Dlala Brokerage and Investments Holding Company Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2012

ERNST & YOUNG
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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 2012 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 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 auditors consider 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 2012, 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.

ERNST & YOUNG
Doha
محاسبون قانونيون
الدوحة
ارنست ويونغ

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

Date: 6 February 2013
Doha

Dlala Brokerage and Investments Holding Company Q.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012

	Notes	*2012 QR'000*	*2011 QR'000*
ASSETS			
Current assets			
Cash and bank balances	4	**101,270**	96,429
Bank balances – customer funds	5	**143,262**	388,489
Due from customers	6	**9,479**	58,488
Due from Qatar Exchange		**7,454**	-
Financial investments - available-for-sale	7	**82,668**	75,085
Trading properties	8	**171,672**	10,585
Other assets	9	**33,350**	36,774
		549,155	665,850
Non-current assets			
Property and equipment	10	**49,893**	54,304
Investment in joint venture	11	**1,802**	-
		51,695	54,304
TOTAL ASSETS		**600,850**	720,154
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		**176,324**	423,956
Due to Qatar Exchange		**893**	31,319
Islamic financing facility	12	**112,387**	-
Other liabilities	13	**87,261**	30,822
		376,865	486,097
Non-current liability			
Employees' end of service benefits	14	**1,848**	1,797
Total liabilities		**378,713**	487,894
Equity			
Share capital	15	**200,000**	200,000
Legal reserve	16	**15,586**	12,974
Fair value reserve		**(16,592)**	(999)
Proposed dividend	17	**-**	20,000
Proposed bonus shares	17	**22,000**	-
Retained earnings		**1,095**	238
Equity attributable to owners of the parent		**222,089**	232,213
Non-controlling interests		**48**	47
Total equity		**222,137**	232,260
TOTAL LIABILITIES AND EQUITY		**600,850**	720,154

Nasser Hamad Al-Sulaiti Vice Chairman	Ahmed Mohamed Al Asmakh Managing Director	Abdulhameed Sultan J M Al-Jaber Chief Executive Officer

The accompanying notes 1 to 29 form an integral part of these consolidated financial statements.

Dlala Brokerage and Investments Holding Company Q.S.C.

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2012

	Notes	*2012* *QR'000*	*2011* *QR'000*
Brokerage and commission income		**37,710**	69,114
Brokerage and commission expense	18	**(13,390)**	(32,195)
Net brokerage and commission income		**24,320**	36,919
Investment income	19	**5,284**	15,208
Real estate income	20	**32,773**	7,499
Interest income		**1,893**	3,554
Net operating income		**64,270**	63,180
Other income		**603**	-
General and administrative expenses	21	**(30,646)**	(34,928)
Depreciation	10	**(5,019)**	(5,642)
Islamic finance costs		**(2,387)**	-
Share of loss of joint venture	11	**(698)**	-
PROFIT FOR THE YEAR		**26,123**	22,610
Attributable to:			
Owners of the parent		**26,122**	22,607
Non-controlling interests		**1**	3
		26,123	22,610
BASIC AND DILUTED EARNINGS PER SHARE (QR) (Attributable to owners of the parent)	22	**1.31**	1.13

The accompanying notes 1 to 29 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	2012 *QR'000*	*2011* *QR'000*
Profit for the year	**26,123**	22,610
Other comprehensive income:		
Net fair value loss on available-for-sale investments	**(18,255)**	(4,014)
Net loss (gain) on disposal of available-for-sale investments reclassified to the consolidated statement of income	**2,662**	(4,462)
Total other comprehensive loss for the year	**(15,593)**	(8,476)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**10,530**	14,134
Attributable to:		
Owners of the parent	**10,529**	14,131
Non-controlling interests	**1**	3
	10,530	14,134

The accompanying notes 1 to 29 form an integral part of these consolidated financial statements.

