دلالة القابضة
DLALA HOLDING

Annual Report 2018

دلالة سمارت
DLALA SMART

دلالة تقنية المعلومات
DLALA INFORMATION TECHNOLOGY

دلالة العقارية
DLALA REAL ESTATE

دلالة للوساطة
DLALA BROKERAGE

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

Contents

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 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. In September 2005, the Company became the first non-banking financial organization to be listed on Qatar Exchange (QE) under code (DBIS) 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

H. E. Sheikh Suhaim Bin Khalid Al-Thani
Chairman

Mr. Yousef Al- Khulaifi
Vice Chairman

Mr. Ali Bin Hussain Al-Sada
Board Member

Mr. Ahmed Bin Mohamed Al Asmakh
Board Member

Mrs. Moza Bint Mohammed Al Sulaiti
Board Member

Fayez Mohamed Al-Boainin
Board Member

Ms. Ebtesam Saleh Al Mannai
Board Member

H. E. Sheikh Abdulrahman Bin Hamad Al-Thani
Board Member

The Board of Director's

The Report for the Financial year ending on 31st December 2018

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,,,

Suhaim Bin Khalid 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 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.

Mission

To establish ourselves as the real estate company of choice, offering modern solutions for property management,

building trust, raising the standards of customer service and protecting owners and investors from risk.

Vision

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

Profile

Dlala Real Estate, the third subsidiary of Dlala Holding has been launched to offer clients in Qatar, leading edge solutions

to property management and marketing. Its system and policies and procedures have been designed to provide quality

and professional services to client through quick, simple and convenient procedures and financial settlements. Additionally,

it is committed to securing owners and investors rights whilst keeping risk to minimum.

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.

Misselions

Board Committees

Executive Committee

The Executive Committee comprises three members of the Board of Directors and is chaired by the Chairman of the Board. The membership of the Committee is in accordance with the terms of office of the Governing Council.

The members of the Executive Committee are:

- H. E. Sheikh Suhaim Bin Khaled Al-Thani – Chairman
- Mr. Ali Bin Hussain Al-Sada – Member
- Moza Al-Sulati - 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.

Audit Committee

chaired by an Independent Board Member and a membership of at least two. When selecting the Committee members, the Board shall take into account that: the majority of them shall be Independent Board Members; any person who has previously conducted audit for the Company within the previous two Years shall not be a candidate, directly or indirectly, for the Committee membership; and they shall have the experience necessary for exercising the committee's duties.

The Committee meets at least six meetings annually..

The members of the Audit Committee are:

- Mr. Fayez Mohamed Al-Boainin - Chairman
- Ms. Ebstesam Saleh Al-Mannai - 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.

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. Ahmed El-Asmakh – Chairman
- Mr. Yousef Abdulrahman Al Khailifi – Member
- H. E. Sheikh Abdulrahman Bin Hamad Al-Thani – Member

The responsibilities of the Committee:

1. Developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership.
2. Nominating whom it deems fit for the Board membership whenany seat is vacant.
3. Developing draft of succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company.
4. Nominating whom it deems fit to fill any job of the Senior Executive Management.
5. Receiving candidacy requests for the Board membership.
6. Submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the Authority.
7. Submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.
8. Setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders.
9. Setting the foundations of granting allowances and incentives in the Company, including issuance of incentive shares for its employees.

Consolidated Financial Statements
31 December 2018

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 accompanying 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 2018, and the consolidated statement of income, consolidated statement of other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2018, 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 Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

Key audit matter	*How our audit address the key audit matter*
Bank balances-customer funds and due to customers	
The Group reported bank balances- customer funds amounting to QR 415.17 million and due to customers amounting to QR 419.23 million which represents 63% of consolidated total assets and 93% of consolidated total liabilities respectively. Bank balances –customer funds disclosed in note 5 to the consolidated financial statements relates to the deposits made by customers and collections made on behalf of customers on share transactions. All such balances are recorded as due to customers. These balances are to be settled or withdrawn by customers and hence, recorded as a liability. Due to the magnitude of the account balances, nature and high volume of transactions, we determined the completeness of bank balances –customer funds and due to customers as key audit matters.	Our audit procedures included the following: • Obtained direct bank confirmations for all bank accounts and verified with the general ledger. • Examined bank reconciliation statements to ascertain the accuracy of reconciliations between balances as per bank statement and records of the Group. We also verified the reconciling items where necessary. • In relation with due to customers, examined the subsequent settlement of these balances for subsequently settled accounts and a sample of share transactions for the year ended 31 December 2018. In addition, we performed analytical procedures on these balances. • Examined the reconciliation between due to customers and bank balances customer funds.

