Dlala Brokerage and Investment Holding Company Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2016

INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Dlala Brokerage and Investment Holding Company (Q.P.S.C)
Doha- Qatar

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Dlala Brokerage and Investment Holding Company(Q.P.S.C) (the "Company") and its subsidiaries (together referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2016, 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 notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key audit matters

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

For each matter below our description of how our audit addressed the matters is provided in that context.

Impairment of due from Customers

Due from customers represents the significant portion of the total assets of the Group and as set out in the note No. 6 to the consolidated financial statements, consists of amount receivable from customers on share trading transactions. Due from customers are carried out at original transaction amount less allowance for impairment for non-collectability of receivables, if any. The impairment test of due from customers is considered to be a matter of significance as it requires management judgments and subjective assumptions due to the risk of default associated with individual customer.

INDEPENDENT AUDITOR'S REPORT (Continued)

Impairment of due from Customers (continued)

Our procedures included, among others, testing a sample of daily transaction reports to verify the existence and completeness of the recorded transactions in the accounting books and tested sample customer files to verify the fulfillment of customers' credit worthiness conditions. We performed detailed procedures, including internal control testing on individual significant balances such as substantiating transactions with underlying documents, obtaining third party and regulatory correspondences/confirmations to make sure the eligibility for such credit limit and verifying the settlement of the due amount subsequent to the reporting period. We also checked the appropriateness of internal control systems related to credit facilities procedures, following up collections, monitoring provisions provided and write offs customers' balances from the Group accounting records.

In addition we evaluated the adequacy of the Group's disclosures regarding due from customers, the related risk such as credit risk and aging of due from customers as disclosed in note No 25 and note No 6 of the consolidated financial statements respectively.

Impairment of Investment securities

As disclosed in the note No.7 to the consolidated financial statements, the Group's investment securities consist of available for sale financial investments. As at December 31, 2016, the Group's investment securities represent a material portion (16%) of Group's total assets. The available for sale financial investments are carried at fair value and the fair value is determined in accordance with the hierarchy as disclosed in the note No. 26 of the consolidated financial statement.

At each reporting date, the Group assesses whether there is any objective evidence that an investment or group of investments is impaired. As detailed in the note No. 3 of the consolidated financial statement, the objective evidence would include a significant and prolonged decline (continuous period of 12 months or more) in the fair value of the investment below its cost or any other impairment indicators. The determination of an impairment is highly subjective and requires significant judgment and estimations. Hence, there is a risk that investment securities are impaired and no such reasonable impairment losses were provided which might have resulted carrying amount of investment securities greater than estimated recoverable amount. Therefore, the impairment test of these investment securities is considered to be a key audit matter.

Our audit procedures in this area included, amongst others, testing the fair valuation of quoted investment securities by comparing the fair values applied by the Group with publicly available market data, selecting a sample of investment securities and checking whether there is an objective evidence that impairment exits on these investment securities and validating the judgments and estimations used by the management in this regard. We also assessed the adequacy of disclosure regarding the accounting policies for investment securities, their impairment and fair value measurement in the Group's financial statements in this regard.

Other matter

The consolidated financial statements of the Group for the year ended December 31, 2015 were audited by other independent auditors whose reports dated February 15, 2016, expressed an unqualified audit opinion on those consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other information (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the Group and the consolidated financial statements are in agreement therewith. We have obtained all the information and explanations we considered necessary for the purpose of our audit. We are not aware of any violations of the provisions of the Qatar Commercial Companies Law no. 11 of 2015 or the terms of the company's Articles of Association having occurred during the year which might have had a material effect on the business of the Group or its financial position as at 31 December 2016.