Dlala Brokerage and Investments Holding Company Q.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2012

	Notes	2012 QR'000	2011 QR'000
OPERATING ACTIVITIES			
Profit for the year		**26,123**	22,610
Adjustments for:			
Depreciation	10	**5,019**	5,642
Share of loss of joint venture	11	**698**	-
Provision for employees' end of service benefits	14	**484**	656
Gain on disposal of available-for-sale investments	19	**(831)**	(14,442)
Gain on sale of trading properties	20	**(27,267)**	(5,035)
Property and equipment written off	21	**30**	339
Interest income		**(1,893)**	(3,554)
Islamic finance costs		**2,387**	-
Dividend income	19	**(4,453)**	(766)
Reversal of provision		**402**	-
		699	5,450
Working capital changes:			
Customers funds		**245,227**	(79,841)
Due from customers		**49,009**	(9,850)
Due from/to Qatar Exchange		**(37,880)**	135,690
Purchase of trading properties	8	**(653,459)**	(39,703)
Proceeds from sales of trading properties		**543,821**	-
Other assets		**(20,758)**	536
Due to customers		**(247,632)**	(38,221)
Other liabilities		**55,949**	(306)
Cash used in operations		**(65,024)**	(26,245)
Employees' end of service benefits paid	14	**(433)**	(293)
Contribution paid to social fund		**(565)**	(329)
Net cash used in operating activities		**(66,022)**	(26,867)
INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale investments		**148,495**	241,452
Purchase of available-for-sale investments		**(170,840)**	(276,917)
Purchase of property and equipment	10	**(712)**	(1,015)
Proceeds from disposal of property and equipment		**74**	-
Investment in joint venture		**(2,500)**	-
Interest income		**1,893**	3,554
Dividend income		**4,453**	766
Net cash used in investing activities		**(19,137)**	(32,160)
FINANCING ACTIVITIES			
Proceeds from Islamic financing facility	12	**110,000**	-
Dividend paid	17	**(20,000)**	(17,000)
Net cash from (used in) financing activities		**90,000**	(17,000)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**4,841**	(76,027)
Cash and cash equivalents at 1 January		**96,429**	172,456
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	**101,270**	96,429

The accompanying notes 1 to 29 form an integral part of these consolidated financial statements.

Dlala Brokerage and Investments Holding Company Q.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

	Attributable to owners of the parent								
	Share capital QR'000	*Legal reserve QR'000*	*Fair value reserve QR'000*	*Retained earnings QR'000*	*Proposed dividend QR'000*	*Proposed bonus shares QR'000*	*Total QR'000*	*Non-controlling interests QR'000*	*Total equity QR'000*
At 1 January 2011	200,000	10,713	7,477	17,457	-	-	235,647	44	235,691
Profit for the year	-	-	-	22,607	-	-	22,607	3	22,610
Other comprehensive loss for the year	-	-	(8,476)	-	-	-	(8,476)	-	(8,476)
Total comprehensive income for the year	-	-	(8,476)	22,607	-	-	14,131	3	14,134
Transfer to legal reserve	-	2,261	-	(2,261)	-	-	-	-	-
Contribution to Social and Sports Fund (Note 13)	-	-	-	(565)	-	-	(565)	-	(565)
Dividend paid (Note 17)	-	-	-	(17,000)	-	-	(17,000)	-	(17,000)
Proposed dividend (Note 17)	-	-	-	(20,000)	20,000	-	-	-	-
Balance at 31 December 2011	200,000	12,974	(999)	238	20,000	-	232,213	47	232,260
Profit for the year	-	-	-	26,122	-	-	26,122	1	26,123
Other comprehensive loss for the year	-	-	(15,593)	-	-	-	(15,593)	-	(15,593)
Total comprehensive income for the year	-	-	(15,593)	26,122	-	-	10,529	1	10,530
Transfer to legal reserve	-	2,612	-	(2,612)	-	-	-	-	-
Contribution to Social and Sports Fund (Note 13)	-	-	-	(653)	-	-	(653)	-	(653)
Dividend paid (Note 17)	-	-	-	-	(20,000)	-	(20,000)	-	(20,000)
Proposed bonus shares (Note 17)	-	-	-	(22,000)	-	22,000	-	-	-
Balance at 31 December 2012	**200,000**	**15,586**	**(16,592)**	**1,095**	**-**	**22,000**	**222,089**	**48**	**222,137**

The accompanying notes 1 to 29 form an integral part of these consolidated financial statements.

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 2012 were authorised for issue by the Board of Directors on 6 February 2013.

