دلالة القابضة
DLALA HOLDING

Annual Report
2017

دلالة تقنية المعلومات
DLALA INFORMATION TECHNOLOGY

دلالة الإسلامية
DLALA ISLAMIC

دلالة للوساطة
DLALA BROKERAGE

دلالة العقارية
DLALA REAL ESTATE

His Highness
Sheikh Hamad Bin Khalifa Al-Thani
Father Emir

His Highness
Sheikh Tamim Bin Hamad Al-Thani
Emir of the State of Qatar

دلالة القابضة
DLALA HOLDING

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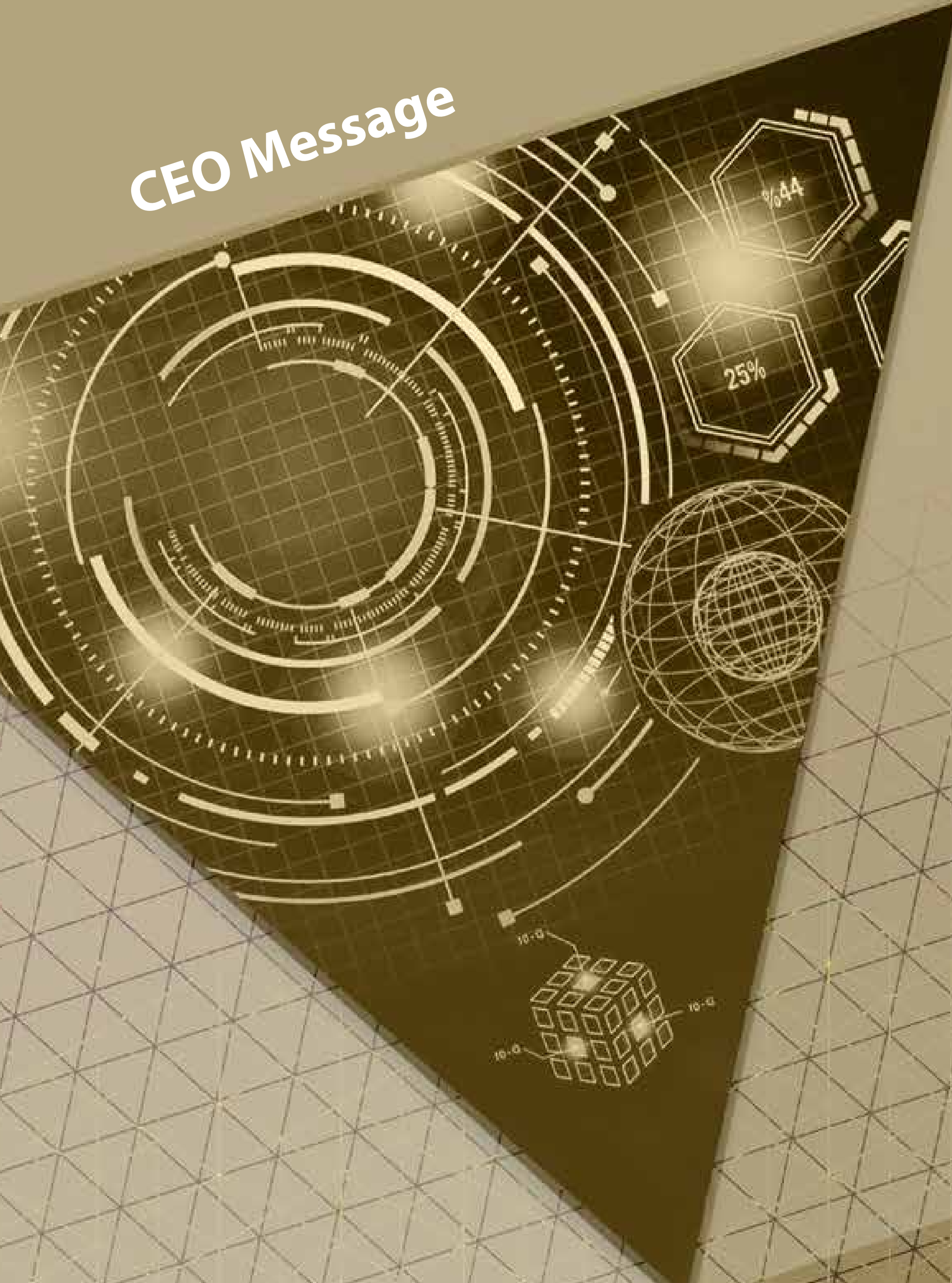
CEO Message



We , in Dlala holding company work day by day through our subsidiaries to provide the most high quality investment services needed by our clients , we also seek to provide to these clients all means of comfort and security in order to complete their transactions in a framework of confidentiality , organization and speed.

Dlala holding has since, its establishment in 2005 ,owned the confidence of many clients in and outside Qatar , due to the services that are being provided by a very experienced and qualified work team that enjoys a high efficiency to provide a higher quality of service in all the transactions it undertakes.

In Dlala , we endeavor to maintain the satisfaction of our clients and easily provide the services they demand and that is by developing our programs continuously in order to make it compatible with the ongoing changes that has been witnessed by the investment and real estates markets all over the world.

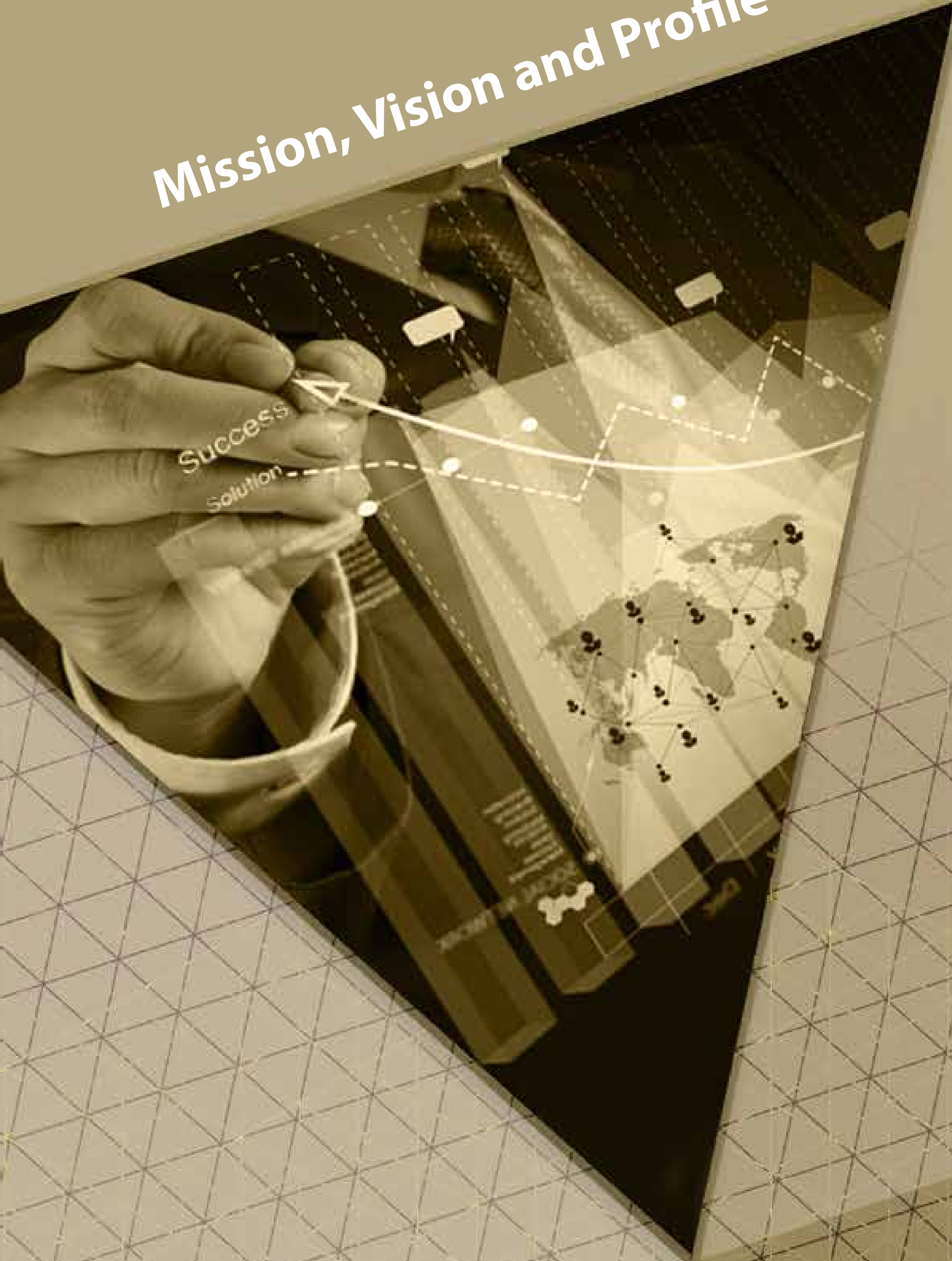
We also plan to provide additional services which are needed by the public clients in line with the rapid development witnessed by the State of Qatar that makes it a very prominent center to attract investment capital from all over the world .