Rödl & Partner P.O.Box: 47153 Middle East

Rödl & Partner
Middle East
Certified Public Accountants

Hikmat Mukhaimer, FCCA (UK)
(License No. 297)

Doha – Qatar
1 February 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2016

	Notes	*2016 QR'000*	*2015 QR'000*
ASSETS			
Current assets			
Cash and bank balances	4	**117,156**	147,982
Bank balances – customer funds	5	**307,711**	504,799
Due from customers	6	**51,066**	31,285
Due from Qatar Central Securities Depository (QCSD)		**28,691**	-
Available-for-sale investments	7	**109,829**	84,731
Other assets	8	**31,020**	30,067
		645,473	798,864
Non-current assets			
Intangible asset	9	**134**	260
Property and equipment	10	**41,797**	42,284
		41,931	42,544
TOTAL ASSETS		**687,404**	841,408
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		**397,479**	510,327
Due to Qatar Central Securities Depository (QCSD)		-	16,694
Other liabilities	11	**26,415**	44,963
		423,894	571,984
Non-current liability			
Employees' end of service benefits	12	**4,383**	3,985
Total liabilities		**428,277**	575,969
Equity			
Share capital	13	**284,160**	284,160
Legal reserve	14	**26,004**	25,204
Fair value reserve		**(11,973)**	(1,952)
Accumulated loses		**(39,107)**	(42,016)
Equity attributable to shareholders of the parent		**259,084**	265,396
Non-controlling interests		**43**	43
Total equity		**259,127**	265,439
TOTAL LIABILITIES AND EQUITY		**687,404**	841,408

H.E Sheikh Abdulrahman Bin Hamad Al-Thani
(Chairman)

Dr. Abdulaziz A. Al-Hammadi
(Chief Executive Officer)

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2016

	Notes	*2016 QR'000*	*2015 QR'000*
Brokerage commission income		**31,832**	44,318
Brokerage commission expense	16	**(10,353)**	(14,729)
Net brokerage commission income		**21,479**	29,589
Net investment (loss) income	17	**(139)**	3,276
Real estate income	18	**4,250**	5,574
Interest income		**1,847**	1,474
Other operating income		**-**	11
Net operating income		**27,437**	39,924
Other income		**2,285**	40
General and administrative expenses	19	**(24,195)**	(26,301)
Depreciation and amortization	9 & 10	**(1,724)**	(2,034)
Profit before impairment losses on available-for-sale investments		**3,803**	11,629
Impairment losses on available-for-sale investments		**-**	(53,603)
PROFIT (LOSS) FOR THE YEAR		**3,803**	(41,974)
Attributable to:			
Shareholders of the parent		**3,804**	(41,969)
Non-controlling interests		**(1)**	(5)
		3,803	(41,974)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (QR) (Attributable to shareholders of the parent)	20	**0.13**	(1.48)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016 *QR'000*	*2015* *QR'000*
Profit (Loss) for the year	**3,803**	(41,974)
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Net fair value loss on available-for-sale investments	**(12,278)**	(40,791)
Net loss (gain) on disposal of available-for-sale investments reclassified to the consolidated statement of income (Note 17)	**2,256**	(63)
Impairment losses on available-for-sale investments reclassified to the consolidated statement of income	**-**	53,603
Net other comprehensive (loss) income to be classified to profit or loss in subsequent periods	**(10,022)**	12,749
Items not to be reclassified to profit or loss in subsequent periods	**-**	-
Total other comprehensive (loss) income for the year	**(10,022)**	12,749
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(6,219)**	(29,225)
Attributable to:		
Shareholders of the parent	**(6,217)**	(29,220)
Non-controlling interests	**(2)**	(5)
	(6,219)	(29,225)