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	*Country of incorporation*	*Relationship*	***Ownership interest 2012***	*Ownership interest 2011*
Dlala Brokerage W.L.L.	Qatar	Subsidiary	99.98%	99.98%
Dlala Islamic Brokerage W.L.L.	Qatar	Subsidiary	99.98%	99.98%
Dlala Real Estate S.P.C.	Qatar	Subsidiary	100%	100%
Dlala Investment Company L.L.C. (Dormant)	Qatar	Subsidiary	99.90%	99.90%
Dlala International L.L.C. (Dormant)	Qatar	Subsidiary	99.50%	99.50%
Dlala Information Technology S.P.C. (Dormant)	Qatar	Subsidiary	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 amendments to IFRS effective as of 1 January 2012, which did not have any impact on the Group:

IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets
IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendment)
IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

Standards issued but not yet effective

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:

Standard	Title
IAS 1	Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 (Effective for annual periods beginning on or after 1 July 2012)
IAS 19	Employee Benefits (Revised) (Effective 1 January 2013)
IAS 28	Investments in Associates and Joint Ventures (Effective 1 January 2013)
IAS 32	Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32 (Effective 1 January 2014)
IFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7 (Effective 1 January 2013)
IFRS 9	Financial Instruments: Classification and Measurement (Effective 1 January 2015)
IFRS 10	Consolidated Financial Statements, IAS 27 Separate Financial Statements (Effective 1 January 2013)
IFRS 12	Disclosure of Interests in Other Entities (Effective 1 January 2013)
IFRS 13	Fair Value Measurement (Effective 1 January 2013)

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 income 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 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 recognised and derecognised, on a trade date basis, when the Group becomes, or ceases to be, a party to the contractual provisions of the instrument.

Investments designated as available-for-sale investments are initially recorded at cost and subsequently measured at fair value, unless this cannot be reliably measured. Changes in fair value are reported as a separate component of equity through other comprehensive income. Upon impairment any loss, or upon derecognition any gain or loss, previously reported as "fair value reserve" within equity is included in the consolidated statement of income for the period.

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 is determined on a specific identification basis.

Property and equipment
Property and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. When significant parts of property and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in the consolidated statement of income as incurred.

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

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of 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, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment and any significant part initially recognised is derecognised 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 calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statement of income when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Investments in joint ventures
Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in jointly controlled entities are accounted for using the equity method and are recognised initially at cost.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the joint ventures from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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 a 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.

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.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

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, plant 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 values
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.

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 (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, 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.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

Derecognition of financial assets and liabilities (continued)
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.

4 CASH AND BANK BALANCES

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

	2012 ***QR'000***	*2011* *QR'000*
Cash and bank balances	**101,270**	96,429

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

	2012 ***QR'000***	*2011* *QR'000*
Amounts due from customers	**13,509**	62,518
Less: allowance for impairment of receivables	**(4,030)**	(4,030)
	9,479	58,488

At 31 December 2012, amounts due from customers at nominal value of QR 4,030 thousand (2011: QR 4,030 thousand) were impaired. The Group provides fully for all balances due from its customers, which are under legal cases. There were no movements in the allowance during the year (2011: Nil).

6 DUE FROM CUSTOMERS (continued)

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

	Total	*Neither past due nor impaired*	*< 30 days*	*Past due but not impaired: 30 – 60 days*	*61 – 90 days*	*91 – 120 days*	*>120 days*
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
2012	**9,479**	**9,474**	**5**	-	-	-	-
2011	58,488	54,794	3,694	-	-	-	-

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 2012			*31 December 2011*		
	Listed	***Unlisted***	***Total***	*Listed*	*Unlisted*	*Total*
	QR'000	***QR'000***	***QR'000***	*QR'000*	*QR'000*	*QR'000*
Shares	**79,171**	**1,719**	**80,890**	71,712	1,531	73,243
Funds	**-**	**1,778**	**1,778**	-	1,842	1,842
Total	**79,171**	**3,497**	**82,668**	71,712	3,373	75,085

8 TRADING PROPERTIES

	2012	*2011*
	QR'000	*QR'000*
Balance at 1 January	**10,585**	-
Acquired during the year	**653,459**	39,703
Disposed during the year (Note 20)	**(492,372)**	(29,118)
Balance at 31 December	**171,672**	10,585