We seek to innovate new solution as well , to provide excellent services for the clients to be consistent with their perspective to us as a leading company in the investment and financial intermediary.

We aim to establish a comprehensive investment corporation , which can redesign the financial and real-states investments in the local and regional spheres , and to help our clients to take the appropriate decisions by the provision of all methods of comfort and security in our services .

Dr. Abdul Aziz Ali Al Hammadi
Chief Executive Officer

Mission, Vision and Profile



Group dynamics

Dlala Holding (Q.P.S.C)

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

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

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

In 2009, Dlala established its real estate investment arm – Dlala Real Estate - to provide different services in real estate business in Qatar such as property management, real estate brokerage, real estate development and real estate evaluation.

Dlala's current board of directors consists of nine members four of them representing government organizations. They are: Pension Fund of the General Retirement & Social Insurance Authority; Qatar Foundation for Education, Science and Community Development; Education and Health Fund – Ministry of Finance and Investment Fund of Qatar Amred Forces. Dlala Holding's board of directors oversee the strategic administration of all its activities and ensures its conformity with the business practices of leading national organizations.

Mission

- To exceed our customers' expectations for quality, trustworthy service and professional excellence by delivering exceptional value and maintaining the highest standards of ethics and professional integrity.
- To employ skilled and experienced professionals, who take pride in working closely as a team as well as with our clients and business partners.
- To pursue technical innovation and growth and ensure compliance with the best practices in order to add more value to our customers and create successful opportunities for our stakeholders.
- To foster a business environment that encourages professional and _nancial growth.
- To ensure continuous improvement and transparency by adopting the best management practices.
- To provide reasonable and sustainable returns to our shareholders.
- To be a responsible corporate citizen.

Vision

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

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

Board of Directors

دلالة القابضة
DLALA HOLDING

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

Mr. Jaber Bin Hajjaj Al Shahwani
Vice Chairman

H. E. Sheikh Suhaim Bin Khalid Al-Thani
Board Member

Mr. Ali Bin Hussain Al-Sada
Board Member

Mr. Khalid Bin Al-Abdulla Al Sowaidi
Board Member

Mr. Waleed Bin Raslan Al-Abdulla
Board Member

Mr. Ahmed Bin Mohamed Al Asmakh
Board Member

Mrs. Moza Bint Mohamed Al Sulaiti
Board Member

Mr. Mohamed Alkhater
Board Member

دلالة القابضة
DLALA HOLDING

The Board of Director›s

The Report for the Financial year ending on 31st December 2017

Greetings,,,

I am pleased, on my own behalf and on behalf of Dlala Brokerage and Investment Holding Board of Directors, to present the summary of the annual report on the Company activity and results of its business for the fiscal year ended on December 31, 2017.

This year, 2017, has represented a new success of Dlala Holding within the new approach adopted by the Board of Directors as well as the procedures taken thereby to develop the Company resources and operational activities greatly. This is in order to encounter all hardships which hinder the financial markets from time to time to keep the balanced performance of the Company.

During the last year, the Board of Director was keen on the increase and effectiveness of internal control, compliance and great interest in monitoring operations for all the activities of the Company. It also paid attention to the quality of operational processes to gain customers and control authorities" satisfaction at the same time.

Dlala Holding has overcome the economic conditions which encounter the region in general and the State of Qatar in particular. It has also continued practicing its operational activities distinctly through its subsidiaries. It has sought achieving satisfactory results within the vision of HH Sheikh Tamim Bin Hamad Al Thani, the cherished Emir of Qatar and his continuous directions to search for alternative opportunities for diversification of Qatar economy and fulfillment of the private sector to its duties towards the State.

Brokerage revenues has increased through the two brokerage subsidiaries to Dlala Holding Company which conduct business in Qatar Stock Exchange significantly in 2017 by 72% more than the revenues achieved during the previous year. This has been achieved through increasing the market share of Dlala Holding of the total trading of Qatar Stock Exchange up to 22.6% in 2017, while, in 2016, the percentage was up to 12% only. This has greatly contributed in increasing the Company revenues despite the absence of great change in the size of Stock Exchange trading.

Financial Results:

Regarding the financial performance of the Company, I am pleased to announce that Dlala Holding has achieved excellent profits supported from all the Company operational activities. The net profit of the Company was up to 16.7 Million Qatari Riyals in 2017 at a growth rate exceeding 400% than the previous year. Furthermore, the EPS was up to QAR 0.59 in 2017.

In addition, the Board of Directors has recommended using the profits yields in the developing and supporting the future operational processes of the Company.

Corporate Social Responsibility:

Based on the Company's belief in its role towards the society and our beloved country and based on our compliance to achieve Qatar Vision 2030 which mainly depends on human resources, the Company has signed a bilateral agreement with Qatar University which enables Dlala Holding to provide training opportunities for Qatar University students in the Company and its subsidiaries as well as introducing trading systems and the laws and regulations related thereto, and the technical issues in relation to the stock exchange activities and IT solutions and other fields within the business of the affiliates.

Moreover, Dlala Holding has, within an initiative the first of its kind, hosted two students affiliated to Qatar University to attend the Company Board of Directors' meeting. This was within the framework of supporting the young Qatari cadres and informing students about the method of work and structure of the board of directors and taking strategic decision at the highest levels of management. This also aims to be a model for the advanced governance system, acquaintance of discussing topics and tackling the discussions and opinions on the topics included in the meeting agenda.

Future Plans:

In Dlala Holding, we seek to continue the success accomplished by during the previous year along with achieving more contributions. This is through diversification of the Company investments and inclusion in investment fields. The Company looks forward to launching a strategy this year for the coming five years in order to set up the course to be taken thereby within the coming period as well as achieving the greatest yields for the shareholders.

In addition, the Company is about to conduct new products in Qatar Stock Exchange and obtaining new licenses specialized in securities business. This is in line with launching the new trading system which will constitute a technological breakthrough in the activity of securities brokerage, which is expected to be applied in the middle of the current year.

Governance Report:

The Company has prepared a detailed report on the Company governance covering the fiscal year as from January 1, 2017 until December 31, 2017 according to the requirements of the he Corporate Governance Code for Companies listed on the Financial Market issued by QFMA, which was printed to be reviewed by the Shareholders, furthermore, it was published on the Company's website.