The accompanying notes 1 to 27 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	Notes	2016 QR'000	2015 QR'000
OPERATING ACTIVITIES			
Profit (Loss) for the year		**3,803**	(41,974)
Adjustments for:			
Depreciation and amortization	9 & 10	**1,724**	2,034
Provision for employees' end of service benefits	12	**544**	569
Loss (gain) on disposal of available-for-sale investments	17	**2,256**	(63)
Profit on disposal of property and equipment		**-**	(34)
Impairment losses on available-for-sale investments		**-**	53,603
Interest income		**(1,847)**	(1,474)
Dividend income	17	**(2,117)**	(3,213)
Operating profit before working capital changes		**4,363**	9,448
Working capital changes:			
Customers funds		**197,088**	227,797
Due from customers		**(19,781)**	(18,551)
Due from/to QCSD		**(45,385)**	87,437
Other assets		**(725)**	33,514
Due to customers		**(112,848)**	(301,716)
Other liabilities		**(18,643)**	(51,295)
Net cash flows from (used in) operations		**4,069**	(13,366)
Employees' end of service benefits paid	12	**(146)**	(111)
Contribution paid to social fund		**-**	(1,670)
Cash flows from (used in) operating activities		**3,923**	(15,147)
INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale investments		**352,744**	138,268
Purchase of available-for-sale investments		**(390,120)**	(140,592)
Purchase of property and equipment	10	**(1,111)**	(1,098)
Proceeds from sale of property and equipment		**-**	34
Interest received		**1,667**	1,171
Dividend received		**2,069**	3,213
Movement in the bank deposits maturing after 90 days	4	**(5,000)**	(15,000)
Proceeds from sale of fractional shares arising from bonus issue		**-**	108
Net cash flows used in investing activities		**(39,751)**	(13,896)
FINANCING ACTIVITIES			
Dividends paid to non-controlling interests		**-**	(9)
Contribution by non-controlling interest		**2**	-
Net cash flows from (used in) financing activities		**2**	(9)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(35,826)**	(29,052)
Cash and cash equivalents at 1 January		**132,982**	162,034
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	**97,156**	132,982

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Equity attributable to shareholders' of the parent						
	Share capital *QR'000*	*Legal reserve* *QR'000*	*Fair value reserve* *QR'000*	*Retained Earnings/ (accumulated losses)* *QR'000*	*Total* *QR'000*	*Non-controlling interests* *QR'000*	*Total equity* *QR'000*
Balance at 1 January 2015	222,000	24,821	(14,701)	62,388	294,508	57	294,565
Loss for the year	-	-	-	(41,969)	(41,969)	(5)	(41,974)
Other comprehensive income for the year	-	-	12,749	-	12,749	-	12,749
Total comprehensive loss for the year	-	-	12,749	(41,969)	(29,220)	(5)	(29,225)
Transfer to legal reserve	-	383	-	(383)	-	-	-
Bonus shares issued (Note15)	62,160	-	-	(62,160)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	(9)	(9)
Proceeds from sale of fractional shares arising from bonus issue	-	-	-	108	108	-	108
Balance at 31 December 2015	284,160	25,204	(1,952)	(42,016)	265,396	43	265,439
Profit for the year	-	-	-	3,804	3,804	(1)	3,803
Other comprehensive loss for the year	-	-	(10,021)	-	(10,021)	(1)	(10,022)
Total comprehensive loss for the year	-	-	(10,021)	3,804	(6,217)	(2)	(6,219)
Transfer to legal reserve	-	800	-	(800)	-	-	-
Contribution	-	-	-	-	-	2	2
Contribution to Social and Sports Development Fund (Note 11)	-	-	-	(95)	(95)	-	(95)
Balance at 31 December 2016	**284,160**	**26,004**	**(11,973)**	**(39,107)**	**259,084**	**43**	**259,127**

The accompanying notes 1 to 27 form an integral part of these consolidated financial statements

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company (Q.P.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. 11 of 2015, 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 2016 were authorised for issue by the Board of Directors on 1 February 2017.

2 BASIS OF CONSOLIDATION

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

Entity	*Country of incorporation*	*Relationship*	***Ownership interest 2016***	*Ownership interest 2015*
Dlala Brokerage Company W.L.L.	Qatar	Subsidiary	99.98%	99.98%
Dlala Islamic Brokerage Company W.L.L.	Qatar	Subsidiary	99.98%	99.98%
Dlala Real Estate W.L.L.	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 W.L.L. (Dormant)	Qatar	Subsidiary	100%	100%

At reporting date, the management has taken required approvals and initiatives to liquidate Dlala Investment Company L.L.C and Dlala International L.L.C which were in dormant status since incorporation.

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. 11 of 2015.