9 OTHER ASSETS

	2012	*2011*
	QR'000	*QR'000*
Advance towards purchase of trading properties	**19,575**	-
Real estate accounts receivable	**9,971**	34,153
Prepayments	**2,542**	2,193
Other receivables	**1,262**	428
	33,350	36,774

10 PROPERTY AND EQUIPMENT

	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*
Cost:									
As at 1 January 2012	29,097	12,051	83	1,721	36,930	3,566	772	3,382	87,602
Additions	-	55	15	256	184	18	-	184	712
Disposals/write off	-	-	-	(60)	(559)	(303)	-	-	(922)
As at 31 December 2012	29,097	12,106	98	1,917	36,555	3,281	772	3,566	87,392
Depreciation:									
As at 1 January 2012	-	1,047	48	584	29,246	1,969	404	-	33,298
Charge for the year	-	611	21	164	3,636	465	122	-	5,019
Disposals/write off	-	-	-	(20)	(558)	(240)	-	-	(818)
As at 31 December 2012	-	1,658	69	728	32,324	2,194	526	-	37,499
Net book value:									
As at 31 December 2012	**29,097**	**10,448**	**29**	**1,189**	**4,231**	**1,087**	**246**	**3,566**	**49,893**

10 PROPERTY AND EQUIPMENT (continued)

	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*
Cost:									
As at 1 January 2011	29,097	11,871	70	1,565	31,398	2,165	579	10,433	87,178
Additions	-	9	13	90	275	113	193	322	1,015
Disposals/write off	-	-	-	(481)	-	(89)	-	(21)	(591)
Transfers	-	171	-	547	5,257	1,377	-	(7,352)	-
As at 31 December 2011	29,097	12,051	83	1,721	36,930	3,566	772	3,382	87,602
Depreciation:									
As at 1 January 2011	-	445	30	599	25,090	1,456	288	-	27,908
Charge for the year	-	602	18	148	4,156	602	116	-	5,642
Disposals/write off	-	-	-	(163)	-	(89)	-	-	(252)
As at 31 December 2011	-	1,047	48	584	29,246	1,969	404	-	33,298
Net book value:									
As at 31 December 2011	29,097	11,004	35	1,137	7,684	1,597	368	3,382	54,304

11 INVESTMENT IN JOINT VENTURE

The Group has a 50% interest in Dlala Sola Systems W.L.L., a jointly controlled entity established during the year. The principal activity of the jointly controlled entity is provision of information technology services. The interest in the jointly controlled entity is accounted for using the equity method.

The Group's share of summarized financial information of the jointly controlled entity is disclosed below:

	2012 QR'000	2011 QR'000
Revenue	**30**	-
Loss for the year	**698**	-
Current assets	**1,775**	-
Non-current assets	**48**	-
Current liabilities	**(21)**	-
Net assets	**1,802**	-

12 ISLAMIC FINANCING FACILITY

	2012 QR'000	2011 QR'000
Islamic financing facility	**112,387**	-

This is an Islamic financing arrangement amounting to QR 110,000 thousand obtained in the name of Dlala Brokerage and Investment Holding Company Q.S.C., for and on behalf of one of the subsidiaries to finance the purchase of trading properties. The facility is secured against the land purchased amounting to QR 121,118 thousand. The loan is fully repayable on 8 September 2013 with a total profit amounting to QR 6,134 thousand.

13 OTHER LIABILITIES

	2012 QR'000	2011 QR'000
Advances received from customers	**51,781**	-
Dividend payable	**18,178**	16,012
Accrued expenses (i)	**11,086**	10,053
Commission payable	**1,029**	786
Contribution payable to Social and Sports Development Fund (ii)	**653**	565
Other payables	**4,534**	3,406
	87,261	30,822

Notes:

(i) Accrued expenses include provision made in relation to claims made by customers and ex-employees against the Group amounting to QR 3,050 thousand (2011: QR 3,698 thousand).

(ii) Pursuant to Law No. 13 of 2008 and further clarification of the law issued in 2010, the Group made an appropriation of QR 653 thousand (2011: QR 565 thousand) to the Social and Sports Development Fund of Qatar. This amount represents 2.5% of the net profit for the year.