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 concluded that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management and the Board of Directors for the consolidated financial statements

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

In preparing the consolidated financial statements, management 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

INDEPENDENT AUDITOR'S REPORT

- 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 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 Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 extreme rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequence of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The consolidated financial statements of the Group as at 31 December 2017 were audited by another auditor, whose report dated 27 February 2018, expressed an unmodified audit opinion.

Report on legal and other regulatory requirements

Furthermore, in our opinion, proper books of accounts have been kept by the Group and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Group's consolidated financial position or performance.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258
Date: 17 March 2019
Doha

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2018

	Notes	2018 QR'000	2017 QR'000
ASSETS			
Current assets			
Cash and bank balances	4	**77,680**	62,777
Bank balances – customer funds	5	**415,166**	355,941
Due from customers	6	**42**	33,275
Due from Qatar Central Securities Depository (QCSD)		**4,104**	21,814
Other assets	7	**36,519**	39,956
Total current assets		**533,511**	513,763
Non-current assets			
Investment securities	8	**84,215**	118,884
Intangible asset	9	**1,002**	842
Property and equipment	10	**41,201**	40,173
Total non-current assets		**126,418**	159,899
TOTAL ASSETS		**659,929**	673,662
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		**419,233**	410,975
Other liabilities	11	**25,431**	25,047
Total current liabilities		**444,664**	436,022
Non-current liability			
Employees' end of service benefits	12	**4,705**	4,892

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	Notes	2018 QR'000	2017 QR'000
Total liabilities		**449,369**	440,914
Equity			
Share capital	13	**284,160**	284,160
Legal reserve	14	**27,821**	27,821
Fair value reserve		**(47,451)**	(46,519)
Accumulated loses		**(54,351)**	(33,316)
Equity attributable to shareholders of the parent		**210,179**	232,146
Non-controlling interests		**381**	602
Total equity		**210,560**	232,748
TOTAL LIABILITIES AND EQUITY		**659,929**	673,662

H.E Sheikh Suhaim Bin Khalid Al-Thani
(Chairman)

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

CONSOLIDATED STATEMENT OF INCOME
For the year ended 31 December 2018

	Notes	2018 QR'000	2017 QR'000
Brokerage commission income		**29,487**	55,234
Brokerage and commission expense	15	**(10,053)**	(18,294)
Net brokerage commission income		**19,434**	36,940
Dividend income		**3,597**	3,574
Real estate income	16	**925**	4,607
Income from IT services		**201**	-
Interest income		**1,843**	1,597
Net operating income		**26,000**	46,718
Other income		**368**	352
General and administrative expenses	17	**(32,107)**	(28,349)
Allowance for expected credit loss of due from customers	6	**(13,909)**	(269)
Depreciation and amortization	9 and 10	**(1,881)**	(1,798)
(LOSS) PROFIT FOR THE YEAR		**(21,529)**	16,654
Attributable to:			
Shareholders of the parent		**(21,308)**	16,651
Non-controlling interests		**(221)**	3
		(21,529)	16,654
BASIC AND DILUTED EARNINGS PER SHARE (QR)			
(Attributable to shareholders of the parent)	18	**(0.75)**	0.59