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 in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

The following amended accounting standards became effective in 2016 and have been adopted by the Group in preparation of these consolidated financial statements as applicable. Whilst they did not have any material impact, they may require additional disclosures in these consolidated financial statements:

Topic	**Effective date**
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IFRS 11 Joint Arrangement: Accounting for acquisition of interest	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortization	1 January 2016
Amendments to IAS 27: Equity method in separate financial statements	1 January 2016
Amendments to IAS 1: Disclosure Initiative	1January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28: Applying the Consolidation Exception	1January 2016
Annual Improvement Cycle - 2012-2014	1January 2016

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Topic	**Effective date**
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to IAS-7 Disclosure initiative	1 January 2017
Amendments to IAS 12- Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to IFRS 2 on classification and measurement of share based payment transactions	1 January 2018
IFRS 16 Leases	1 January 2019

The Group is assessing the impact of implementation of these standards

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.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

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 recognized 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.

For listed equity investments, a decline in the market value by 30% from cost or more, or for a continuous period of 12 months or more, are considered to be indicators of impairment.

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.

Intangible asset
Intangible asset represents the computer software application. Intangible asset acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

Intangible asset (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income in the expense category consistent with the nature of the intangible asset.

The following are the useful life and method of amortization of Group's intangible asset.

	Computer software application
Useful life	3 years (finite)
Method of amortization	Straight line

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.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

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 cash equivalents
For the purposes of the consolidated statement of cash flows, cash and cash equivalents 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.

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.

Operating leases
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of income on a straight-line basis over the lease term.

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.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

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.

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

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

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 is classified 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.

All other assets are classified as non-current.

A liability is classified as 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 CASH EQUIVALENTS

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

	2016 *QR'000*	*2015* *QR'000*
Cash and bank balances	**117,156**	147,982
Bank deposits with maturity above 90 days	**(20,000)**	(15,000)
	97,156	132,982

Bank balances include short term deposits made for varying periods 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 in trust until the customers commit those funds to purchase of shares. At the settlement date of these transactions, the Group transfers due amounts from these customer funds to the settlement authority.

6 DUE FROM CUSTOMERS

	2016 *QR'000*	*2015* *QR'000*
Amounts due from customers	**51,066**	35,315
Less: Allowance for impairment	**-**	(4,030)
	51,066	31,285

There were no allowance for impairment of due from customers at 31 December 2016. (2015: QR 4,030 thousand). The Group provides fully for all balances due from its customers, which are overdue or under legal cases. The movements in the allowance for impairment of due from customers during the year is as follows.

	2016 **QR'000**	2015 QR'000
Balance at 1 January	**4,030**	4,030
Written off against due from customers during the year	**(4,030)**	-
Balance at the reporting date	**-**	4,030

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

			Past due but not impaired				
	Total *QR'000*	*Neither past due nor impaired* *QR'000*	*< 30 days* *QR'000*	*30 – 60 days* *QR'000*	*61 – 90 days* *QR'000*	*91 – 120 days* *QR'000*	*>120 days* *QR'000*
2016	**51,066**	**51,066**	-	-	-	-	-
2015	31,285	31,285	-	-	-	-	-

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 AVAILABLE-FOR-SALE INVESTMENTS

	31 December 2016			*31 December 2015*		
	Listed ***QR'000***	***Unlisted*** ***QR'000***	***Total*** ***QR'000***	*Listed* *QR'000*	*Unlisted* *QR'000*	*Total* *QR'000*
Shares	**107,525**	**2,304**	**109,829**	75,320	2,196	77,516
Funds	**-**	**-**	**-**	-	7,215	7,215
Total	**107,525**	**2,304**	**109,829**	75,320	9,411	84,731

8 OTHER ASSETS

	2016 *QR'000*	*2015* *QR'000*
Advance paid for real estate projects	**27,417**	26,444
Prepayments	**1,101**	1,869
Other receivables	**2,502**	1,754
	31,020	30,067

9 INTANGIBLE ASSET

	2016 *QR'000*	*2015* *QR'000*
Cost:		
At 1 January	**376**	-
Transfers from property and equipment (Note 10)	-	376
At 31 December	**376**	376
Amortization:		
At 1 January	**116**	-
Amortization for the year	**126**	116
At 31 December	**242**	116
At 31 December	**134**	260

Amortization of intangible asset during the year is included under the depreciation and amortization in the consolidated statement of income.