Dear Shareholders: In Dlala Brokerage and Investment Holding, we seek effective contribution in developing and growing the Company assets in order to achieve the best yield for the Shareholders and so that the Company can be an important part of the development system in the State of Qatar and provide sufficient contribution in achieving Qatar Vision 2030 which is sought by all of us.

Finally, I would like to seize this opportunity to express, on behalf of all shareholders and in the name of all Dlala Holding employees and its Board of Directors, the heartfelt and warmest thanks to HH Sheikh Tamim Bin Hamad Al Thani, the cherished Emir of Qatar, (May Allah preserve and protect him), for his insight and wise policy adopted by him in order to develop the economy of the State of Qatar and raise it in all fields.

Furthermore, on behalf of the Board of Directors, I shall extend by sincere thanks and appreciation for the Shareholders and customers for their confidence and support. We wish to be worthy of this confidence. Hoping to meet you all well, while the Company has achieved more success and objections.

In addition, the Board of Directors would like to thank all employees of "Dlala" for their sincere efforts, dedication and continuous keenness on achieving the Company objectives and the interests of its customers.

Respectfully yours,,,

Abdulrahman Bin Hamad Al-Thani

Chairman

Service Channels

دلالة للوساطة
DLALA BROKERAGE

Dlala Brokerage Company (W.L.L.)

Mission

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

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

Vision

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

دلالة الإسلامية
DLALA ISLAMIC

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

Mission

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

Vision

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

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

The Company has a special (Fatwa) panel that ensures that its activities and transactions are in compliance with Shari'a principles and guidelines. It is an internal independent panel comprising renowned Islamic scholars. The panel provides their views and opinions on the buying and selling of shares of specific companies as well as on other sectors of investment, according to the terms and provisions of Islamic Shari'a.

Dlala Islamic employs the latest international standards in brokerage and online e-trading and is backed by modern and sophisticated systems that ensure the utmost privacy, security and confidentiality of customers' accounts. It also provides investors with trading services through its call centre, which is equipped with the latest communication systems and network in order to ensure high quality and swift services.

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

دلالة العقارية
DLALA REAL ESTATE

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

The range of activities:

Property Management:

Rental Collection:

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

Rental Services:

(renting and contract management): Our automated notification functionality accelerate the rent process and improve property occupancy rate, using our wide range of advertising and marketing plans.

Facilities Management:

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

Sell & Buy Brokerage:

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

Electronic Follow Up:

Landlord Access:

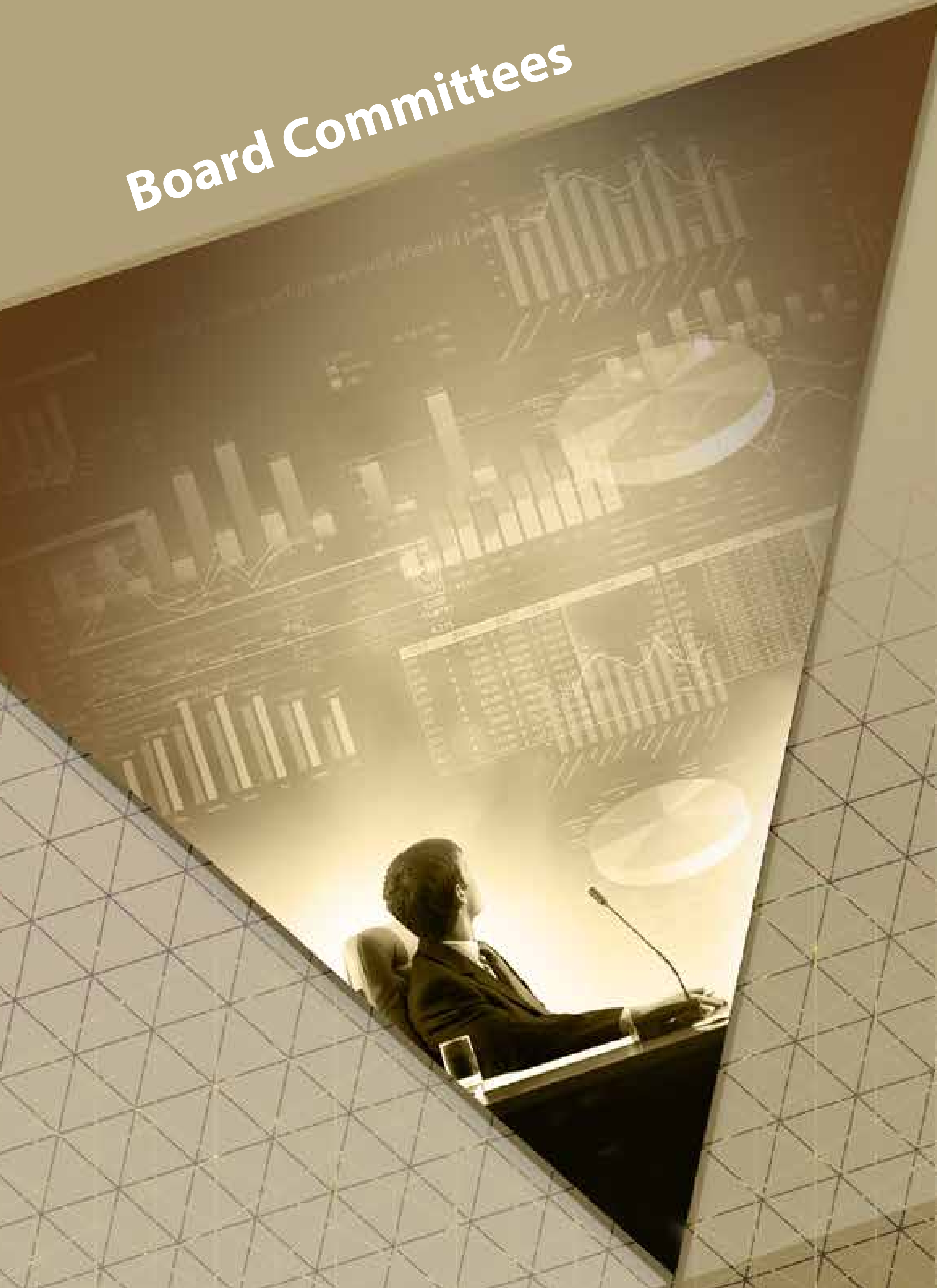
For Landlords to follow up electronically the details of the property transactions like (Tenant details, unit status, rent amounts and payments, contract dates and other relevant details).

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

Certified Real Estate Evaluator:

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

Board Committees



Audit Committee

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

The members of the Audit Committee are:

- Ms. Moza Al Sulaiti - Chairman
- Mr. Walid Raslan Al Abdullah - Member
- Mr. Khalid Abdullah Al Sowaidi - Member
- Mr. Mohamed Mubark Al Khater - Member

The responsibilities of the Committee:

1- Report to the Board any matters that, in the opinion of the Committee, necessitate action and recommend follow-up action.

2- Report to the Board on the matters related to the Committee as outlined in QFMA CGC.

3- Consider other issues as determined by the Board.

4- Monitor risk factors related to Dlala and recommend to the Board for mitigating the risk factors.

5- Review the Financial and Internal Control and risk management systems.

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

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

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

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

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

10- Consider any significant and unusual matters contained or to be contained in Dlala's financial reports and accounts.

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

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

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

14- Consider any issues raised by the External Auditors.

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

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

17- Recommend to the Board regarding appointment of External Auditors, by following the following guidelines:

a. External auditors should be independent and not have non-audit interests in Dlala and its Board Members. External Auditor shall not have any conflicts of interests in his relation to Dlala.

b. External auditors should be an audit professional with relevant experience in auditing financial statements of listed companies based on International Standards on Auditing and International Financial Reporting Standards.

c. Follow the applicable rules and regulations regarding auditor rotation.