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

		2018 QR'000	2017 QR'000
(Loss) Profit for the year		**(21,529)**	16,654
Items not to be reclassified to profit or loss in subsequent periods:			
Net fair value loss on investment securities	8	**(659)**	(42,125)
Total other comprehensive loss for the year		**(659)**	(42,125)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(22,188)**	(25,471)
Attributable to:			
Shareholders of the parent		**(21,967)**	(25,470)
Non-controlling interests		**(221)**	(1)
		(22,188)	(25,471)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	Notes	2018 QR'000	2017 QR'000
OPERATING ACTIVITIES			
(Loss) Profit for the year		**(21,529)**	16,654
Adjustments for:			
Depreciation and amortization	9 and 10	**1,881**	1,798
Provision for employees' end of service benefits	12	**306**	601
Allowance for expected credit losses	6	**13,909**	269
Interest income		**(1,843)**	(1,597)
Dividend income		**(3,597)**	(3,574)
Operating (loss) profit before working capital changes		**(10,873)**	14,151
Working capital changes:			
Customers funds		**(59,225)**	(48,230)
Due from customers		**19,324**	17,583
Due from QCSD		**17,710**	6,877
Other assets		**3,776**	(8,913)
Due to customers		**8,258**	13,496
Other liabilities		**800**	(1,689)
Net cash flows used in operations		**(20,230)**	(6,725)
Employees' end of service benefits paid	12	**(493)**	(92)
Contribution paid to social and sports development fund		**(416)**	(95)
Net cash flows used in operating activities		**(21,139)**	(6,912)
INVESTING ACTIVITIES			
Proceeds from disposal of investment securities	8	**34,010**	454,830
Purchase of investment securities	8	**-**	(506,626)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	Notes	2018 QR'000	2017 QR'000
Purchase of property and equipment	10	**(2,686)**	(49)
Purchase of an intangible asset	9	**(383)**	(833)
Interest received		**1,504**	1,077
Dividend received		**3,597**	3,574
Movement in the bank deposits maturing after 90 days		**10,000**	10,000
Net cash flows from (used in) investing activities		**46,042**	(38,027)
FINANCING ACTIVITY			
Contribution by non-controlling interests		**-**	560
Net cash flows from a financing activity		**-**	560
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**24,903**	(44,379)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**52,777**	97,156
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	**77,680**	52,777

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

	Attributable to Woner's of the parent							
	Share capital	*Legal reserve*	*Fair value reserve*	*Fair FVT 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 2017	284,160	26,004	(11,973)	-	(39,107)	259,084	43	259,127
Adoption of IFRS 9			11,973	(12,589)	(436)	(1,052)	-	(1,052)
At 1 January 2017 – Adjusted	284,160	26,004	-	(12,589)	(39,543)	258,032	-	258,075
Profit for the year	-	-	-	-	16,651	16,651	3	16,654
Other comprehensive loss for the year	-	-	-	(42,121)	-	(42,121)	(4)	(42,125)
Total comprehensive loss for the year	-	-	-	(42,121)	16,651	(25,470)	(1)	(25,471)
Transfer of fair value reserve of equity instruments designated at FVTOCI		-	-	8,191	8,191	-	-	-
Transfer to legal reserve	-	1,817	-	-	(1,817)	-	-	-
Contribution by non-controlling interests	-	-	-	-	-	-	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
-								
Loss for the year	-	-	-	-	(21,308)	(21,308)	(221)	(21,529)
Other comprehensive loss for the year	-	-	-	(659)	-	(659)	-	(659)
Total comprehensive loss for the year	-	-	-	(659)	(21,308)	(21,967)	(221)	(22,188)
Transfer of fair value reserve of equity instruments designated at FVTOCI		-	-	(273)	273	-	-	-
Balance at 31 December 2018	**284,160**	**27,821**	**-**	**(47,451)**	**(54,351)**	**210,179**	**381**	**210,560**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2018

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 2018 were authorised for issue by the Board of Directors on 17 March 2019.

2 BASIS OF CONSOLIDATION

Basis of preparation

The consolidated financial statements for the year ended 31 December 2018 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.

Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Group's equity there in. Non-controlling interest consists of the amount of those interest at the date of the original business combination and the non-controlling interest share of changes in equity since the date of the combination. Losses applicable to the non-controlling interest have a blindly obligation and are able to make an additional investment to cover the losses. 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.

Entity	*Country of incorporation*	*Relationship*	*Ownership interest 2018*	*Ownership interest 2017*
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 Information Technology W.L.L.	Qatar	Subsidiary	**100%**	100%
Dlala Smart Information Technology W.L.L.	Qatar	Subsidiary	**60%**	60%

On 19 October 2016, the Board of Directors approved to cease and transfer the operations to Dlala Brokerage Company W.L.L. Accordingly, the customers will either opt to transfer their balances to the related party or to cash out and receive settlement. The Company ceased operations with effect from 6 September 2018 as instructed by the Qatar Financial Markets Authority and Qatar Exchange publicly announced that the last business day of the Company as 6 September 2018.

