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In The Name Of Allah,  
The Most Gracious,  
The Most Merciful,

GOD HAS  
PERMITTED TRADING  
AND  
FORBIDDEN USURY

*We are indebted to:*



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



**His Highness  
Sheikh Hamad Bin Khalifa Al-Thani  
Father Emir**



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## BOARD OF DIRECTORS



Sheikh Falah Bin Jassim Bin Jabr Al-thani  
Chairman and Managing Director



Mr.  
Salem Bin Butti Al-Nuaimi  
Deputy Chairman



Sheikh  
Abdul Rahman Bin Mohammed Al-Thani  
Member



Sheikh Dr.  
Khalid Bin Thani Al-Thani  
Member



Sheikh  
Saoud Bin Abdullah Bin Jabr Al-Thani  
Member



Sheikh  
Mohammed Bin Falah Al-Thani  
Member



Mr.  
Ahmad Shareef Al-Emadi  
Member

 **WE GRATEFULLY ACKNOWLEDGENTS****Our Bankers**

Masraf Al Rayan Bank.  
Qatar International Islamic Bank.  
Qatar Islamic Bank.

**Our External Auditors**

Ernst & Young.

**Our Sponsored Organisations**

Al Wakra Sports Club.  
Cat Racer Mr. Mohammad Al-Nasr

**And**

Our Customers, Suppliers, Contractors.  
Business Partners and Investing Public.

Special gratitude for the photographer Mr. abduallahman Al- Khulaifi of Qatar Photo Forum .

## OUR COMPANY



**Aljarah Holding** (Q.S.C) was established in 22nd March 2003 as a Qatari Shareholding Company in accordance with Law No. (5) for 2002 of the Commercial Companies Law and the decision of the Ministry of Economy and Commerce No.(35) for 2003, issued on 21st April 2003. The Company's issued and fully paid up share capital as at 2011 was QR.494,802,000 comprising of fully paid 49,480,200 shares.

### **Our Vision**

We will be the most admired company in the country and the most respected Islamic leasing Services brand in the region. We will establish ourselves as leaders in material transportation, property development and limousine services.

To realize this vision, we will in terms of:

### **Financial performance:**

be ranked amongst the top 10 listed companies for return on equity and annual growth in terms of turnover and profits.

### **Customer Perception:**

be the preferred choice of business partner, a customer-centric organization with a passion for service excellence.

### **Social Responsibility:**

be the employer of choice, a good corporate citizen with recognized integrity, contributing effectively to enhance our community and partner in nation building.

### **Competitive Advantage:**

be recognized as an organization that anticipates changes in customer and market preferences and develops a competitive edge on a sustained basis in the manner of doing its business.



## OUR GUIDING VALUES AND PRINCIPLES

*In conducting our business we will be guided by our values and definitive principles as:*

### **Commitment to customers:**

We will develop relationships that are long-term which will make a positive difference to our customer's business, assets and growth.

### **Quality:**

Outstanding products and Service Excellence will ensure that our customers get the best business value from our service delivery.

### **Integrity:**

Honesty, reliability and fairness in our business dealings enable stakeholders have confidence in our representations. We steadfastly hold to our commitments, intentions, promises, trust and expectations adapting to our moral and ethical code of conduct.

### **Team-work:**

Each of our customers has access to our experts with full grasp of customer's business requirements. We build and deliver our services around teams of experts focusing around a customer's needs, partnering with them to deliver a total solution.

### **Respect for People:**

We value our staff and employees providing them every encouragement for development and amply reward for their performance.

### **Good Citizenship:**

We take pride in contributing significantly to communities we live in and partner in nation building initiatives.

### **Enhancing Shareholder Value:**

Our businesses must be profitable and we must generate superior returns on the investments made by our shareholders. We shall steadfastly strive to enhance our stakeholder's values at all times.

### **Accountability:**

We are personally accountable for our statements of mission, vision and our guiding principles and values.

To the extent we act according to our values, we believe we will inspire loyalty to our customers, earn a sustainable leadership position in business, attract and retain top talent and engaged workforce, will enable to us to achieve our vision of becoming the region's most respected brand in the coming years.

## OUR GOVERNING POLICY

### **Our Code of Business Conduct**

The code of Business Conduct, approved by the Board of Directors, outlines expected behaviors for all employees. We shall conduct our business fairly, impartially, in an ethical and proper manner, and in full compliance with all applicable Qatari Laws and Regulations. In conducting our business, integrity must underlie all Alijarah Holding relationships, including those with customers, suppliers, communities and among employees.

The highest standards of ethical business conduct are required of our employees in the performance of their Alijarah Holding responsibilities. Employees shall not engage in conduct or activity that may raise questions as to the Alijarah Holding's honesty.

### **Our Code of Ethics**

1. Employees of Alijarah Holding are expected to know and comply with company policies and procedures.
2. Management and employees of the company shall foster a culture that only legal, proper and ethical behavior takes place. Employees are required to conduct the highest standards of ethical business in their performance of their duties.
3. Employees are encouraged to address questions or concerns with ethics with their superiors and management. Retaliation against any employee who reports unethical behavior or conduct by other employees shall not be tolerated and may result in termination of employment.
4. New employees recruited in the company shall receive an ethics orientation. Ethics and business conduct guidelines shall be available to all employees and the general public.
5. Senior management shall review investigations in a timely manner. Where necessary they shall communicate investigation results and corrective action to all employees and to the employee who reported concerns.
6. Managers and Supervisors shall create a work environment that encourages open communication and disclosure regarding ethics, business conduct and other concerns. They shall take timely corrective action for any violation of this policy.
7. Internal Audit shall provide appropriate auditing and evaluation of business systems and procedures. They shall report any non-compliance or occurrence of violation of business ethics in their audit reports to the Management. Where necessary, Senior Management may request Internal Audit to perform independent investigations on non-compliance or violations.

### **Our Conflict of Interest Policy**

Our conflict of interest policy was established to enhance outsider's confidence on the integrity of Alijarah Holding and its subsidiaries by establishing clear rules of conduct with respect to Conflict of Interest applicable to all employees minimizing the possibility of Conflict of Interest arising between the private interests and official duties of employees and providing for the objective and fair resolution of such conflicts should they arise.

A conflict of interest may exist when an employee is involved in an activity or has a personal interest that might interfere with the employee's objectivity in performing Alijarah Holding's duties and responsibilities.

Any such personal interests or activities are prohibited unless formally approved. Personal interests may include working relationships and/or financial interests with immediate family members or relatives. This policy applies to all employees and they shall comply.



## IMPLEMENTING OUR SOCIAL RESPONSIBILITY POLICY

### **Our Social Contribution**


#### **Al Wakra Sports Club**

Alijarah Holding has renewed the sponsorship agreement of the first football team of Al-Wakra Sports club in line with the company's policy to support the various sectors of Qatari society and contributes effectively to the development of human resources. Under this sponsorship renewal, Alijarah Holding provides care for Al Wakra Club activities at all levels including training, youth rehabilitation, and support services. Choosing Al Wakra Sports Club was a good choice due to the size of sports, cultural and social activities.