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

19- Evaluate the performance of External Auditor.

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

a. Audit the Internal Control Systems and oversee their implementation.

b. Internal Audit to be carried out by operationally independent, appropriately trained and competent staff.

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

d. Internal Audit has access to all Dlala activities.

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

f. Internal Auditor will attend the General Assembly.

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

22- Recommend to the Board for approval of the scope of Internal Audit and to particularly include the following

a. Control and oversight procedures of financial affairs, investments, and risk management.

b. Comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes.

c. Assessment of the performance of the Board and senior management in implementing the Internal Control Systems, including the number of times the Board was notified of control issues (including risk management) and the manner in which such issues were handled by the Board.

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

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

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

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

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

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

25- Evaluate the performance of Internal Auditor.

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

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

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

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

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

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

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

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

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

35- Attend the General Assembly.

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

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

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

Executive Committee

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

The members of the Executive Committee are:

- H.E. Sheikh Abdul Rahman Bin Hamad Al Thani - Chairman
- H.E Sheikh Suhaim Bin Khaled Al Thani - Member
- Mr. Khalid Abdullah AlSowaidi - Member

The responsibilities of the Committee:

1- Develop the company strategy and approve the internal policies and procedures.

2- Review and approve the Organizational structure.

3- Supervise and monitor the financial performance of the company.

4- Review the annual budget before submitting it to the board Directors for approval.

5- Develop general guidelines and policies for investments and present them to the Board of Directors.

6- Develop the portfolio investment policy.

7- Approve all the investment projects.

8- Review and approve on sale of fixed assets.

9- Approve all agreed upon agreements and obligations that are beyond the authority of the CEO.

10- Approve the request of borrowing from financial institutions

11- Develop business plans and strategies of the company before presenting it to the Board of Directors.

12- Review and approve the proposals for change in paid up capital or company restructure.

13- Review and approve the proposals for issuing bonds and investments securities.

14- Appoint and terminate CEO and his deputy, and determine his salary.

Nomination, Remuneration and Governance Committee

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

The members of the Committee are:

- Mr. Jaber Bin Hajjaj Al Shahwani - Chairman
- Mr. Ali Bin Hussain Al-Sada - Member
- Mr. Ahmed Bin Mohamed Al Asmakh - Member

The responsibilities of the Committee:

1- Report to the Board any matters that, in the opinion of the Committee, necessitate action and to recommend necessary follow-up action.

2- Report to the Board on the matters related to the Committee as outlined in the QFMA CGC and its terms of reference.

3- Consider other issues as determined by the Board.

4- Responsible for the Board nomination process and overseeing the process regarding appointment of Board of Directors.

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

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

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

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

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

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

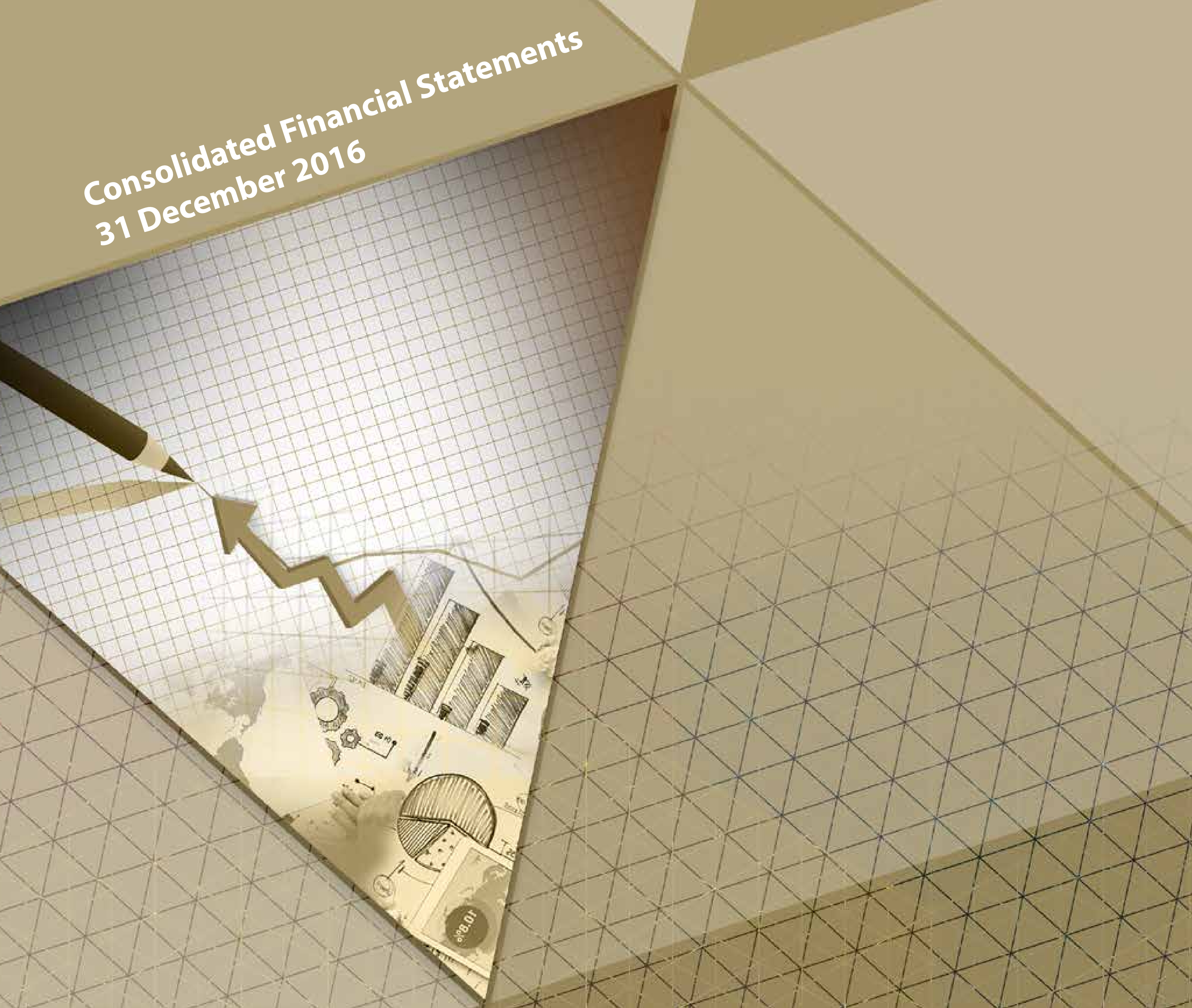
11- Attend the General Assembly. (Article 14.2 – QFMA CGC)

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

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

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

Consolidated Financial Statements
31 December 2016



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
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 2017, 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 2017, 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 judgement, 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.

Bank balances with customers' funds and due to customers

The Group's bank balances with customers 'funds and due to customers' represent 53 % and 93% of its consolidated total assets and consolidated total liabilities respectively as at 31 December 2017. Bank balances with customers' funds arises from deposit made by and collection on behalf of customers on share trade transactions and is included in the due to customers as a liability account. Due to the magnitude of the account balances, nature and high volume of transactions, we have determined the existence of the bank balances with customers' fund and the completeness of the due to customers as key audit matter in our audit. We obtained confirmations of bank balances for all depository accounts. In addition, we examined the reconciliations for all the banks accounts at year end to verify the proper reconciliation between bank confirmation and general ledger accounts. We also performed analytical procedures and examined the reconciliation between the bank account with customer funds and the due to customers' accounts

Valuation of Investment Securities

The Group's Investment Securities mainly consist of investment in quoted equity instruments that are measured at their fair values and any fair value changes are recorded through consolidated statement of comprehensive income. Investment Securities of QR 118.884 million and Net fair value loss of QR 42.125 million related to Investment Securities were considered matter of significance to our current year due to the magnitude of the balance and transactions in relation to the consolidated financial statements.