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 except for Dlala Smart Information technology W.L.L. which commenced operations on 4 December 2017. All material intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New and amended standards and interpretations adopted by the Group

During the year 2017, the Group has early adopted IFRS 9 and have elected to apply the modified retrospective approach. In accordance with the transitional provisions of the standard, comparatives for 2017 were not restated. With respect to debt instruments, there were no impact to the consolidated financial statements since all of the Group's debt instruments were already accounted at amortised cost.

The impact of early adoption of IFRS 9 on comparative figures of 2017 is noted below:

-for equity instruments, the effect is merely a change in the name from AFS investments to FVOCI and an additional fair value loss of QR 616 thousand was accounted in the fair value OCI reserve at 1 January 2017.

-With regard to impairment of receivables, an additional impairment of QR 436 thousand was adjusted to the retained earnings at 1 January 2017 as a result of adopting a new impairment model.

The Group applied, for the first time IFRS 15 Revenue from Contracts with Customers. In accordance with the transitional provisions of this new standard, comparatives have not been restated. The nature and effect of these changes are disclosed below.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for following.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and amended standards and interpretations adopted by the Group (continued)

3.2.1 Early adoption of IFRS 9 Financial Instruments (Continued)

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 - Revenue from Contracts with Customers – Impact of adoption

The Group has adopted IFRS 15 "Revenue from Contracts with Customers" with effect from 1 January 2018, which resulted in changes in accounting policies. The adoption of IFRS 15 did not result in changes to the amounts recognised in the consolidated financial statements. In accordance with the transition provisions in IFRS 15. The standard permits either a full retrospective or a modified retrospective approach for the adoption and the Group adopted modified retrospective approach upon the transition. However, no major impact the previously reported numbers.

IFRS 15 - Revenue from Contracts with Customers – Accounting policies

Nature of change:

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised at an amount that reflects the consideration to which an entity expects to entitled in exchange for transferring goods or services to a customer.

Impact:

Management has assessed the effects of applying the new standard on the Group's consolidated financial statements and has identified that the recognition and measurement of revenue for all the current ongoing contracts under the IFRS 15 five-step model will not change as currently recognized under IAS 18. As most of the Group's revenue contracts comprise of one performance obligation, and revenue recognition criteria meets the recognition at a point in time criteria, the Group assessed that there is no material impact on the revenue recorded from the existing revenue contracts. As a result, there is no significant impact on adopting IFRS 15 to the Group.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Principal versus agent consideration

The Group acts as a broker in trading of securities and real estate properties and therefore the revenue earned by the Group represents the commission earned on the brokerage activities and does not include the value of assets being sold.

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.

Contents	***Effective dates***
IFRS 16: Leases	1 January 2019
IFRIC Interpretation 23 Uncertainty over Income Tax Treatment	1 January 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Annual Improvements 2015-2017 Cycle (issued in December 2017)	1 January 2019

The Group is assessing the impact of implementation of IFRS 16.

Investments and other financial assets

A) Classification

The Group classifies its financial assets in the following measurement categories:

-those to be measured subsequently at fair value (through other comprehensive income (FVOCI), 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.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at fair value through profit or loss ('FVTPL'). Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at Fair value through profit or loss (FVTPL).

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.

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 the consolidated statement of income as other income when the Group's right to receive payments is established.

No impairment loss is recognised for investments in equity instruments.

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.

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 FVTOCI reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets. 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 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 an 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.

For amounts due from customers, the Company 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 Company's due from customers consist of the amounts receivable on share trading transactions which are settled within 3 days from the date of transaction.

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

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).

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; or

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

e) Significant changes in the expected performance and behavior of the customer including changes in the payment status of the customer.

f) Actual or expected significant adverse changes in the business, financial or economic conditions that are expected to cause a significant changes to the customer's ability to meets his obligations.

g) Credit rating of the customer

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 30 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets with the resulting loss being recognized in the consolidated statement of income.

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 30 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 the consolidated statement of income.

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 investments revaluation 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 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 Group'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 Group'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.

Derecognition of 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.

Revenue

Accounting policy applied up to 31 December 2017

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

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.

Real estate brokerage fee income is recognized when the brokerage service is provided and when the right to receive the income has been established.

Revenue from sale of real estate 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.