10 PROPERTY AND EQUIPMENT

	Land QR'000	*Building QR'000*	*Leasehold improvements QR'000*	*Furniture and fixtures QR'000*	*Computer equipment 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 2016	29,097	13,886	98	1,567	38,310	3,178	751	671	87,558
Additions	-	-	-	7	-	1	-	1,103	1,111
Transfers during the year	-	-	-	-	1,774	-	-	(1,774)	-
As at 31 December 2016	29,097	13,886	98	1,574	40,084	3,179	751	-	88,669
Depreciation:									
As at 1 January 2016	-	3,701	98	921	36,872	3,049	633	-	45,274
Charge for the year	-	715	-	131	641	65	46	-	1,598
As at 31 December 2016	-	4,416	98	1,052	37,513	3,114	679	-	46,872
Net book value:									
As at 31 December 2016	**29,097**	**9,470**	-	**522**	**2,571**	**65**	**72**	-	**41,797**

10 PROPERTY AND EQUIPMENT (continued)

	Land QR'000	*Building QR'000*	*Leasehold improvements QR'000*	*Furniture and fixtures QR'000*	*Computer equipment 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 2015	29,097	13,886	98	1,547	38,281	3,164	929	12	87,014
Additions	-	-	-	20	4	14	-	1,060	1,098
Disposals	-	-	-	-	-	-	(178)	-	(178)
Transfers to intangible asset (Note 9)	-	-	-	-	-	-	-	(376)	(376)
Transfers to computer and equipment	-	-	-	-	25	-	-	(25)	-
As at 31 December 2015	29,097	13,886	98	1,567	38,310	3,178	751	671	87,558
Depreciation:									
As at 1 January 2015	-	2,985	97	777	36,257	2,689	729	-	43,534
Charge for the year	-	716	1	144	615	360	82	-	1,918
Relating to disposals	-	-	-	-	-	-	(178)	-	(178)
As at 31 December 2015	-	3,701	98	921	36,872	3,049	633	-	45,274
Net book value:									
As at 31 December 2015	29,097	10,185	-	646	1,438	129	118	671	42,284

11 OTHER LIABILITIES

	2016 *QR'000*	*2015* *QR'000*
Advances received from customers for a real estate project	**7,772**	23,429
Dividend payable	**16,028**	16,198
Accrued expenses	**1,673**	2,508
Contribution to Social and Sports Development Fund (i)	**95**	-
Commission payable	**436**	947
Other payables	**411**	1,881
	26,415	44,963

(i) Pursuant to Law No. 13 of 2008 and further clarification of the law issued in 2010, the Group is required to contribute to the social and sports development fund of Qatar, which is calculated at 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:

	2016 *QR'000*	*2015* *QR'000*
Provision as at 1 January	**3,985**	3,527
Provided during the year	**544**	569
End of service benefit paid	**(146)**	(111)
Provision as at 31 December	**4,383**	3,985

13 SHARE CAPITAL

	2016 *QR'000*	*2015* *QR'000*
Authorised, issued and fully paid:		
Balance at the beginning of the year		
28,416 thousand shares of QR 10 each (22,200,000 shares)	**284,160**	222,000
Add: Bonus shares issued during the year:		
6,216,000 shares at QR 10 each (Note 15)	-	62,160
Balance at the end of the year:		
28,416,000 shares of QR 10 each	**284,160**	284,160

14 LEGAL RESERVE

In accordance with the Qatar Commercial Companies' Law No. 11 of 2015 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

No dividends were declared or paid during current financial year. (2015: At the Extra Ordinary General Assembly held on 7 April 2015, the shareholders approved a bonus share issue of 28 shares for every 100 shares held at 31 December 2014 (Note 13), amounting to QR 62,160 thousand).