The Group measures all equity instruments at their fair values based on prevailing prices of such instruments in active markets. Where the Group's management has elected to present fair value gains and losses on equity instruments in the consolidated statement of comprehensive income, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of income.

Our audit procedures in this area included, selecting sample of equity instruments, comparing their fair values applied by the Group with publicly available market data and validating their net gain or losses recognized in consolidated statement of comprehensive income. Where equity instruments were sold during the year, we verified whether net gains or losses arising from such sale is transferred between fair value OCI reserve to accumulated losses. We also assessed the adequacy of disclosures relating to investment securities in the 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.

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.

The Audit Committee 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.

- 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 2017.

Rödl & Partner- Qatar Branch
Certified Public Accountants

Magdy Aboelkhier
Membership of Egyptian Society
Of Accountants & Auditors
License No. 321
QFMA Registration Auditor's No.120151

Doha – Qatar
27 February 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2017

	Notes	*2017* *QR'000*	*2016* *QR'000*
ASSETS			
Current assets			
Cash and bank balances	4	**62,777**	117,156
Bank balances – customer funds	5	**355,941**	307,711
Due from customers	6	**33,275**	51,563
Due from Qatar Central Securities Depository (QCSD)		**21,814**	28,691
Other assets	7	**39,956**	30,523
Total current assets		**513,763**	535,644
Non-current assets			
Investment securities	8	**118,884**	109,829
Intangible asset	9	**842**	134
Property and equipment	10	**40,173**	41,797
Total non-current assets		**159,899**	151,760
TOTAL ASSETS		**673,662**	687,404
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		**410,975**	397,479
Other liabilities	11	**25,047**	26,415
Total current liabilities		**436,022**	423,894
Non-current liability			
Employees' end of service benefits	12	**4,892**	4,383

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2017

	Notes	2017 QR'000	2016 QR'000
Total liabilities		**440,914**	428,277
Equity			
Share capital	13	**284,160**	284,160
Legal reserve	14	**27,821**	26,004
Fair value reserve		**(46,519)**	(11,973)
Accumulated loses		**(33,316)**	(39,107)
Equity attributable to shareholders of the parent		**232,146**	259,084
Non-controlling interests		**602**	43
Total equity		**232,748**	259,127
TOTAL LIABILITIES AND EQUITY		**673,662**	687,404

Moza Mohamed Al Sulaiti
(Board Member)

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

CONSOLIDATED STATEMENT OF INCOME
For the year ended 31 December 2017

	Notes	*2017* *QR'000*	*2016* *QR'000*
Brokerage commission income		**55,234**	31,832
Brokerage commission expense	15	**(18,294)**	(10,353)
Net brokerage commission income		**36,940**	21,479
Net investment income (loss)	16	**3,574**	(139)
Real estate income	17	**4,607**	4,250
Interest income		**1,597**	1,847
Net operating income		**46,718**	27,437
Other income		**352**	2,285
General and administrative expenses	18	**(28,618)**	(24,195)
Depreciation and amortization	9 & 10	**(1,798)**	(1,724)
PROFIT FOR THE YEAR		**16,654**	3,803
Attributable to:			
Shareholders of the parent		**16,651**	3,804
Non-controlling interests		**3**	(1)
		16,654	3,803
BASIC AND DILUTED EARNINGS PER SHARE (QR) (Attributable to shareholders of the parent)	19	**0.59**	0.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

	2017 QR'000	2016 QR'000
Profit for the year	**16,654**	3,803
Other comprehensive income:		
Items to be reclassified to profit or loss in subsequent periods:		
Net fair value loss on investment securities	-	(12,278)
Net loss on disposal of investment securities reclassified to the consolidated statement of income (Note 16)	-	2,256
Net other comprehensive loss to be classified to profit or loss in subsequent periods	-	(10,022)
Items not to be reclassified to profit or loss in subsequent periods:		
Net fair value loss on investment securities	**(42,125)**	-
Total other comprehensive loss for the year	**(42,125)**	(10,022)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(25,471)**	(6,219)
Attributable to:		
Shareholders of the parent	**(25,470)**	(6,217)
Non-controlling interests	**(1)**	(2)
	(25,471)	(6,219)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	Notes	2017 QR'000	2016 QR'000
OPERATING ACTIVITIES			
Profit for the year		**16,654**	3,803
Adjustments for:			
Depreciation and amortization	9 & 10	**1,798**	1,724
Provision for employees' end of service benefits	12	**601**	544
Loss on disposal of investment securities	16	**-**	2,256
Allowance for impairment of receivables	6	**269**	-
Interest income		**(1,597)**	(1,847)
Dividend income	16	**(3,574)**	(2,117)
Operating profit before working capital changes		**14,151**	4,363
Working capital changes:			
Customers funds		**(48,230)**	197,088
Due from customers		**17,583**	(19,781)
Due from QCSD		**6,877**	(45,385)
Other assets		**(8,913)**	(725)
Due to customers		**13,496**	(112,848)
Other liabilities		**(1,689)**	(18,643)
Net cash flows (used in) from operations		**(6,725)**	4,069
Employees' end of service benefits paid	12	**(92)**	(146)
Contribution paid to social and sports development fund		**(95)**	-
Cash flows (used in) from operating activities		**(6,912)**	3,923
INVESTING ACTIVITIES			
Proceeds from disposal of investment securities		**454,830**	352,744
Purchase of investment securities		**(506,626)**	(390,120)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	Notes	2017 QR'000	2016 QR'000
Purchase of property and equipment	10	**(49)**	(1,111)
Purchase of an intangible asset	9	**(833)**	-
Interest received		**1,077**	1,667
Dividend received		**3,574**	2,069
Movement in the bank deposits maturing after 90 days	4	**10,000**	(5,000)
Net cash flows used in investing activities		**(38,027)**	(39,751)
FINANCING ACTIVITIES			
Contribution by non-controlling interests		**560**	2
Net cash flows from financing activities		**560**	2
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(44,379)**	(35,826)
Cash and cash equivalents at 1 January		**97,156**	132,982
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	**52,777**	97,156

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017

	Equity attributable to shareholders' of the parent							
	Share capital	*Legal reserve*	*Fair value reserve*	*Fair value OCI reserve*	*Accumulated losses*	*Total*	*Non-controlling interests*	*Total equity*
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
Balance at 1 January 2016	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 income 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 - unadjusted	284,160	26,004	(11,973)	-	(39,107)	259,084	43	259,127
Adjustment on adoption of IFRS 9 (Note 23)	-	-	11,973	(12,589)	(436)	(1,052)	-	(1,052)
Adjusted total equity at 1 January 2017	284,160	26,004	-	(12,589)	(39,543)	258,032	43	258,075
Profit for the year	-	-	-	-	16,651	16,651	3	16,654
Reclassification of losses on disposal of investment securities	-	-	-	8,191	(8,191)	-	-	-
Other comprehensive loss for the year	-	-	-	(42,121)	-	(42,121)	(4)	(42,125)
Total comprehensive loss for the year	-	-	-	(33,930)	8,460	(25,470)	(1)	(25,471)
Transfer to legal reserve	-	1,817	-	-	(1,817)	-	-	-
Contribution	-	-	-	-	-	-	560	560
Contribution to Social and Sports Development Fund (Note 11)	-	-	-	-	(416)	(416)	-	(416)
Balance at 31 December 2017	**284,160**	**27,821**	**-**	**(46,519)**	**(33,316)**	**232,146**	**602**	**232,748**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2017

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, design & programming special programs, IT consultation services, real estate and other investment activities.