#### **World Qatari Champion - Mohammad Al Nasr**

Within the context of contributions set forth by Alijarah Holding to support the state's orientations aiming at sport's pioneer in Qatar, Alijarah Holding initiated its vision to possess a requisite role and sponsored the Qatari world champion Mr. Mohammad Al Nasr, in Powerboat Racing (X-Cat), noting that this kind of water sports exceedingly crave for proper support and media coverage to better demonstrate the true value and benefits of water sports in general, indicating the fact that Qatar does possess all essential potentials to occupy the forefront position with respect to all countries competing in such water sports.


## OUR SUBSIDIARIES

 **Alijarah Leasing** is committed to be a profitable and client oriented organization that continues to meet the financial objectives of its customers, provides an encouraging environment for its employees. Alijarah Leasing maintains to be a provider of high quality professional services to its customers.


**Our Vision** Alijarah Leasing shall be leading and unique in the finance industry, offering the best choice of leasing options under Islamic principles, for customers acquiring assets to grow their business. Alijarah Leasing shall provide the most flexible leasing options for customers to finance their capital acquisitions-automobiles, equipment, merchandize, real estate and technology development-and providing customers complete financing solutions.

 **Alijarah Equipment** was incorporated in the year 2007. Alijarah Equipment is currently engaged in the business of equipment, fleet management, materials transportation and logistics. Alijarah Equipment is a growing company that has built capability to effectively perform fleet and equipment, transportation services to the satisfaction of its customers while complying with Qatar Government procedures on legality and safe transportation.


**Our Vision** Alijarah Equipment shall be an established and competitive company, which will contribute to the business of Alijarah Holding with a diversity of services opening new horizons for operations in different sectors of the economy.

 **Alijarah Property** Commenced its business in late 2008. It was in the worst of times that it saw opportunities for the future. Alijarah Property successfully launched in early 2009, the sale of Lusail plots in the north and west waterfront areas to the citizens of Qatar. The public lottery in allotting plots in March 2009 was a success. Alijarah Property pursued our aggressive sales of Lusail plots through the entire year of 2010 and all plots have been sold out. Subsequently Alijarah Property embarked in one of the largest infrastructure development project for developing the LUSAIL plot areas.

**Our Vision** Alijarah Property shall excel in the development of infrastructure and Property development projects through execution of its project before planned time, under cost and in good quality. Alijarah Property shall continue to build a strong asset base through a bank of projects that shall be completed for generating consistent revenues for the company.

 **Alijarah Limousine** Alijarah Limousine is engaged in hospitality Industry providing quality personal transportation needs of individuals, corporate houses and government through an effective and efficient car fleet. Alijarah successfully launched its taxi services based on the franchise agreement with Mowasalat (Karwa). As of December 2014 - 1000 taxis are on road.

**Our Vision** Alijarah Limousine shall be striving to be a leader in the country's limousine services by focusing on customers, people, growth, innovation and efficiency. Alijarah Limousine shall use these elements in a manner that will drive bottom line success at the same time achieving ultimate customer satisfaction and acceptance.

 **Al-Nasser Modren Driving School** Driving school is holding an approved license for training drivers to obtain driving license. A state of the art school is in development stage. On completion, this facility will add synergy to the in-house driver requirements of Alijarah Limousine as well as aspiring drivers in Qatar.

## OUR QATARISATION EFFORTS

### 1 - HR direct recruitment:

By advertising the vacancies available in newspapers, competent web sites and our portal, or by accepting candidates' CVs and maintaining them in a database that assures the selection of the best and most appropriate for the vacant post as soon as they get advertised.

### 2 - Coordination with the Department of National Manpower Development, Ministry of Labour:

In a non stop manner we receive lists of candidates, interview them, then select the most fit to the positions available at our company.

### 3 - A partnership with Social Development Center to sponsor a portfolio for social development:

Alijarah undertakes to cover all financial needs of programs aimed to provide development and training for Qataris. We also support self-initiatives and small pioneer enterprisers and encourage them to transform their ideas and initiates into productive projects, consolidating their success chances. This shall participate in creating high quality job opportunities for the Qatari community of all ages in the private sector.

## OUR QUALITY INITIATIVES



In 2009, our company established its corporate management and governance framework approved by the Board. In 2010 as an integral part of our management framework, the ISO certification initiatives were taken up across the holding and subsidiary companies.

An internal quality team launched the quality processes in our organization covering all our core businesses and support business functions as human resources, procurement, contracting, finance, administration and support services.

After the necessary certification audit by the world renowned BVQI, Alijarah Leasing Holding and its subsidiaries - Alijarah Leasing, Alijarah Equipment and Alijarah Property achieved its ISO 9001 certified status in 2010.

In 2011 Alijarah Property has managed to attain both ISO certificates, 14001: 2004 and OHSAS 18001: 2007.

## MESSAGE FROM THE CHAIRMAN



Dear respected Shareholders  
Peace be upon you...

It gives me an immense pleasure to meet you to review the financial and administrative results of Alijarah Holding and its subsidiaries during the fiscal year ended on December 31, 2014 and our perceptions of the future.

### Financial Performance

Thanks to the efforts of the company's BOD and the executive management, the company achieved financial results as we are pleased to focus them in the following points:

- Maintain a net profit margin despite the decrease in operational revenues.
- Increase in revenue from investments and deposits by 71 million, compared with QR 35 million in 2013.
- Total equity stood at about 1238 million riyals.
- Earnings per share reached 0.87 QR.

### Administrative Performance

Alijarah Holding is having much pride of the achievements in 2014, being a pillar of national economy. Hereby we give you an overview of some of these achievements:

- Develop ERP systems of the company to keep pace with the rapid developments in the field of business. Satisfy our Qatarization commitment.
- Participate in Exhibitions.
- Reinforce the management of Taxi and Limousine which led to increase the taxi fleet reaching 1000 vehicles. Limousine services were also launched for the ladies and families, which is the first of its kind in the State of Qatar.

### Proposed dividend

In continuation of our commitment towards our investors who put their trust in the company, the Board of Directors recommended to the General Assembly to approve dividend of 8.5% (i.e. QR 0.85 per share)

### Our view of the future

Modern thinking, creativity and innovation are the foundations upon which the company was built, thus we keep pace with growth and prosperity movement of the investment in the State of Qatar, which establishes the principles of creativity and development.

Alijarah Holding is looking to keep pace with the progress in the State of Qatar through the development and activation plans for the future to contribute to achieving its ambitions to be one of the best companies in the country by finding ways to achieve continuous growth and achieve better profits for our shareholders and our customers.