Accounting policy applied from 1 January 2018

Brokerage commission income

The Group's contract with clients for provision of share brokerage services include only one performance obligation. The commission income is recognized when a sale or purchase of equity transaction is completed.

Volume rebates

Some contracts for the brokerage service includes volume rebates. As the Group provides volume rebates on trading transactions to its client, revenue and costs are recognised at a point in time.

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.

Income from IT services

Income from IT services is recognized when the services are delivered and right to receive income is established.

Real estate brokerage fee income is recognized when the brokerage service is provided and when the right to receive the income has been established.

Revenue from sale of real estate trading properties is recognized when control is 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.

Disaggregated revenue information

The Group presented disaggregation of revenue in the consolidated statement of income and further disaggregation is not required based on the revenue streams of the Group.

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
Computer equipment 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.

Capital- work- in progress

Capital- work- in progress comprises costs incurred towards a trading platform software installation. These costs are transferred to intangible assets upon commencement of commercial activities of the relevant asset.

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 to 5years (finite)
Method of amortization	Straight line	Straight line

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

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 consolidated 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)

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Contingent liabilities and contingent assets

Contingent liabilities are not recognised in the consolidated financial statements, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the consolidated financial statements, but are disclosed when an inflow of economic benefits is probable.

Use of estimates and judgments

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements are disclosed in Note 24.

4 CASH AND CASH EQUIVALENTS

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

	2018	**2017**
	QR'000	QR'000
Cash and bank balances	**77,680**	62,777
Bank deposits with maturity above 90 days	**-**	(10,000)
	77,680	52,777

Bank balances include short term deposits made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates. For assessing the impairment (ECL) for short term deposits, General approach is used by the Group. The Group's exposure to credit risk arises from the default of the counterparty with a maximum exposure equal to the carrying amount of these assets as at 31 December 2018. Exposures are considered of good credit standing and management believes there is minimal risk of default, thus, expected credit loss is insignificant but being monitored for significant changes in credit risk.

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

	2018	2017
	QR'000	QR'000
Amounts due from customers	**14,179**	33,510
Allowance for expected credit losses	**(14,137)**	(235)
	42	33,275

At 31 December 2018, the allowance for expected credit loss of due from customers is QR 14,137 thousand (31 December 2017: QR 235 thousand). The movements in the allowance for expected credit loss of due from customers is as follows.

	2018	2017
	QR'000	QR'000
Balance at 1 January	**235**	436
Allowance made during the year	**13,909**	269
Reversal during the year	**(7)**	-
Write off during the year	**-**	(470)
Balance at 31 December	**14,137**	235

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

	Total QR'000	Not Due QR'000	< 30 days QR'000 Doubtful	31 – 90 days QR'000 Credit impaired	>91 days QR'000 Default
2018	14,179	42	-	8	14,129
Loss rate	-	-	-	100%	100%
Expected credit loss	(14,137)	-	-	(8)	(14,129)
Net	42	42	-	-	-

	Total QR'000	Not Due QR'000	< 30 days QR'000 Doubtful	31 – 90 days QR'000 Credit impaired	>91 days QR'000 Default
2017	33,510	33,268	-	15	227
Loss rate	-	-	-	50%	100%
Expected credit loss	(235)	-	-	(8)	(227)
Net	33,275	33,268	-	7	-

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

7 OTHER ASSETS

	2018	2017
	QR'000	QR'000
Advance paid for real estate projects	**34,818**	34,529
Prepayments and advances for suppliers	**1,296**	2,923
Other receivables	**405**	2,504
	36,519	39,956

8 INVESTMENT SECURITIES

	31 December 2018			*31 December 2017*		
	Listed	***Unlisted***	***Total***	*Listed*	*Unlisted*	*Total*
	QR'000	***QR'000***	***QR'000***	*QR'000*	*QR'000*	*QR'000*
Shares	**82,638**	**1,577**	**84,215**	117,888	996	118,884

Notes:

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

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

	31 December 2018	*31 December 2017*
	QR'000	*QR'000*
Balance at the beginning of the year	**118,884**	109,213
Additions during the year	**-**	506,626
Disposals during the year	**(34,010)**	(454,830)
Changes in fair value during the year	**(659)**	(42,125)
Balance at the end of the year	**84,215**	118,884

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

	2018	*2017*
	QR'000	*QR'000*
Cost:		
At 1 January	**1,209**	376
Additions during the year	**383**	833
At 31 December	**1,592**	1,209
Amortization:		
At 1 January	**367**	242
Amortization for the year	**223**	125
At 31 December	**590**	367
At 31 December	**1,002**	842

The value of intangible assets represents the cost of trading and accounting applications and the cost of the website purchased for a subsidiary company, Dlala Smart Information Technology W.L.L.