14 EMPLOYEES' END OF SERVICE BENEFITS

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

	2012 *QR'000*	*2011* *QR'000*
Provision as at 1 January	**1,797**	1,434
Provided during the year	**484**	656
End of service benefit paid	**(433)**	(293)
Provision as at 31 December	**1,848**	1,797

15 SHARE CAPITAL

	2012 *QR'000*	*2011* *QR'000*
Authorised, issued and fully paid:		
20,000,000 shares of QR 10 each	**200,000**	200,000

16 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 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.

17 DIVIDENDS

During the year, a cash dividend of QR 1 per share amounting to QR 20,000 thousand was declared and paid in respect of profits for the year ended 31 December 2011 (2011: QR 0.85 per share totaling to QR 17,000 thousand in respect of profits for the year ended 31 December 2010).

During the year, the Board of Directors has proposed a bonus share issue of 11 shares for every 100 shares held at 31 December 2012 amounting to QR 22,000 thousand (2011: Nil), which is subject to the approval of the shareholders at the Annual General Assembly.

18 BROKERAGE AND COMMISSION EXPENSE

	2012 *QR'000*	*2011* *QR'000*
Commission paid to Qatar Exchange	**10,849**	19,087
Other commission expenses	**1,823**	11,625
Other direct brokerage expenses	**718**	1,483
	13,390	32,195

19 INVESTMENT INCOME

	2012 *QR'000*	*2011* *QR'000*
Dividend income	**4,453**	766
Gain on disposal of available-for-sale investments	**831**	14,442
	5,284	15,208

20 REAL ESTATE INCOME

	2012 *QR'000*	*2011* *QR'000*
Gain on sale of trading properties	**27,267**	5,035
Income from cancellation of land sales contracts	**2,803**	-
Real estate brokerage fee income	**2,703**	2,464
	32,773	7,499

Gain on sale of trading properties:	*2012* *QR'000*	*2011* *QR'000*
Sale of trading properties	**519,639**	34,153
Cost of trading properties sold (Note 8)	**(492,372)**	(29,118)
	27,267	5,035

21 GENERAL AND ADMINISTRATIVE EXPENSES

	2012 *QR'000*	*2011* *QR'000*
Staff costs	**18,404**	21,520
IT and communication costs	**3,370**	3,958
Commission to General Manager (Real Estate) (Note 23)	**1,306**	503
Marketing expenses	**2,316**	1,332
Consulting and professional fees	**1,179**	592
Bank guarantee fees	**796**	1,448
Rent expenses	**702**	739
Communication expenses	**471**	658
License and regulatory fees	**354**	438
Maintenance expenses	**226**	403
Insurance expenses	**66**	274
Property and equipment written off	**30**	339
Legal expenses	-	1,198
Penalties	-	950
Miscellaneous expenses	**1,426**	576
	30,646	34,928

22 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.

	2012	*2011*
Profit attributable to owners of the parent (QR'000)	**26,122**	22,607
Weighted average number of shares outstanding during the year	**20,000,000**	20,000,000
Basic and diluted earnings per share (QR)	**1.31**	1.13

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

23 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:

	2012 ***QR'000***	*2011* *QR'000*
Brokerage and commission income	**830**	561
Purchase of trading properties (Board of Directors)	**459,544**	39,703
Real estate brokerage fee income (Board of Directors)	**150**	-

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

	2012		*2011*	
	Receivable QR'000	***Payable QR'000***	*Receivable QR'000*	*Payable QR'000*
Board of Directors	**-**	**111**	739	-

The above balances are included under due from and due to customers respectively.

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

	2012 ***QR'000***	*2011* *QR'000*
Salaries and short-term benefits	**4,622**	2,282
Pension benefits	**124**	125
	4,746	2,407

24 CONTINGENT LIABILITIES

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

	2012 ***QR'000***	*2011* *QR'000*
Letters of guarantee	**150,000**	204,500

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.

25 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.

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.

The following table presents the revenue, profit, assets and liabilities information regarding the Group's operating segments for the year ended 31 December 2012 and 2011, respectively.