At the conclusion, we would like to express our deep gratitude for the continued & endless support of the wise leadership of the State of Qatar, where the Alijarah Holding wouldn't reach these achievements without the support by H.H. Sheikh. Tamim Bin Hamad Al Thani, the Emir and H.H. Sheikh. Hamad Bin Khalifa Al Thani the Father Emir. Also we extend our thanks and appreciations to the members of Sharia panel for their efforts and wise guidance, and thanks to all shareholders and our customers.

May peace, mercy and blessings of Allah be upon you.

**Falah Bin Jassim Bin Jabr Al Thani**  
Chairman and Managing Director

## MESSAGE FROM CEO

Peace be upon you...

When the executive management put in mind implementing the directives of the BOD in order to achieve a vision to enhance the workflow at Alijarah Holding & its subsidiaries, considering our values & principles, the implementation had been applied in a manner that made successive developments evident which led Alijarah to become one of the best companies in Qatar. There is no doubt that maintaining success requires us to work hard to continue what we started.



We seek to expand our business and diversify our activities through the introduction of new products in the fields of property development, infrastructure, equipment and hospitality services which contribute in improving our ability to carry out tasks that will reflect on the conduct of work and activities in the long term. We firmly believe that the developments achieved in 2014 will have a positive and powerful impact on the future of the company.

The financial results of this year demonstrated our efforts in diversifying the sources of corporation support based on our ambitions to create a stable corporation able to face the challenges in the future through:

- Introduce Sharia oriented financial solutions.
- Strengthen the relationship with customers and build bridges of communication with them.
- Increase the fleet of Alijarah Taxi.
- Expand the business of Alijarah Equipment.
- Develop the departments of the company.
- Promote means of joint cooperation with national companies.

The executive management spares no effort to build a company based on solid foundations in accordance to the standards and principles of corporate governance so as to ensure the achievement of maintaining a constant rate of growth. In this midst, our human resources remain the most precious asset as the driving force to achieve our strategic plans.

Alijarah depends on its cadres, which performs an active role in the development of resources and implementation, considering the values and principles that underpin the vision of Alijarah to achieve its objectives. This implication is supported by a cohesive, strong and balanced management system keen for sustainable development.

Through expertise, capacity and capabilities, Alijarah has become able to absorb the recent technology and applying it widely in all its administrative, financial and technical works, which contributes to expand the scope of business relying on a solid base established by creative work as directed by the BOD which realizes exactly the elements of the administrative work and the country policies and directions with regards to sustainable development. Also, the BOD developed the tools and capabilities puts Alijarah up to the highest standards of corporate performance.

Alijarah Holding takes Qatarization as serious & strict policy, believing that national competences possess the talent & the skills which make them worth of leadership & participating in the country's evolution.

The experiences & capabilities of Alijarah Holding serve the development of national human resources. The strategic plans take into account the demands of the work market in Qatar and the goals of Qatar vision 2030. A wide database was prepared & training plans were set aiming to contain and develop the national competences, escalating them to the highest standards of professionalism with strong belief that they are the future of this beloved homeland.



**Hamad Shareef Al Emadi**  
Chief Executive Officer



## REPORT OF THE SHARI'A PANEL

### IN THE NAME OF GOD THE MERCIFUL

Report of the Islamic legislation censorship,

As per the financial period: 1/1/2014 – 31/12/2014

Thank God and may peace, blessings fall upon our Master, the Messenger of God, Mohammad, his family and companions, and those following his guidance.

Most respectful shareholders:

Alijarah holding

Al Doha – Qatar

Peace, Mercy and Blessing of God,

The supervisory board is pleased to offer you a legitimate report on the activities and work flow of the company during the financial year ended 31/12/2014.

The board had monitored the works and activities carried out by the company throughout the above referred to duration. It has further given intense attention to the extent of its commitment to the provisions and principles of the Islamic religion and the guidelines issued. The board further examined the contractual agreements finalized by the company and has also inspected the mechanisms followed to fulfill its works.

In fact, it is the administration's responsibility to assure that the company's flow of work accurately complies with the Islamic legislations, noting that the board is solely responsible for delivering a righteous independent opinion based upon Shari'a principles.

And to attain all information, data, and interpretations found compulsory to provide the board with all adequate proofs that the company has not performed any act that violates the Islamic legislations, the board has segregated its work flow as follows:

1. Control over all company works and activities by the board's executive body on daily basis.
2. Launching periodic meetings to intensively examine the regular reporting process filed by the board's executive observer.
3. Discuss emerging matters within the company and respectively deliver decisions, advisory guidelines as per the Islamic legislation, whenever found necessary.
4. Answer all questions raised by the company's management.
5. Review all contractual agreements to assure the absence of any Islamic legislation violation.
6. Examine the Annual Financial Statements as at 31/12/2014 and make sure that they comply with Shari'a principles.
7. Specify the Zakat's percentage recommended of every shareholder.

#### Outcome:

- A. The contracts and activities performed by the company during the financial year 2014, as well as the mechanisms and principles operated in plan implantation do not violate any Shari'a principles.
- B. The distribution of the shareholders' profits has been fulfilled in accordance with the Shari'a principles.
- C. The percentage of Zakat forced upon shareholders is ( 57) QR per share.

In conclusion, the board takes this opportunity to bestow deepest thanks to the company's administration in general, and to the Chief Executive Officer in specific, for fortifying the board's role in performing an internal auditing of the company as per the Islamic legislation.

Doha – Qatar

Date: 21/03/1436 H - 10/01/2015



**Dr. Abd A-Daim Abu Al-Ma'ali**  
Member



**Dr. Sultan Al-Hashimi**  
Member



**Abdulaziz Bin Saleh Al-Khulaifi**  
Chairman

## INDEPENDENT AUDITORS' REPORT

To The Shareholders of Alijarah Holding (Q.S.C.)

### Report on the consolidated financial statements

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

### Board of Directors' responsibility for the consolidated financial statements:

The Board of Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

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

### Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles, and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 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 effect on the business of the Company or on its financial position. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Company.