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

10 PROPERTY AND EQUIPMENT

	Land	*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 2018	29,097	13,886	98	1,572	40,123	3,189	751	-	88,716
Additions	-	-	-	3	6	30	-	2,647	2,686
As at 31 December 2018	29,097	13,886	98	1,575	40,129	3,219	751	2,647	91,402
Depreciation:									
As at 1 January 2018	-	5,131	98	1,179	38,276	3,149	710	-	48,543
Charge for the year	-	715	-	127	727	57	32	-	1,658
As at 31 December 2018	-	5,846	98	1,306	39,003	3,206	742	-	50,201
Net book value:									
As at 31 December 2018	**29,097**	**8,040**	**-**	**269**	**1,126**	**13**	**9**	**2,647**	**41,201**

10 PROPERTY AND EQUIPMENT (continued)

	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**

11 OTHER LIABILITIES

	2018	2017
	QR'000	QR'000
Dividends payable	**15,847**	15,950
Accrued expenses	**4,059**	3,506
Provisions (Note i)	**1,050**	250
Advances received from customers for a real estate projects	**3,975**	3,866
Commission payable	**83**	644
Contribution to Social and Sports Development Fund	**-**	416
Other payables	**417**	415
	25,431	25,047

Note i: Provisions relate to regulatory claims and penalties amounting to QR 1,050 thousand (2017: QR 250 thousand) (Note 20).

12 EMPLOYEES' END OF SERVICE BENEFITS

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

	2018	2017
	QR'000	QR'000
Provision as at 1 January	**4,892**	4,383
Provided during the year	**306**	601
End of service benefit paid	**(493)**	(92)
Provision as at 31 December	**4,705**	4,892

13 SHARE CAPITAL

	2018 QR'000	2017 QR'000
Authorised, issued and fully paid:		
28,416 thousand shares of QR 10 each	**284,160**	284,160

Subsequent to the reporting date, the Qatar Financial Markets Authority issued instructions to all entities listed in the main market of Qatar Exchange to perform a split of the nominal value of ordinary shares from QR 10 per share to QR 1 per share. As a result, the Company's shares will be split into 284,160 shares with a value of QR 1 per share. This stock split is subject to the approval of shareholders at the Company's Extraordinary General Assembly to be held in due course.

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

	2018 QR'000	2017 QR'000
Commission paid to Qatar Exchange	**9,424**	17,658
Other brokerage expenses	**629**	636
	10,053	18,294

16 REAL ESTATE INCOME

	2018	2017
	QR'000	*QR'000*
Real estate brokerage fee income	**620**	4,157
Other real estate services	**305**	450
	925	4,607

17 GENERAL AND ADMINISTRATIVE EXPENSES

	2018	2017
	QR'000	*QR'000*
Staff costs	**16,856**	18,850
IT and communication costs	**3,882**	2,960
Marketing	**3,400**	2,453
Consulting and professional fees	**2,390**	499
Government and regulatory fees	**1,627**	697
Bank guarantee fees	**1,093**	990
Penalties and claims	**850**	250
Communication	**508**	526
Maintenance	**433**	423
Rent	**169**	356
Insurance	**27**	31
Miscellaneous	**872**	314
	32,107	28,349

18 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.

	2018	*2017*
(Loss) Profit attributable to shareholders of the parent (QR'000)	**(21,308)**	16,651
Weighted average number of shares outstanding during the year (in thousands)	**28,416**	28,416
Basic and diluted earnings per share (QR)	**(0.75)**	0.59

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.

19 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.