16 BROKERAGE COMMISSION EXPENSE

	2016 ***QR'000***	*2015* *QR'000*
Commission paid to Qatar Exchange	**9,620**	13,566
Other commission expenses	**5**	90
Other brokerage expenses	**728**	1,073
	10,353	14,729

17 NET INVESTMENT (LOSS) INCOME

	2016 ***QR'000***	*2015* *QR'000*
Net (loss) gain on disposal of available-for-sale investments	**(2,256)**	63
Dividend income	**2,117**	3,213
	(139)	3,276

18 REAL ESTATE INCOME

	2016 ***QR'000***	*2015* *QR'000*
Real estate brokerage fee income	**4,052**	5,574
Other real estate services	**198**	-
	4,250	5,574

19 GENERAL AND ADMINISTRATIVE EXPENSES

	2016 ***QR'000***	*2015* *QR'000*
Staff costs	**16,665**	17,174
IT and communication costs	**2,485**	2,777
Bank guarantee fees	**1,072**	1,315
Marketing expenses	**611**	984
Consulting and professional fees	**664**	748
Communication expenses	**583**	550
Rent expenses	**356**	343
Maintenance expenses	**428**	493
Government and regulatory fees	**681**	677
Penalties and claims	**300**	780
Insurance expenses	**41**	38
Miscellaneous expenses	**309**	422
	24,195	26,301

20 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

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

	2016	*2015*
Profit (Loss) attributable to shareholders of the parent (QR'000)	**3,804**	(41,969)
Weighted average number of shares outstanding during the year (in thousands)	**28,416**	28,416
Basic and diluted earnings (loss) per share (QR)	**0.13**	(1.48)

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

At the Extra Ordinary General Assembly held on 7 April 2015, the shareholders approved a bonus share issue of 28 shares for every 100 shares held at 31 December 2014, amounting to QR 62,160 thousand. The number of shares at end of the year 2015 is stated after incorporating the effect of the above mentioned bonus share issue (6,216 thousand shares).

21 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:

	2016 *QR'000*	*2015* *QR'000*
Key management and their close family members;		
Net brokerage commission income	**1,157**	3,535
Fees paid for attending the Board meetings	**(105)**	(130)
Other related parties:		
Net brokerage commission income	**1,760**	-

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

	Receivable		***Payable***	
	2016 ***QR'000***	*2015* *QR'000*	***2016*** ***QR'000***	*2015* *QR'000*
Board of Directors	**10,431**	-	**185**	3,555
Other related parties	**28,194**	-	-	-

The above receivable and payable balances from and to related parties are included under due from and due to customers respectively.

21 RELATED PARTY DISCLOSURES (Continued)

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

	2016 *QR'000*	*2015* *QR'000*
Salaries and short-term benefits	**2,158**	2,099
Pension benefits	**125**	19
	2,283	2,118

22 COMMITMENTS AND CONTINGENT LIABILITIES

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

	2016 *QR'000*	*2015* *QR'000*
Letters of guarantee	**225,000**	225,000

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

	2016 *QR'000*	*2015* *QR'000*
Capital commitments		
Capital commitments	**-**	1,099

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

	2016 *QR'000*	*2015* *QR'000*
Within one year	**298**	356
After one year but not more than three years	**-**	298
	298	654

23 CONTINGENT ASSET

During the year ended 31 December 2016, the Group received initial verdict from the Court of Qatar for the claim made against an ex-employee for losses suffered by the Group during the year 2013 due to his misconduct of a client's share trading account. As per the initial judgment, the above mentioned ex-employee was held responsible to settle the full amount of losses incurred by the Group amounting to QR 19.5 million. The Directors are of the opinion that result of the recent court verdict has given strong indication that the claim is probable to be met in full in the near future.

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 the 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 2016 and 2015, respectively.