Firas Qoussous  
of Ernst & Young

Auditor's Registration No. 236

Date: 29 January 2015,

Doha

## The Financial Statements

### Consolidated Statement of Financial Position as at 31 December 2014

	Notes	2014 QR	2013 QR (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	3	719,838,609	695,936,310
Installments and dues from customers	4	396,715,981	635,796,724
Available for sale financial assets	5	124,302,004	81,766,574
Inventories	6	3,210,438	2,324,355
Prepayments and other receivables	7	78,854,787	50,578,106
Intangible asset	8	8,000,000	8,000,000
Investment property	9	130,000,000	--
Property and equipment	10	141,819,940	135,212,962
<b>Total assets</b>		<b><u>1,602,741,759</u></b>	<b><u>1,609,615,031</u></b>
<b>LIABILITIES</b>			
Accounts payables, accruals and other payables	11	234,805,401	261,389,948
Islamic financing under wakalah arrangements	12	128,039,395	69,807,335
Amounts due on construction contracts	13	1,993,183	1,993,183
<b>Total liabilities</b>		<b><u>364,837,979</u></b>	<b><u>333,190,466</u></b>
<b>EQUITY</b>			
Share capital	14	494,802,000	494,802,000
Legal reserve	15	486,228,609	486,228,609
Proposed dividend	16	42,058,170	74,220,300
Fair value reserve		(13,669,733)	(7,476,666)
Retained earnings	17	228,484,734	228,650,322
<b>Total equity</b>		<b><u>1,237,903,780</u></b>	<b><u>1,276,424,565</u></b>
<b>Total liabilities and equity</b>		<b><u>1,602,741,759</u></b>	<b><u>1,609,615,031</u></b>

These consolidated financial statements were approved by the Board of Directors on 29th January 2015 and signed on its behalf by:

**Salem Bin Butti Al-Naimi**  
Vice Chairman

**Hamad Shareef Al-Emadi**  
Chief Executive Officer

The accompanying notes from 1 to 30 form an integral part of these consolidated financial statements.

## The Financial Statements

### Consolidated Statement of Income for The Year Ended 31 December 2014

	Notes	2014 <u>QR</u>	2013 <u>QR</u> (Restated)
Income from core business	18	143,197,623	242,489,299
Income from investments and deposits	19	71,176,555	34,538,545
Other income		9,018,245	1,324,258
<b>TOTAL INCOME</b>		<b><u>223,392,423</u></b>	<b><u>278,352,102</u></b>
Operating expenses	20	(143,834,170)	(184,385,360)
General and administration expenses	21	(31,803,123)	(41,460,607)
Finance costs		(4,796,950)	(5,569,503)
<b>TOTAL EXPENSES</b>		<b><u>(180,434,243)</u></b>	<b><u>(231,415,470)</u></b>
<b>NET OPERATING INCOME</b>		<b>42,958,180</b>	46,936,632
Recovery of impairment on installments and due from customers	4	<u>8,570</u>	<u>34,500,000</u>
<b>PROFIT FOR THE YEAR</b>		<b><u>42,966,750</u></b>	<b><u>81,436,632</u></b>
Basic and diluted earnings per share	23	0.87	1.65

### Consolidated Statement Of Comprehensive Income for The Year Ended 31 December 2014

	2014 <u>QR</u>	2013 <u>QR</u> (Restated)
<b>PROFIT FOR THE YEAR</b>	42,966,750	81,436,632
Other comprehensive income:		
Net loss on revaluation of available for sale financial assets	(6,193,067)	(8,624,808)
<b>Total other comprehensive loss</b>	<b><u>(6,193,067)</u></b>	<b><u>(8,624,808)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>36,773,683</u></b>	<b><u>72,811,824</u></b>

The accompanying notes from 1 to 30 form an integral part of these consolidated financial statements.

## The Financial Statements

### Consolidated Statement of Changes In Equity for The Year Ended 31 December 2014

	Share	Legal	Proposed	Fair Value	Retained	Total
	Capital	Reserve	Dividends	Reserve	Earnings	
	QR	QR	QR	QR	QR	QR
<b>As at 1 January 2013,</b>						
<b>as previously reported</b>	494,802,000	486,228,609	98,960,400	1,148,142	238,496,667	1,319,635,818
Correction of error (Note 17)	--	--	--	--	(14,883,276)	(14,883,276)
<b>As at 1 January 2013 (restated)</b>	<b>494,802,000</b>	<b>486,228,609</b>	<b>98,960,400</b>	<b>1,148,142</b>	<b>223,613,391</b>	<b>1,304,752,542</b>
Dividends paid (Note 16)	--	--	(98,960,400)	--	--	(98,960,400)
Profit for the year	--	--	--	--	81,436,632	81,436,632
Other comprehensive loss for the year	--	--	--	(8,624,808)	--	(8,624,808)
Total comprehensive (loss) income for the year	--	--	--	(8,624,808)	81,436,632	72,811,824
Social and sports fund appropriation (Note 11b)	--	--	--	--	(2,179,401)	(2,179,401)
Proposed dividends (Note 16)	--	--	74,220,300	--	(74,220,300)	--
<b>As at 31 December 2013 (restated)</b>	<b>494,802,000</b>	<b>486,228,609</b>	<b>74,220,300</b>	<b>(7,476,666)</b>	<b>228,650,322</b>	<b>1,276,424,565</b>
<b>As at 1 January 2014,</b>						
<b>as previously reported</b>	494,802,000	486,228,609	74,220,300	(7,476,666)	249,272,987	1,297,047,230
Correction of error (Note 17)	--	--	--	--	(20,622,665)	(20,622,665)
<b>As at 1 January 2014 (restated)</b>	<b>494,802,000</b>	<b>486,228,609</b>	<b>74,220,300</b>	<b>(7,476,666)</b>	<b>228,650,322</b>	<b>1,276,424,565</b>
Dividends paid (Note 16)	--	--	(74,220,300)	--	--	(74,220,300)
Profit for the year	--	--	--	--	42,966,750	42,966,750
Other comprehensive loss for the year	--	--	--	(6,193,067)	--	(6,193,067)
Total comprehensive (loss) income for the year	--	--	--	(6,193,067)	42,966,750	36,773,683
Social and sports fund appropriation (Note 11b)	--	--	--	--	(1,074,168)	(1,074,168)
Proposed dividends (Note 16)	--	--	42,058,170	--	(42,058,170)	--
<b>As at 31 December 2014</b>	<b>494,802,000</b>	<b>486,228,609</b>	<b>42,058,170</b>	<b>(13,669,733)</b>	<b>228,484,734</b>	<b>1,237,903,780</b>

The accompanying notes from 1 to 30 form an integral part of these consolidated financial statements.

