reflected in the consolidated statement of financial position.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits and monitoring outstanding receivables. The Group provides brokerage services to a large number of customers and its top 10 customers account for 75% (2013: 98%) of total amount due from customers at reporting date.

With respect to credit risk arising from the financial assets of the Group, including receivables and bank balances, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets in the consolidated statement of financial position.

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position. The maximum exposure is shown gross.

	2014 QR'000	2013 QR'000
Bank balances (excluding cash)	162,028	105,015
Bank balances - customer funds	732,596	364,075
Due from customers	16,764	52,320
Due from QCSD	70,743	27,699
Other assets	<u>989</u>	<u>699</u>
	<u>983,120</u>	<u>549,808</u>

### Liquidity risk

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

The Group limits its liquidity risk by ensuring adequate bank facilities are available. The Group's terms of trade require amounts to be settled within its specified terms in invoices. Due to customers and QCSD are normally settled within the terms of trade.

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

At 31 December 2014	On demand QR'000	Less than 1 year QR'000	Total QR'000
Due to customers	812,043	-	812,043
Other liabilities	-	<u>32,025</u>	<u>32,025</u>
Total	<u>812,043</u>	<u>32,025</u>	<u>844,068</u>

At 31 December 2013	On demand QR'000	Less than 1 year QR'000	Total QR'000
Due to customers	443,374	-	443,374
Due to QCSD	1,774	-	1,774
Other liabilities	-	<u>24,681</u>	<u>24,681</u>
Total	<u>445,148</u>	<u>24,681</u>	<u>469,829</u>

## 25. FINANCIAL RISK MANAGEMENT (continued)

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013. Capital comprises share capital and retained earnings, and is measured at QR 284,388 thousand at 31 December 2014 (2013: QR 225,964 thousand).

In addition, the Group's subsidiaries engaged in brokerage services are required by the "Financial Solvency Rules for Financial Services Firms" issued by Qatar Financial Markets Authority to comply with certain capital adequacy measures. Management monitors these requirements on a daily basis and corrective actions are taken when necessary.

## 26. FAIR VALUES OF FINANCIAL INSTRUMENTS

### Capital management

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, bank balances- customer funds due from customers, available-for-sale investments, due from Qatar Exchange and other receivables. Financial liabilities consist of due to customers, due to QCSD and other payables.

The fair values of financial instruments are not materially different from their carrying values.

### Fair value hierarchy

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

Level 1:	quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2:	other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
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 following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

At 31 December 2014	Total QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Available-for-sale investments	<u>121,125</u>	<u>118,209</u>	<u>2,916</u>	<u>-</u>

At 31 December 2013	Total QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Available-for-sale investment	<u>132,207</u>	<u>129,553</u>	<u>2,654</u>	<u>-</u>

During the year ended 31 December 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

## 27. SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and certain disclosures at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in the consolidated financial statements:

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

### **Impairment of receivables**

An estimate of the collectible amount of receivables 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 an allowance applied according to the length of time past due.

At the end of the reporting period, gross amounts due from customers was QR 16,764 thousand (2013: QR 52,320 thousand) and the allowance for impairment of receivables was QR 4,030 thousand (2013: QR 4,030 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of income.

### **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 and physical wear and tear. 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.

### **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 as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

## 28. COMPARATIVE INFORMATION

Certain comparative figures pertaining to 31 December 2013 have been reclassified in order to conform to the presentation of the current year and improve the quality of the information presented. However, such reclassifications do not affect the previously reported profit or equity.