31 December 2012	***Stock Broking QR'000***	***Real Estate QR'000***	***IT and International QR'000***	***Others QR'000***	***Elimination QR'000***	***Total QR'000***
Brokerage and commission income	**24,320**	**-**	**-**	**-**	**-**	**24,320**
Others	**6,947**	**34,336**	**1,283**	**2,426**	**(5,042)**	**39,950**
Segment revenue	**31,267**	**34,336**	**1,283**	**2,426**	**(5,042)**	**64,270**
Segment profit/(loss)	**6,309**	**25,011**	**(4,332)**	**(865)**	**-**	**26,123**
Depreciation	**893**	**410**	**-**	**3,716**	**-**	**5,019**
Segment assets	**296,403**	**267,965**	**17,463**	**46,870**	**(27,851)**	**600,850**
Segment liabilities	**186,042**	**183,170**	**659**	**36,693**	**(27,851)**	**378,713**

31 December 2011	*Stock Broking QR'000*	*Real Estate QR'000*	*IT and International QR'000*	*Others QR'000*	*Elimination QR'000*	*Total QR'000*
Brokerage and commission income	36,919	-	-	-	-	36,919
Others	8,442	9,653	428	11,158	(3,420)	26,261
Segment revenue	45,361	9,653	428	11,158	(3,420)	63,180
Segment profit	13,614	4,457	406	4,133	-	22,610
Depreciation	1,258	406	-	3,978	-	5,642
Segment assets	588,150	64,928	20,775	85,296	(38,995)	720,154
Segment liabilities	463,871	5,144	79	57,795	(38,995)	487,894

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

26 FINANCIAL RISK MANAGEMENT

Objective and policies
The Group's principal financial liabilities comprise amounts due to customers, Islamic financing facility, due to Qatar Exchange 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 frm Qatar Exchange, 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 2012. 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*
2012	**+25 b.p**	**283**
2011	+25 b.p	164

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***
2012		
Available-for-sale investments	+5	**3,959**
2011		
Available-for-sale investments	+5	3,586

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.

26 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 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 no single customer accounts for more than 10% of the outstanding receivables.

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.

	2012 *QR'000*	*2011* *QR'000*
Bank balances (excluding cash)	**101,249**	96,355
Bank balances - customer funds	**143,262**	388,489
Due from customers	**9,479**	58,488
Due from Qatar Exchange	**7,454**	-
Other assets	**11,233**	34,581
	272,677	577,913

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 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 Qatar Exchange 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 2012	*On demand* *QR'000*	*Less than 1 year* *QR'000*	*Total* *QR'000*
Due to customers	**176,324**	**-**	**176,324**
Due to Qatar Exchange	**893**	**-**	**893**
Islamic financing facility	**-**	**116,134**	**116,134**
Other liabilities	**24,394**	**-**	**24,394**
Total	**201,611**	**116,134**	**317,745**

26 FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk (continued)

At 31 December 2011	*On demand QR'000*	*Less than 1 year QR'000*	*Total QR'000*
Due to customers	423,956	-	423,956
Due to Qatar Exchange	31,319	-	31,319
Other liabilities	20,769	-	20,769
Total	476,044	-	476,044

Capital management
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 2012 and 31 December 2011. Capital comprises share capital and retained earnings, and is measured at QR 201,095 thousand at 31 December 2012 (2011: QR 200,238 thousand).

27 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances, due from customers, available-for-sale investments and other receivables. Financial liabilities consist of Islamic financing facility, due to customers, due to Qatar Exchange 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 2012, the Group held the following financial instruments measured at fair value:

At 31 December 2012	***Total QR'000***	***Level 1 QR'000***	***Level 2 QR'000***	***Level 3 QR'000***
Available-for-sale investments	**80,949**	**79,171**	**1,778**	**-**

At 31 December 2011	*Total QR'000*	*Level 1 QR'000*	*Level 2 QR'000*	*Level 3 QR'000*
Available-for-sale investments	73,554	71,712	1,842	-

During the year ended 31 December 2012, 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.

28 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:

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 13,509 thousand (2011: QR 62,518 thousand) and the allowance for impairment of receivables was QR 4,030 thousand (2011: 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.

29 COMPARATIVE INFORMATION

Certain comparative figures pertaining to 31 December 2011 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.