## The Financial Statements

### Consolidated Statement of Cash Flows for The Year Ended 31 December 2014

	Notes	2014 QR	2013 QR (Restated)
<b>Cash flows from operating activities</b>			
Profit for the year		42,966,750	81,436,632
Adjustments for			
Depreciation	10	25,775,550	24,545,818
Gain on fair value adjustment of investment property	9	(7,914,484)	--
Dividend income		(4,274,927)	(5,102,881)
Loss on disposal of property and equipment		1,273,850	67,742
Recovery from allowance for impairment on installments and due from customers	4	(8,570)	(34,500,000)
Gain on sale of available for sale financial assets		(56,794,419)	(17,295,767)
Finance income		(9,261,353)	(12,024,071)
Finance charges		4,796,950	5,569,503
		<u>(3,440,653)</u>	<u>42,696,976</u>
<b>Changes in operating assets and liabilities</b>			
Installments and due from customers		239,089,313	216,033,000
Prepayments and other receivables		(28,276,681)	13,735,244
Inventories		(886,083)	(984,187)
Amounts due on construction contracts		--	(69,322,879)
Accounts payables, accruals and other payables		(27,658,715)	(78,133,466)
<b>Net cash from operating activities</b>		<b><u>178,827,181</u></b>	<b><u>124,024,688</u></b>
<b>Cash flows from investing activities</b>			
Finance income received		9,261,353	12,024,071
Dividend income received		4,274,927	5,102,881
Purchase of investment property	9	(122,085,516)	--
Purchase of property and equipment	10	(33,864,435)	(41,382,292)
Proceeds from the disposal of property and equipment		208,057	296,700
Purchase of available for sale financial assets		(380,418,680)	(71,967,927)
Proceeds from disposal of available for sale financial assets		388,484,602	102,997,335
Net movement in bank term deposits		(250,000,000)	700,000,000
<b>Net cash from (used in) investing activities</b>		<b><u>(384,139,692)</u></b>	<b><u>707,070,768</u></b>
Dividends paid	16	(74,220,300)	(98,960,400)
Proceeds from financing under wakalah arrangements		119,820,000	--
Repayment of financing under wakalah arrangements		(61,587,940)	(79,712,666)
Finance costs paid		(4,796,950)	(5,569,503)
<b>Net cash used in financing activities</b>		<b><u>(20,785,190)</u></b>	<b><u>(184,242,569)</u></b>
Net (decrease) increase in cash and cash equivalents		(226,097,701)	646,852,887
Cash and cash equivalents at 1 January		695,936,310	49,083,423
<b>Cash and cash equivalents at 31 December</b>	3	<b><u>469,838,609</u></b>	<b><u>695,936,310</u></b>

# The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

## 1. CORPORATE INFORMATION

Alijarah Holding Q.S.C. (the “Company”) is a public shareholding company incorporated in the State of Qatar in accordance with resolution No.35 issued on 21 April 2003 by the Ministry of Business and Trade. The Company is registered under commercial registration No. 26487 and is governed by the provisions of the Qatar Commercial Companies’ Law No. 5 of 2002. The registered office of the Company is located at ‘D’ Ring Road, Opp. Emirates/Lulu Hyper Doha, State of Qatar. The Company’s shares are publicly traded at the Qatar Exchange.

The Company and its subsidiaries (together the “Group”) are engaged in Leasing, Real Estate, Property Development, Transportation, Taxi Services and Driving School operate through its fully owned subsidiaries established in the State of Qatar. The Group is committed to conduct all its activities in accordance with Islamic Sharia’a.

The Group’s consolidated financial statements were approved and authorized for issue by the Board of Directors (“BOD”) on 29 January 2015.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The consolidated financial statements have been prepared on historical cost basis, except for available-for-sale financial assets and investment property that have been measured at fair value. The consolidated financial statements are presented in Qatar Riyals (QR) which is the company’s functional and presentational currency and all values are rounded to the nearest Qatari Riyal, except when otherwise indicated.

### 2.2 Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Group presents its statement of financial position broadly in the order of liquidity. An analysis regarding recovery or settlement within 12 months after the end of the reporting period (“current”) and more than 12 months of the end of the reporting period (“non-current”) is presented in Note 26.

### 2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2014. 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

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 comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

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

#### 2.3 Basis of Consolidation (continued)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the date of acquisition or up to the date of disposal, as appropriate.

The consolidated financial statements of the Group include the financial statements of the Company and its subsidiaries (listed below) fully owned by the Group:

Name of subsidiaries	Country of incorporation	Principal activity
Alijarah Leasing Company	Qatar	Islamic leasing
Alijarah Equipment Company	Qatar	Transportation
Alijarah Limousine Company	Qatar	Taxi & Limousine services
Alijarah Property Development Company	Qatar	Property Development
Al Nasr School for Moddern Driving	Qatar	Driving School

#### 2.4 Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amended IFRS and IFRIC interpretations effective as of 1 January 2014.

The following standards and amendments became effective as of 1 January 2014:

IFRS 10, IFRS 12 and IAS 27 (Amendment)	Investment Entities
IAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
IAS 36 (Amendment)	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets

These standards and amendments did not have any impact on the financial position or performance of the Group.

#### Standards issued but not yet effective

Standards issued but not yet effective up to date of issuance of the Group's consolidated financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

The Group is currently considering the implications of the new IFRS which are effective for future accounting period and has not early adopted any of the new standards as listed below:

IAS 27 (Amendment)	Equity Method in Separate Financial Statements
IAS 16 and IAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortization
IFRS 14	Regulatory Deferral Accounts
IFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations
IFRS 15	Revenue from Contracts with Customers
IFRS 9	Financial Instruments: Classification & Measurement (Part 1)



## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

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

#### 2.5. Summary of Significant Accounting Policies

##### Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity.

The Group has determined the Chief Executive Officer of the Company as its chief operating decision maker. All transactions between operating segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in Company. Income and expenses directly associated with each segment are included in determining operating segment performance

##### Foreign Currency Translation

Transactions in foreign currencies are initially recorded in the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of the reporting period. All differences are taken to the consolidated statement of income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain and losses on revaluation of foreign currency non-monetary available-for-sale investments are recognized in the consolidated statement of changes in equity.

##### Cash and Cash Equivalents

Cash and cash equivalents represent cash, bank balances and other short-term highly liquid investments with original maturities of three months or less.

##### Financial Instruments

The Group classifies its financial instruments in the following categories. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Management determines the classification of its financial instruments at initial recognition

##### (a) Installments and dues from customers

Installments and dues from customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Islamic financing such as Ijarah and Morabaha are stated at their gross principal amount less any amount received, allowance for impairment and unearned profit. Subsequent to initial measurement, installments and dues from customers are carried at amortized cost less allowance for impairment.

##### (b) Available-for-sale financial Assets ("AFS")

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices. AFS include equity securities. The Group uses trade date accounting for regular way contracts when recording financial assets and liabilities. Financial assets are initially recognized at fair value plus transaction costs. AFS are carried at fair value subsequent to initial recognition. Gains and losses arising from changes in the fair value of AFS are recognized directly in equity, until the financial asset is derecognized or impaired. At this time, the cumulative gain or loss previously recognized in equity is recognized in consolidated statement of income.

##### (c) Islamic financing under wakalah arrangements

Financial instruments or their components issued by the Group, are classified as financial liabilities under 'Islamic Financing under Wakalah Arrangements', where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset. After initial measurement, Islamic Financing and Wakalah Arrangements are subsequently measured at amortized cost.

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

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

#### 2.5. Summary of Significant Accounting Policies (continued)

##### De-recognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when they are extinguished that is, when the obligation is discharged, cancelled or has expired.

##### Inventories

Inventories are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing inventories to their present location and condition at purchase cost on a weighted average basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred on disposal.

##### Investment Property

Investment properties are initially measured at cost and subsequently measured using fair value model with changes in the fair value being recognized in the consolidated statement of income.

##### Leasing

The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

##### Group as a Lessee

Leases which do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are operating leases.