The consolidated financial statements of the Group for the year ended 31 December 2017 were authorised for issue by the Board of Directors on 27 February 2018.

2 BASIS OF CONSOLIDATION

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

Entity	*Country of incorporation*	*Relationship*	***Ownership interest 2017***	***Ownership interest 2016***
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%
Dlala International L.L.C. (Dormant)	Qatar	Subsidiary	**-**	99.50%
Dlala Information Technology W.L.L.	Qatar	Subsidiary	**100%**	100%
Dlala Smart Information Technology W.L.L.	Qatar	Subsidiary	**60%**	-

During the year ended 31 December 2017, the Group incorporated a subsidiary company, Dlala Smart Information Technology Company W.L.L. The subsidiary is engaged in design and programming special programs and information technology consulting services.

During the year 2017, the management decided to liquidate Dlala Investment Company L.L.C and Dlala International L.L.C which were in dormant status since incorporation and the liquidation process was completed by the reporting date. The profit on liquidation of these subsidiaries which are included in the other income for the year, is calculated as follows:

	QR'000
Disposal proceeds	1,117
Net assets at the date of liquidation	1,116
Profit on liquidation of subsidiaries	1

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2017 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 in Qatar Riyals, which is the Group's functional and presentation currency, and all values are rounded to the nearest thousands (QR'000) except when otherwise indicated.

The consolidated financial statements are prepared under the historical cost basis, except for investment securities that have been measured at fair value.

3 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies

3.2.1 Early adoption of IFRS 9 Financial Instruments

The Group has early adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of 1 January 2017. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities. The impacts of the change in accounting policy have been disclosed in Note 23. The accounting policies relating to IFRS 9 and those accounting policies adopted before implementation of IFRS 9 (1 January 2017) are disclosed below:

Accounting policies under IFRS 9

Investments and other financial assets

a) Classification

From 1 January 2017, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or thorough profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets at fair value, gains and losses will be either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on whether the Group has made and irrecoverable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principle and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories in to which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principle and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial asset is included in the consolidated statement of income using the effective interest rate method.

- Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flow and for selling the financial assets, where the assets cash flows represent solely payments of principle and interests, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the consolidated statement of income within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in the interest income.

Equity instruments

The Group subsequently measured all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investment continue to be recognized in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/(losses) in the consolidated statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

3 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (Continued)

3.2.1 Early adoption of IFRS 9 Financial Instruments (Continued)

Accounting policies under IFRS 9 (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value through OCI reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to twelve months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 120 days past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the debtor;

b) a breach of contract, such as a default or past due event;

c) it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

d) or the disappearance of an active market for that financial asset because of financial difficulties.

3 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Summary of significant accounting policies (Continued)

3.2.1 Early adopted IFRS 9 Financial Instruments (Continued)

Accounting policies under IFRS 9 (Continued)

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Accounting policies for financial instruments adopted before 1 January 2017

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 ; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

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 neither 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.

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.

Derecognition of financial assets and liabilities

i) 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.

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.

ii) 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.

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

3.2 Summary of other significant accounting policies (continued)

3.2.2 Other significant accounting policies

Changes in accounting policies

Adoption of new standards and interpretations effective as of 1 January 2017.

The following amended accounting standards became effective in 2017 and have been adopted by the Group in preparation of these consolidated financial statements as applicable. The adoption of these amended standards and improvements to standards had no significant impact on the Group's consolidated financial statements:

Topic	*Effective date*
Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to IAS 7 - Disclosure Initiative	1 January 2017
Annual improvements to IFRS standards 2014-2016 cycle	1 January 2017

Standards and amendments to the 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 15 Revenue from Contracts with Customers	1 January 2018
IFRIC -22 Foreign currency transactions and advance consideration	1 January 2018
Annual improvements to IFRS standards 2015-2017 cycle	1 January 2019
IFRS 16 Leases	1 January 2019

The Group is assessing the impact of implementation of these standards.

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.

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 and acquired website. 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.

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.

	Website	Computer software application and website costs
Useful life	5 years (finite)	3 years (finite)
Method of amortization	Straight line	Straight line

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

3.2 Summary of other significant accounting policies (continued)

3.2.2 Other significant accounting policies

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.

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.

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.

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

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

3.2 Summary of other significant accounting policies (continued)

3.2.3 Other significant accounting policies (continued)

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

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

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

	2017	*2016*
	QR'000	*QR'000*
Cash and bank balances	**62,777**	117,156
Bank deposits with maturity after 90 days	**(10,000)**	(20,000)
	52,777	97,156

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

	31December 2017	*December 31 2016*
	QR'000	*QR'000*
Amounts due from customers	**33,510**	51,563
Allowance for impairment of due from customers	**(235)**	-
	33,275	51,563

Credit risk on accounts receivables

The group is exposed to credit risk on due from customers if counterparties fail to make payments as they fall due in respect of:

a) Trade receivable arising from customers on share trading transactions as invoices fall due 3 days after being raised (T+3 basis).

b) Trade receivables other than those arising from share trading transactions, as invoices fall due 60 days after being raised.

The following credit risk modelling applies for financial assets originated from 1 January 2017:

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

a) External credit rating (as far as available)

b) Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;

c) Actual or expected significant changes in the operating results of the customer;

d) Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers in the group and changes in the operating results of the customer.

e) Significant changes in credit risk on other financial instruments of the same customer.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 120 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write of when a debtor fails to make contractual payments greater than 120 days past due. Where loan or receivable have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, those are recognized in the consolidated statement of income.

Simplified approach;

For accounts receivables, Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for those receivables. At reporting date the Group due from customers includes QR 33,268 thousand receivable on share trading transactions which are settled within 3 days from the date of transaction. Based on the past history of payment patterns of these customers the Group management do not expect any credit losses on these receivables in future periods. Therefore no allowance has been made against these customers at reporting date.

The following table describes the risk profile of due from customers based on the Group provision matrix.

	Total	Performing		Doubtful	Credit impaired	Default >120 days
		Not past due	< 30 days	30-90 days	91-120 days	
At 31 December 2017	**33,510**	**33,268**	**-**	**-**	**15**	**227**
Expected credit loss %	**-**	**0%**	**-**	**-**	**50%**	**100%**
Impairment allowance	**(235)**	**-**	**-**	**-**	**(8)**	**(227)**
Net	**33,275**	**33,268**	**-**	**-**	**7**	**-**
31 December 2016	51,563	51,127	-	-	-	436

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.

6 DUE FROM CUSTOMERS (continued)

Credit risk on accounts receivables (continued)

The allowance for impairment of receivables at 31 December 2017 reconciles to the opening allowance is as follows:

	2017	*2016*
	QR'000	QR'000
Balance at 1 January	**-**	4,030
(Adjustment on adoption of IFRS 9 (Note 23	**436**	-
Opening allowance at 1 January	**436**	4,030
Provided during the year	**269**	-
Written off against due from customers	**(470)**	(4,030)
Balance at 31 December	**235**	-

The Group also has receivable from Qatar Central Securities Depository (QCSD) on share trading transactions which is settled on due dates (3 days from the date of transaction, T+3 basis). Group applies simple approach in assessing the expected credit losses from QCSD and based on past payment history, the management believes that these receivables has no risk in default.