31 December 2016	*Stock Broking*	*Real Estate*	*IT and International*	*Others*	*Elimination*	*Total*
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
Brokerage commission income (net)	**21,479**	**-**	**-**	**-**	**-**	**21,479**
Other revenues (*)	**(4,320)**	**7,583**	**2**	**6,107**	**(3,414)**	**5,958**
Segment revenue	**17,159**	**7,583**	**2**	**6,107**	**(3,414)**	**27,437**
Segment (loss)/profit	**(4,124)**	**2,985**	**(41)**	**4,983**	**-**	**3,803**
Depreciation and amortization	**164**	**748**	**-**	**812**	**-**	**1,724**
Segment assets	**535,949**	**80,416**	**16,017**	**315,843**	**(260,821)**	**687,404**
Segment liabilities	**400,678**	**7,876**	**124**	**46,306**	**(26,707)**	**428,277**

31 December 2015	*Stock Broking*	*Real Estate*	*IT and International*	*Others*	*Elimination*	*Total*
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
Brokerage commission income (net)	29,589	-	-	-	-	29,589
Other revenues (*)	2,478	9,251	2	65,929	(67,325)	10,335
Segment revenue	32,067	9,251	2	65,929	(67,325)	39,924
Segment (loss)/profit	(22,251)	3,826	(53)	40,495	(63,991)	(41,974)
Depreciation and amortization	182	804	-	1,048	-	2,034
Segment assets	666,339	93,362	16,057	307,642	(241,992)	841,408
Segment liabilities	533,386	23,807	115	36,660	(17,999)	575,969

The Group's operations are located in the State of Qatar.
*Other revenues include net investment and real estate income.

25 FINANCIAL RISK MANAGEMENT

Objective and policies

The Group's principal financial liabilities comprise of 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 and 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 2016. 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*
2016	**+25 b.p**	**190**
2015	+25 b.p	329

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***
2016		
Available-for-sale investments - Qatar Exchange	**+5%**	**5,376**
2015		
Available-for-sale investments – Qatar Exchange	+5%	3,766

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 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 more than 10% (2015: 10%) 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.

	2016 ***QR'000***	*2015* *QR'000*
Bank balances (excluding cash)	**117,149**	147,975
Bank balances - customer funds	**307,711**	504,799
Due from customers	**51,066**	35,315
Other assets	**2,502**	1,754
	478,428	689,843

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 2016	***On demand*** ***QR'000***	***Less than 1 year*** ***QR'000***	***Total*** ***QR'000***
Due to customers	**397,479**	**-**	**397,479**
Other liabilities	**-**	**18,643**	**18,643**
Total	**397,479**	**18,643**	**416,122**

25 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

At 31 December 2015	*On demand QR'000*	*Less than 1 year QR'000*	*Total QR'000*
Due to customers	510,327	-	510,327
Due to QCSD	16,694	-	16,694
Other liabilities	-	21,534	21,534
Total	527,021	21,534	548,555

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 2016 and 31 December 2015. Capital comprises share capital and accumulated losses, and is measured at QR 245,053 thousand at 31 December 2016 (2015: QR 242,144 thousand).

26 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, bank balances- customer funds due from customers, due from QCSD, available-for-sale investments 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 2016, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

At 31 December 2016	***Total QR'000***	***Level 1 QR'000***	***Level 2 QR'000***	***Level 3 QR'000***
Available-for-sale investments	**107,525**	**107,525**	**-**	**-**

At 31 December 2015	*Total QR'000*	*Level 1 QR'000*	*Level 2 QR'000*	*Level 3 QR'000*
Available-for-sale investments	82,535	75,320	7, 215	-

During the year ended 31 December 2016, 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 51,066 thousand (2015: QR 35,315 thousand) and there were no impairment of due from customers at reporting date (2015: 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 intangible asset
The Group's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation/amortization. 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/amortization charge would be adjusted where the management believes the useful lives differ from previous estimates.

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

At the reporting date, the carrying value of investments were QR 109,829 (2015: QR 84,731) with no allowance for impairment losses. (2015: QR 53,603). Impairment losses on equity investments are not reversed through the (consolidated) income statement and increases in fair value after impairment are recognised directly in equity through other comprehensive income.

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.