Operating lease payments are recognized as an expense in the consolidated statement of income on a straight line basis over the lease term.

##### Group as a Lessor

Leases where the Group does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

##### Fair Values

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

##### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

##### Impairment of Financial Assets

##### Financial Assets Carried at Amortized Cost

The Group assesses at the end of each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

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

#### 2.5. Summary of Significant Accounting Policies (continued)

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are significant, and individually or collectively for financial assets that are not significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of financing loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of income. If a financing has a variable rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Group and historical loss experience for assets with credit risk characteristics similar to those in the Group.

When a financing is uncollectible, it is written off against the related allowance for financing impairment. Such financing facilities are written off after all the necessary procedures have been completed and the amount of the loss has been determined. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the consolidated statement of income in impairment charge.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as AFS, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the assets are impaired. If any such evidence exists for AFS financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in consolidated statement of income is removed from equity and recognized in the consolidated statement of income. Impairment losses recognized in the consolidated statement of income on equity instruments are not reversed through the consolidated statement of income.

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

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

#### 2.5. Summary of Significant Accounting Policies (continued)

##### Intangible Asset

###### License fee

The cost incurred in acquiring a license to operate the driving school is recorded as intangible asset in the consolidated statement of financial position. The license has an indefinite useful life. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when this asset is recognized.

##### Property and Equipment

Property and equipment are stated at historical cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to write off the cost of property and equipment to their estimated residual values over their expected useful lives as follows:

	Years
Building	10
Office equipment	4-5
Furniture and fixtures	5
Heavy Equipment, trucks and motor vehicles	5
Leasehold improvements	5

Land is not depreciated. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Repairs and maintenance are charged to the consolidated statement of income when the expenditure is incurred.

Capital work-in-progress represents renovation work and construction work which are carried at cost, less any recognized impairment loss. Cost includes professional fees and related construction costs. Upon the completion of the work, the balance of work-in-progress will be transferred to the relevant caption under property and equipment.

### EMPLOYEE BENEFITS

#### Defined Benefit Plan

The Group makes provision for end of service benefits payable to its expatriate employees on the basis of the employees' length of service in accordance with the employment policy of the Group and the applicable provisions of Labor Law. The expected costs of these benefits are accrued over the period of employment.

#### Defined Contribution Plans

Also the Group 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 personnel cost under the general administration expenses in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized when they are due.

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

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

#### 2.5. Summary of Significant Accounting Policies (continued)

##### REVENUE RECOGNITION

###### Construction Contracts

When the outcome of individual contracts can be foreseen with reasonable certainty and can be measured reliably, margin is recognized by reference to the stage of completion, based on the percentage margin forecast at completion. The stage of completion is measured by the proportion of contracts costs incurred for work performed to date to the estimated total contract costs or the proportion of the value of work done to the total value of work under contract. Full provision is made for all known expected losses on individual contracts immediately once such losses are foreseen. Margin in respect of variations in contract work and claims is recognized if it is probable they will result in revenue.

###### Leasing Income

Income from Islamic Financing and investment contracts under Islamic Sharia'a principles are recognized in the consolidated statement of income using a method that is analogous to the effective 'yield' rate. Fees and Commissions are generally recognized when the related service has been provided.

###### Transportation Income

Transportation income represents revenue generated from services provided to local customers in respect of transportation of raw materials under a contract with customers. Transportation Income is recognized on accrual basis when the services are provided.

###### Rental Income

Rental income is recognized when earned based on actual occupancy of the property.

###### Income from Deposits

Profit from Deposits is recognized on a time proportion basis using the effective profit rate method.

###### Dividend Income

Dividend income is recognized when the right to receive payment is established.

### 3. CASH AND CASH EQUIVALENTS

	2014	2013
	QR	QR
		(Restated)
Cash on hand	224,064	85,326
Current accounts with Islamic banks	124,614,545	145,850,984
All term deposits with Islamic banks	<u>595,000,000</u>	<u>550,000,000</u>
Cash and cash equivalents at 31 December	<u><b>719,838,609</b></u>	<u><b>695,936,310</b></u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2014	2013
	QR	QR
		(Restated)
Cash and cash equivalents at 31 December	719,838,609	695,936,310
Term deposits maturing within 90 days	<u>(250,000,000)</u>	--
Cash and cash equivalents at 31 December	<u><b>469,838,609</b></u>	<u><b>695,936,310</b></u>

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

<b>4. INSTALLMENTS AND DUES FROM CUSTOMERS</b>	<u>2014</u>	<u>2013</u>
	QR	QR
Gross installments due from leasing	223,711,948	185,383,599
	<u>2014</u>	<u>2013</u>
	QR	QR
Morabaha	178,984,668	44,727,280
Ijarah	160,893,007	24,490,592
Less: Deferred Profits of future Instalments	(17,875,619)	(15,858,449)
	<u>2014</u>	<u>2013</u>
	QR	QR
Morabaha	11,888,631	11,923,751
Ijarah	5,986,988	3,934,698
Net installments due from leasing	<u>205,836,329</u>	<u>169,525,150</u>
Gross installments due from property sales	194,213,140	506,125,741
Less: Deferred finance income	(10,646,558)	(33,897,547)
Net installments due from property sales	<u>183,566,582</u>	<u>472,228,194</u>
Other trade related receivables	57,135,539	43,874,419
Allowance for impairment	(49,822,469)	(49,831,039)
Total installments and dues from customers	<u><b>396,715,981</b></u>	<u>635,796,724</u>
Maturity profile of installments and dues from customers		
< 1 year and = 1 year	250,920,124	392,910,439
> 1 year and < 5 years	141,700,391	230,584,815
> 5 years	4,095,466	12,301,470
	<u><b>396,715,981</b></u>	<u>635,796,724</u>
Analysis of past dues but not impaired		
1-30 days	9,322,125	1,996,318
31-90 days	8,447,527	3,745,048
91-180 days	5,222,196	5,242,123
Over 180 days	34,036,330	26,022,189
	<u><b>57,028,178</b></u>	<u>37,005,678</u>
	<u>2014</u>	<u>2013</u>
	QR	QR
<b>Total amount of impaired receivables</b>	<u><b>49,822,469</b></u>	<u>49,831,039</u>
Movement in allowance for impairment		
Balance at 1 January	49,831,039	84,434,024
Recovery for the year	(8,570)	(34,500,000)
Write off	--	(102,985)
Balance at 31 December	<u><b>49,822,469</b></u>	<u>49,831,039</u>

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

### 5. AVAILABLE FOR SALE FINANCIAL ASSETS

	2014	2013
	QR	QR
Quoted equity investments	<u>124,302,004</u>	<u>81,766,574</u>

**Note:**

Quoted equity investments have been valued using Level 1 measurement techniques as per IFRS 7 and there are no Level 2 and Level 3 fair value measurements.