7 OTHER ASSETS

	2017	*2016*
	QR'000	*QR'000*
Advance paid for real estate projects	**34,529**	27,417
Prepayments and advances for suppliers	**2,923**	1,101
Other receivables	**2,504**	2,005
	39,956	30,523

8 INVESTMENT SECURITIES

	31 December 2017			31 December 2016		
	Listed	Unlisted	Total	Listed	Unlisted	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Shares	**117,888**	**996**	**118,884**	107,525	2,304	109,829

Notes:

i) Investment securities represent investments in quoted and unquoted shares carried at fair value through other comprehensive income (FVTOCI).

ii) Upon disposal of these equity investments, any balances within the FVTOCI reserve for these equity investments is reclassified to retained earnings and is not reclassified to profit or loss.

iii) The explanation regarding the change in the accounting policy have been disclosed in Note 23.

iv) The movements in these investment securities during the year are as follow:

	31 December 2017	31 December 2016
	QR'000	QR'000
Balance at the beginning of the year	**109,829**	84,731
Adjustment on adoption of IFRS 9 (Note 23)	**(616)**	-
Additions	**506,626**	390,120
Disposals	**(454,830)**	(355,000)
Net changes in fair value	**(42,125)**	(10,022)
Balance at the end of the year	**118,884**	109,829

The investment securities were classified as current assets at 31 December 2016, which was reclassified as non-current assets at current reporting date as a result of early adoption of IFRS 9. The comparative amounts were reclassified accordingly.

9 INTANGIBLE ASSET

	2017 QR'000	2016 QR'000
Cost:		
At 1 January	**376**	376
Additions during the year	**833**	-
At 31 December	**1,209**	376
Amortization:		
At 1 January	**242**	116
Amortization for the year	**125**	126
At 31 December	**367**	242
At 31 December	**842**	134

The opening balance of intangible assets represents the mobile trading application for the brokerage companies and the current year additions represents the cost of the website purchased for newly incorporated subsidiary Dlala Smart Information Technology W.L.L. The value of the website purchased represents the fair value consideration paid to the developer to acquire the asset.

Amortization of intangible asset during the year is included under the depreciation and amortization in the consolidated statement of income. The current year amortization does not include the amortization of website purchased due to the acquisition happened at near reporting date.

10 PROPERTY AND EQUIPMENT

	Land	*Building*	*Leasehold improvements*	*Furniture and fixtures*	*Computer equipment and software*	*Office equipment*	*Motor vehicles*	*Total*
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
Cost:								
As at 1 January 2017	29,097	13,886	98	1,574	40,084	3,179	751	88,669
Additions	-	-	-		39	10	-	49
On liquidation of subsidiaries	-	-	-	(2)	-	-	-	(2)
As at 31 December 2017	29,097	13,886	98	1,572	40,123	3,189	751	88,716
Depreciation:								
As at 1 January 2017	-	4,416	98	1,052	37,513	3,114	679	46,872
Charge for the year	-	715	-	129	763	35	31	1,673
On liquidation of subsidiary	-	-	-	(2)	-	-	-	(2)
As at 31 December 2017	-	5,131	98	1,179	38,276	3,149	710	48,543
Net book value:								
As at 31 December 2017	**29,097**	**8,755**	**-**	**393**	**1,847**	**40**	**41**	**40,173**

10 PROPERTY AND EQUIPMENT (continued)

	Land	Building	Leasehold improvements	Furniture and fixtures	Computer equipment and software	Office equipment	Motor vehicles	Capital work-in progress	Total
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*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

11 OTHER LIABILITIES

	2017	2016
	QR'000	QR'000
Advances received from customers for a real estate projects	**3,866**	7,772
Dividends payable	**15,950**	16,028
Accrued expenses	**3,756**	1,673
Contribution to Social and Sports Development Fund (i)	**416**	95
Commission payable	**644**	436
Other payables	**415**	411
	25,047	26,415

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:

	2017	2016
	QR'000	QR'000
Provision as at 1 January	**4,383**	3,985
Provided during the year	**601**	544
End of service benefit paid	**(92)**	(146)
Provision as at 31 December	**4,892**	4,383

13 SHARE CAPITAL

	2017	2016
	QR'000	QR'000
Authorised, issued and fully paid:		
28,416 thousand 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 BROKERAGE COMMISSION EXPENSE

	2017	2016
	QR'000	QR'000
Commission paid to Qatar Exchange	**17,658**	9,620
Other brokerage expenses	**636**	733
	18,294	10,353

16 NET INVESTMENT INCOME (LOSS)

	2017	2016
	QR'000	QR'000
Net loss on disposal of investment securities	**-**	(2,256)
Dividend income	**3,574**	2,117
	3,574	(139)

17 REAL ESTATE INCOME

	2017	2016
	QR'000	QR'000
Real estate brokerage fee income	**4,157**	4,052
Other real estate services	**450**	198
	4,607	4,250

18 GENERAL AND ADMINISTRATIVE EXPENSES

	2017	*2016*
	QR'000	*QR'000*
Staff costs	**18,850**	16,665
IT and communication costs	**2,960**	2,485
Bank guarantee fees	**990**	1,072
Marketing expenses	**2,453**	611
Consulting and professional fees	**499**	664
Communication expenses	**526**	583
Rent expenses	**356**	356
Maintenance expenses	**423**	428
Government and regulatory fees	**697**	681
Penalties and claims	**250**	300
Insurance expenses	**31**	41
Miscellaneous expenses	**583**	309
	28,618	24,195

19 BASIC AND DILUTED EARNINGS (LOSS) 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.

	2017	*2016*
Profit attributable to shareholders of the parent (QR'000)	**16,651**	3,804
Weighted average number of shares outstanding during the year (in thousands)	**28,416**	28,416
Basic and diluted earnings per share (QR)	**0.59**	0.13

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

20 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 related party transactions are approved by the Group's management.

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

	2017	*2016*
	QR'000	*QR'000*
Key management and their close family members;		
Net brokerage commission income	**2,775**	1,157
Fees paid	**(180)**	(105)
Other related parties:		
Net brokerage commission income	**5,670**	1,760

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

	Receivable		***Payable***	
	2017	*2016*	**2017**	*2016*
	QR'000	*QR'000*	**QR'000**	*QR'000*
Key management and their close family members	**-**	10,431	**23,639**	185
Other related parties	**15,175**	28,194	**-**	-

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

20 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:

	2017	2016
	QR'000	QR'000
Salaries and short-term benefits	**2,658**	2,158
Retirement benefits	**136**	125
	2,794	2,283

21 COMMITMENTS AND CONTINGENT LIABILITIES

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

	2017	2016
	QR'000	QR'000
Letters of guarantee	**200,000**	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.

	2017	2016
	QR'000	QR'000
Capital commitments		
Balance at 31 December	**2,616**	-

Operating lease commitments

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

	2017	*2016*
	QR'000	*QR'000*
Within one year	**81**	298
After one year but not more than three years	**-**	-
	81	298

22 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.

23 CHANGES IN ACCOUNTING POLICIES

As explained in accounting policies (Note 3.2, the Group has early adopted IFRS 9 as issued in July 2014, which resulted in changes in accounting policies, adjustments and classifications to the amounts recognized in the consolidated financial statements. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

The accounting policies were changed to comply with IFRS 9 as issued by the IASB in July 2014. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; de-recognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

23 CHANGES IN ACCOUNTING POLICIES (Continued)

Classification and Measurement of Financial Assets

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2017. Accordingly, the Group has applied the requirements of IFRS 9 to instruments that have not been derecognised as at 1 January 2017 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2017. Comparative amounts in relation to instruments that have not been derecognised as at 1 January 2017 are not restated. The Group has adopted modified retrospective method as per exemption under IFRS 9 paragraph 7.2.15 thus the comparative information has not been restated.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The directors of the Group reviewed and assessed the Group's existing financial assets as at 1 January 2017 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Group's financial assets as regards their classification and measurement:

- the Group's investments in equity instruments (not held for trading) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the fair value OCI reserve.
- financial assets classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding;

Impairment of Financial Assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at FVTOCI, ii) lease receivables, iii) contract assets and iv) loan commitments and financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to twelve months ECL. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

As at 1 January 2017, the directors of the Group reviewed and assessed the Group's existing financial assets, amounts due from customers and financial guarantee contracts for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at reporting date. The result of the assessment is as follows:

Items existing as at 1/01/2017 that are subject to the impairment provisions of IFRS -9	Credit risk attributes at 01/01/2017	Cumulative additional loss allowance recognised (QAR '000)	
		01/01/2017	31/12/2017
Cash and bank balances	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable local and international banking institutions	Nil	Nil
Bank Balances – customer funds	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable local and international banking institutions	Nil	Nil
Due from customers and QCSD	No credit risk is assed for receivables arising on share trading transactions and other trade receivables are assessed based on simplified approach.	436	235

23 CHANGES IN ACCOUNTING POLICIES (Continued)

Classification and Measurement of Financial Liabilities

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

This change in accounting policy has no impact on the classification and measurement of the Group's financial liabilities.