Related party transactions

Transactions with related parties are as follows:

	2018	*2017*
	QR'000	*QR'000*
Key management and their close family members;		
Net brokerage commission income	**261**	2,775
Fees paid	**(185)**	(180)
Other related parties:		
Net brokerage commission income	**130**	5,670

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

	Receivable		***Payable***	
	2018	*2017*	***2018***	*2017*
	QR'000	*QR'000*	***QR'000***	*QR'000*
Key management and their close family members	**-**	-	7	23,639
Other related parties	**-**	15,175	**-**	-

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

Compensation of key management personnel

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

	2018	*2017*
	QR'000	*QR'000*
Salaries and short-term benefits	**2,502**	2,658
Retirement benefits	**142**	136
	2,644	2,794

20 COMMITMENTS AND CONTINGENT LIABILITIES

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

	2018	*2017*
	QR'000	*QR'000*
Letters of guarantee	**150,000**	200,000

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.

	2018	*2017*
	QR'000	*QR'000*
Capital commitments		
Balance at 31 December	**1,601**	2,616

Operating lease commitments

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

	2018	*2017*
	QR'000	*QR'000*
Within one year	**120**	81
After one year but not more than three years	**70**	-
	190	81

Regulatory claims

During the year, two customers who obtained pre funding facility from the Group defaulted their due balances. This occurred as a result of the regulator lifting the pre funding facility which required customers to settle all transactions immediately in cash. The two customers had been settling their due balances through share transactions historically, and failed to settle in cash after the pre funding facility was lifted. Currently an investigation is being carried out by the regulator regarding the default and pre funding. The regulator require all customers with pre funding facility to settle due balances in cash on a T+3 basis.

The Group recorded an expected credit loss of due from brokerage customers amounting to QR 13,887 thousand (2017: nil), relating to the default. Furthermore, at the reporting date the Group recorded a provision of QR 1,050 thousand (2017: QR 250 thousand) as a best estimate for possible penalties from the regulator due to customer due balances being settled through share transactions and on other investigation on brokerage activities (Note 11).

21 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their nature of activities and has four 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 in the Qatar Stock Exchange;
- 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 2018 and 2017, respectively.

31 December 2018	Stock brokering	Real estate	Information technology	Others	Elimination	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Brokerage commission income (net)	19,434	-	-	-	-	19,434
Income from IT services	-	-	201	-	-	201
Other revenues (*)	4,794	4,510	4	1,909	(4,852)	6,365
Segment revenue	24,228	4,510	205	1,909	(4,852)	26,000
Segment (loss)/profit	(18,678)	(1,829)	(906)	(116)	-	(21,529)
Depreciation and amortization	52	749	183	897	-	1,881
Segment assets	579,908	76,328	16,639	318,941	(331,887)	659,929
Segment liabilities	**477,465**	**4,192**	**436**	**65,061**	**(97,785)**	**449,369**

31 December 2017	Stock brokering	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**

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

22 FINANCIAL RISK MANAGEMENT (Continued)

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*
2018	**+25 b.p**	**193**
2017	+25 b.p	156

There is no impact on the Group's equity.

Equity price risk

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

	Changes in equity prices	*Effect on equity QR'000*
2018		
Investment securities - Qatar Exchange	**+5%**	**4,131**
2017		
Investment securities – Qatar Exchange	+5%	5,894

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.

Objective and policies

The Group's principal financial liabilities comprise of amounts due to customers, accrued expense, 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.

Credit risk (continued)

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.

	2018	2017
	QR'000	QR'000
Bank balances (excluding cash)	**77,663**	62,741
Bank balances - customer funds	**415,166**	355,941
Due from QCSD	**4,104**	21,814
Due from customers	**42**	33,275
Other receivable	**405**	2,504
	497,380	476,275

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group considers a financial assets in a default when contractual payments are 90 days over due.

The Group evaluates the concentration of risk with respect to amounts due from customers as low, as the unimpaired balances is minimal at the reporting date.

Set out below is the information about the credit risk exposure on the Group's due from customers using a provision matrix:

31 December 2018	Not Due QR'000	< 30 days QR'000	31 – 90 days QR'000	>91 days QR'000	Total QR'000
Expected credit loss rate	0%	-	100%	100%	
Estimated total gross carrying amount at default	42	-	8	14,129	14,179
Expected credit loss	-	-	(8)	(14,129)	(14,137)
	42	-	-	-	42

At reporting date expected credit loss due from customers amounted to QR 14,137 thousand. The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the company considers historical loss rates for each category of debtor, and adjusts for forward looking macroeconomic data.