### 6. INVENTORIES

	2014	2013
	QR	QR
Spares and consumables	<u>3,210,438</u>	<u>2,324,355</u>

### 7. PREPAYMENTS AND OTHER RECEIVABLES

	2014	2013
	QR	QR
Security deposit	2,533,780	1,815,380
Advance payments to suppliers	46,514,840	19,692,841
Pre-payments and Other receivables	7,544,734	4,866,165
Other receivables (Note) *	18,824,441	19,877,793
Profits accrued on bank deposits	3,436,992	4,325,927
<b>Total</b>	<u><b>78,854,787</b></u>	<u><b>50,578,106</b></u>

**Note:**

On 27 October 2013, the BOD resolved to discontinue the acquisition of Petro Qatar. The consideration for the acquisition amounting QR 18.2 Million is classified under Other Receivables.

### 8. INTANGIBLE ASSET

On 2 September 2013, the Group acquired 100% shares of Al Nasr Driving School (the Acquiree”), a limited liability company incorporated in the State of Qatar. The Acquiree is engaged in operating a driving school in the State of Qatar. The Group has obtained control over the subsidiary in accordance with the Sale and Purchase Agreement effective from 2 September 2013.

At the date of acquisition, the Acquiree’s asset consists only of the license to operate a driving school amounting to QR 7 Million. The license granted to the Acquiree has an indefinite useful life.

### 9. INVESTMENT PROPERTY

	2014	2013
	QR	QR
Balance at 1 January	--	--
Addition	122,085,516	--
Net gain from fair value adjustment	7,914,484	--
Balance at 31 December	<u><b>130,000,000</b></u>	<u>--</u>

On 11 June 2014, the Group purchased a property (the “Property”) in Al-Aziziyah area amounting to QR 122 Million. The Property is held for an undetermined future use. The fair value of the property as at 31 December 2014 is based on the valuations performed by an independent valuer.



## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

### 10. PROPERTY AND EQUIPMENT

	Office Equipment		Land	Building	Furniture and Fixtures	Heavy Equipment, Trucks And Motor Vehicles		Work in Progress	Total
	QR	QR				QR	QR		
<b>Cost:</b>									
At 1 January 2013	5,547,603	29,991,000	24,791,376	6,936,528	91,853,865	26,975,661	186,096,033		
Additions/transfer	1,579,362	--	248,211	1,060,182	9,455,121	29,039,416	41,382,292		
Disposal	--	--	--	--	(985,562)	--	(985,562)		
Reclassification	--	--	--	--	44,246,962	(44,246,962)	--		
<b>At 31 December 2013</b>	<b>7,126,965</b>	<b>29,991,000</b>	<b>25,039,587</b>	<b>7,996,710</b>	<b>144,570,386</b>	<b>11,768,115</b>	<b>226,492,763</b>		
Additions/transfer	311,169	--	--	393,260	5,120,755	28,039,251	33,864,435		
Disposal	--	--	--	--	(3,517,552)	--	(3,517,552)		
Reclassification	--	--	4,367,100	--	20,642,317	(25,009,417)	--		
<b>At 31 December 2014</b>	<b>7,438,134</b>	<b>29,991,000</b>	<b>29,406,687</b>	<b>8,389,970</b>	<b>166,815,906</b>	<b>14,797,949</b>	<b>256,839,646</b>		
<b>Depreciation:</b>									
At 1 January 2013	2,722,872	--	4,331,702	2,330,628	57,969,901	--	67,355,103		
Charge for the year	1,325,472	--	2,490,028	1,750,488	18,979,830	--	24,545,818		
Disposal	--	--	--	--	(621,120)	--	(621,120)		
<b>At 31 December 2013</b>	<b>4,048,344</b>	<b>--</b>	<b>6,821,730</b>	<b>4,081,116</b>	<b>76,328,611</b>	<b>--</b>	<b>91,279,801</b>		
Charge for the year	1,423,185	--	2,988,863	1,710,771	19,652,731	--	25,775,550		
Disposal	--	--	--	--	(2,035,645)	--	(2,035,645)		
<b>At 31 December 2014</b>	<b>5,471,529</b>	<b>--</b>	<b>9,810,593</b>	<b>5,791,887</b>	<b>93,945,697</b>	<b>--</b>	<b>115,019,706</b>		
<b>Net Carrying amounts:</b>									
<b>31 December 2014</b>	<b>1,966,605</b>	<b>29,991,000</b>	<b>19,596,094</b>	<b>2,598,083</b>	<b>72,870,209</b>	<b>14,797,949</b>	<b>141,819,940</b>		
31 December 2013	3,078,621	29,991,000	18,217,857	3,915,594	68,241,775	11,768,115	135,212,962		



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Notes to the Consolidated Financial Statements At 31 December 2014

### 10. PROPERTY AND EQUIPMENT (continued)

Depreciation charge for the year has been allocated in the consolidated statement of income on the following basis:

	2014	2013
	QR	QR
Depreciation attributable to General and Administration (Note 21)	4,931,660	4,803,622
Direct costs forming part of Operating expenses – Transportation and Taxi division (Note 20)	<u>20,843,890</u>	<u>19,742,196</u>
	<b><u>25,775,550</u></b>	<b><u>24,545,818</u></b>

### 11. ACCOUNTS PAYABLE, ACCRUALS AND OTHER PAYABLES

	2014	2013
	QR	QR (Restated)
Accounts payable and advances from customers	72,023,662	64,552,950
Unclaimed dividends	7,077,835	7,248,533
Provision for employees' end of service benefits (a)	4,647,076	3,410,647
Provision for social contribution (b)	1,074,168	2,179,401
Accrued expenses	<u>149,982,660</u>	<u>183,998,417</u>
	<b><u>234,805,401</u></b>	<b><u>261,389,948</u></b>

Notes:

(a) Provision for employees' end of service benefits

	2014	2013
	QR	QR
At 1 January	3,410,647	3,631,642
Charge for the year	1,832,473	2,243,237
Payments during the year	<u>(596,044)</u>	<u>(2,464,232)</u>
	<b><u>4,647,076</u></b>	<b><u>3,410,647</u></b>

(b) Contribution to Social and Sports Development Fund

Pursuant to Law No. 13 of 2008 and further clarification of the law issued in 2010, the Group made an appropriation of QR 1.07 million for the year 2014 (QR 2.18 million for the year 2013) to the Social and Sports Development Fund of Qatar. This amount represents 2.5% of the net profit for the year ended 31 December 2014.

### 12. ISLAMIC FINANCING UNDER WAKALAH ARRANGEMENTS

	2014	2013
	QR	QR
Islamic financing under wakalah arrangements (a)	20,808,629	69,807,335
Other borrowings (b)	<u>107,230,766</u>	<u>--</u>
	<b><u>128,039,395</u></b>	<b><u>69,807,335</u></b>

Notes:

a. The Group has obtained various Islamic financing facilities under Wakalah arrangements with various local banks to fund business operations and working capital requirements. These facilities are unsecured and are repayable at various dates (please refer Note 25 for liquidity risk associated with these liabilities) and carry financing charges at commercial rates.

b. Other Borrowings represent Wakalah facility obtained from a Bank to finance the acquisition of land held as investment property. The underlying property has been offered as security for this facility.