On 1 January 2017, the Group's management has assessed which business models apply to the financial assets held by the Group at the date of initial application of IFRS 9 (1 January 2017) and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets – 1 January 2017

		Audited		
	Available for sale (AFS)	*Other financial assets held at amortized cost*	*FVTOCI*	*Total financial assets*
	QR'000	*QR'000*	*QR'000*	*QR'000*
	(audited)	*(audited)*	*(audited)*	*(audited)*
Balance at 1 January 2017	109,829	507,116	-	616,945
Adjustment on early adoption of IFRS 9				
Reclassify non-trading equities from AFS to FVTOCI	(109,829)	-	109,829	-
Opening balance after reclassifications	-	507,116	109,829	616,945

23 CHANGES IN ACCOUNTING POLICIES (Continued)

The impact of these changes on the Group's equity as follow:

	Effect on fair value reserve	*Effect on FVTOCI reserve*	*Effect on accumulated losses*
	QR'000	*QR'000*	*QR'000*
Balance at 1 January 2017	(11,973)	-	(39,107)
Adjustment on early adoption of IFRS 9			
Reclassify non-trading equities from AFS to FVTOCI	11,973	(11,973)	-
Change in fair value of investment securities	-	(616)	-
Impairment on due from customers	-	-	(436)
Adjusted opening balance	-	(12,589)	(39,543)

i) Equity investments previously classified as available-for-sale

The Group elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale, as these investments are not held for trading. As a result, assets with a fair value of QR 109,829 thousand were reclassified from available-for-sale financial assets to financial assets at fair value through OCI (FVTOCI) and fair value loss of QR 11,973 thousand were reclassified from the fair value reserve to fair value through OCI reserve on 1 January 2017. There is no longer any reclassification of amounts from reserves to profit or loss on the disposal of these equity instruments. Dividends for the period amounting to QR 3,574 were recognised in the consolidated statement of income.

ii) Reclassification of financial instruments on adoption of IFRS 9

On the date of initial application, 1 January 2017, the classification and measurement of financial instruments of the Group were as follow,

23 CHANGES IN ACCOUNTING POLICIES (Continued)

iii) Reclassification of financial instruments on adoption of IFRS 9 (Continued)

Financial assets at 1 January 2017	*Measurement category*		*Carrying amount QAR '000*		
	Original (IAS 39)	*New (IFRS 9)*	*Original (IAS 39)*	*Adjustment*	*New (IFRS 9)*
Investment securities	Available for sale	FVTOCI	109,829	(616)	109,213
Due from customers	Loans and receivables	Amortized cost	51,563	(436)	51,127
Due from QCSD	Loans and receivables	Amortized cost	28,691	-	28,691
Bank balances customer funds	Loans and receivables	Amortized cost	307,711	-	307,711
Bank balances	Loans and receivables	Amortized cost	117,156	-	117,156
Other assets	Loans and receivables	Amortized cost	2,005	-	2,005
			616,955	(1,052)	615,903

Financial liabilities at 1 Jan. 2017	*Measurement category*		*Carrying amount QAR '000*	
	Original (IAS 39)	*New (IFRS 9)*	*Original (IAS 39)*	*New (IFRS 9)*
Due to customers	Amortized cost	Amortized cost	397,479	397,479
Other liabilities	Amortized cost	Amortized cost	18,643	18,643
			416,122	416,122

There were no financial assets or financial liabilities with the Group had previously designated as fair value through profit or loss. Under IAS 39 that were subject to reclassification, or which the Group has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Group has elected to designate as fair value through profit or loss at the date of initial application of IFRS 9.

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;
- Information technology– this segment includes information technology management and consultation services and developing and programing special programs.
- 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 2017 and 2016, respectively.

31 December 2017	Stock Broking	Real Estate	Information technology	Others	Elimination	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Brokerage commission income (net)	37,237	-	-	-	(297)	36,940
Other revenues (*)	3,682	8,242	-	1,187	(3,333)	9,778
Segment revenue	40,919	8,242	-	1,187	(3,630)	46,718
Segment (loss)/profit	15,180	1,862	(44)	(129)	(215)	16,654
Depreciation and amortization	167	752	1	878	-	1,798
Segment assets	549,471	77,953	17,928	297,622	(269,312)	673,662
Segment liabilities	427,046	3,987	819	44,577	(35,515)	440,914

24 SEGMENT INFORMATION (Continued)

31 December 2016	*Stock Broking*	*Real Estate*	*IT and Intl.*	*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

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 related parties 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, due from related parties, investment securities, 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 2017. 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*
2017	**+25 b.p**	**156**
2016	+25 b.p	190

There is no impact on the Group's equity.

25 FINANCIAL RISK MANAGEMENT (Continued)

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*
2017		
Investment securities - Qatar Exchange	**+5%**	**5,894**
2016		
Investment securities – Qatar Exchange	+5%	5,376

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.

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% (2016: 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.

	2017	*2016*
	QR'000	*QR'000*
Bank balances (excluding cash)	**62,741**	117,149
Bank balances - customer funds	**355,941**	307,711
Due from QCSD	**21,814**	28,691
Due from customers	**33,510**	51,563
Other assets	**2,504**	2,005
	476,510	507,119

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.

25 FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk (continued)

At 31 December 2017	***On demand QR'000***	***Less than 1 year QR'000***	***Total QR'000***
Due to customers	**410,975**	**-**	**410,975**
Dividend payable	**15,950**	**-**	**15,950**
Other liabilities	**-**	**5,231**	**5,231**
Total	**426,925**	**5,231**	**432,156**

At 31 December 2016	On demand QR'000	Less than v1 year QR'000	Total QR'000
Due to customers	397,479	-	397,479
Dividend payable	16,028	-	16,028
Other liabilities	-	2,615	2,615
Total	413,507	2,615	416,122

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 2017 and 31 December 2016. Capital comprises share capital and accumulated losses, and is measured at QR 250,844 thousand at 31 December 2017 (2016: QR 245,053 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 related parties, due from QCSD, investment securities and other receivables. Financial liabilities consist of due to customers 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.

25 FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk (continued)

As at 31 December 2017, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

	Total	Level 1	Level 2	Level 3
	QR'000	QR'000	QR'000	QR'000
At 31 December 2017				
Investment securities	**118,884**	**117,888**	**996**	**-**

	Total	*Level 1*	*Level 2*	*Level 3*
	QR'000	*QR'000*	*QR'000*	*QR'000*
At 31 December 2016				
Investment securities	107,525	107,525	-	-

During the year ended 31 December 2017, 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

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected credit loss provision for these receivables.

At the reporting date the gross amounts due from customers was QR 33,510 thousand (2016: QR 51,066 thousand) and impairment for doubtful receivables was QR 109 thousand (2016: QR Nil). 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.

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.