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Notes to the Consolidated Financial Statements At 31 December 2014

### 13. AMOUNTS DUE ON CONSTRUCTION CONTRACTS

During 2010, the Group entered into an arrangement with Qatari Diar Real Estate Co. (“Qatari Diar”) for undertaking the infrastructure development of the plot areas in the northern and west water front of Lusail area. In accordance with the terms and conditions of the agreement, the Group will utilize the proceeds payable to Qatari Diar against the infrastructure development of the said areas.

	2014	2013
	QR	QR
Balance at 1 January	1,993,183	71,316,062
Release during the year	--	(69,322,879)
Balance at 31 December	<u>1,993,183</u>	<u>1,993,183</u>

### 14. SHARE CAPITAL

	2014	2013
	QR	QR
Authorized, Issued and Fully paid-up 49,480,200 ordinary shares of QR 10 each	<u>494,802,000</u>	<u>494,802,000</u>

### 15. LEGAL RESERVE

In accordance with the Qatar Commercial Companies’ Law No.5 of 2002, QR 321,621,300 received in excess of the nominal amount of the share issued during the year 2012 has been credited to the Legal reserve. The legal reserve is not available for distribution except in circumstances specified in the said Law. The Group has not appropriated any amount to legal reserve during the year as the reserve had already exceeded 50% of the Group’s share capital.

### 16. DIVIDENDS PAID AND PROPOSED

During 2014, the Group paid a dividend of QR 1.50 per share totaling to QR 74,220,300 in respect of 2013 profits ( 2013: QR 2 per share totaling to QR 98,960,400 in respect of 2012 profits).

The BOD resolved in its meeting to propose to the forthcoming General Assembly Meeting of the shareholders the payment of 8.5 % cash dividend (QR 0.85 per share) amounting to QR 42,058,170.

### 17. RESTATEMENTS

During 2009, Qatar Central Bank (“QCB”) paid the installments of the Group’s delinquent customers with an agreement that the Group will collect the installments from the customers and the same will be remitted to QCB. The delinquent profits collected were initially booked into the Group’s consolidated statement of income. Subsequently, the Group was notified by the QCB that the remittance should also include the profit from the delinquent loans. Accordingly, management decided to restate the comparative amounts to properly reflect in the financial statements. The impact on the consolidated financial statements is given below:

Impact on statement of comprehensive income (decrease in profit):

	Effect on 2013	
	QR	
Decrease in income from core business	(5,739,389)	
Decrease in net profit	(5,739,389)	
Cumulative impact on the consolidated statement of financial position (increase / (decrease)) in net equity:		
	31 Dec 2013	1 Jan 2013
	QR	QR
Increase in payables	5,739,389	14,883,276
Decrease in retained earnings	(5,739,389)	(14,883,276)

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Notes to the Consolidated Financial Statements At 31 December 2014

### 18. INCOME FROM CORE BUSINESS

	<u>2014</u> QR	<u>2013</u> QR (Restated)
Income from leasing operations	10,438,591	8,466,863
	<u>2014</u> QR	<u>2013</u> QR (Restated)
Morabaha	8,749,129	7,278,671
Ijarah	1,689,462	1,188,192
	<u>10,438,591</u>	<u>8,466,863</u>
Income from transportation	48,380,258	50,599,790
Income from taxi operations	54,041,996	36,262,901
Profit from resale of plots	1,042,621	--
Income from real estate property development	29,294,157	147,159,745
	<u>143,197,623</u>	<u>242,489,299</u>

### 19. INCOME FROM INVESTMENTS AND DEPOSITS

	<u>2014</u> QR	<u>2013</u> QR
Profit from AFS financial assets	61,915,202	22,514,474
Profit from bank deposits	9,261,353	12,024,071
	<u>71,176,555</u>	<u>34,538,545</u>

### 20. OPERATING EXPENSES

	<u>2014</u> QR	<u>2013</u> QR
Property development cost	3,494,507	62,122,015
Cost of transportation operations	49,666,036	53,523,962
Cost of taxi operations	69,829,737	48,997,187
Directly attributable depreciation (Note 10)	20,843,890	19,742,196
	<u>143,834,170</u>	<u>184,385,360</u>

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

### 21. GENERAL AND ADMINISTRATION EXPENSES

	<u>2014</u>	<u>2013</u>
	QR	QR
Staff costs	13,648,796	18,882,528
Depreciation (Note 10)	4,931,660	4,803,622
Advertising expenses	2,614,835	2,883,135
Professional and legal fees	2,147,306	2,354,253
BOD remuneration	1,600,000	2,000,000
Rents, licensing and listing	1,240,749	925,406
Business promotion	1,138,600	3,544,800
General meeting, telephone, recruitment expenses	711,525	861,572
Insurance	662,467	473,479
Consumable expenses	645,668	1,563,075
Postage printing and stationery	511,075	744,047
Repairs and maintenance expenses	413,979	399,013
Bank charges and commissions	392,666	186,793
Donation and charity	177,894	270,000
Travel expenses	66,052	445,351
Miscellaneous and site expenses	899,851	1,123,533
	<u><b>31,803,123</b></u>	<u><b>41,460,607</b></u>

### 22. RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Group and companies in which they are major owners.

During the year there were no such transactions in the nature of related parties.

#### Key management personnel remuneration

	<u>2014</u>	<u>2013</u>
	QR	QR
Directors' remuneration	1,600,000	2,000,000
Key management personnel remuneration	3,612,388	5,813,110
	<u><b>5,212,388</b></u>	<u><b>7,813,110</b></u>

### 23. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares outstanding during the year

	<u>2014</u>	<u>2013</u>
Net profit for the year (QR)	42,966,750	(Restated) 81,436,632
Weighted average number of shares outstanding	49,480,200	49,480,200
Basic and diluted earnings per share	<u><b>0.87</b></u>	<u><b>1.65</b></u>

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

### 24. SEGMENT REPORTING

Based on the nature of core activities of the business, the Group is segmented into major five operating segments. The major operating segments are given below with their respective revenue and analysis of segment assets and liabilities:

- Financial leasing
- Transportation
- Property development
- Driving school
- Taxi services (including Limousine)

The Group operates geographically in only one segment, being Doha-Qatar.

Segment revenue and segment result:

Details	Revenue		Result	
	2014 QR	2013 QR (Restated)	2014 QR	2013 QR (Restated)
Financial leasing	12,969,175	20,692,899	1,941,421	43,802,129
Transportation	49,211,306	50,901,094	(6,144,466)	(15,052,787)
Property development	40,804,526	150,614,235	21,202,302	58,815,188
Taxi	54,166,155	36,289,586	(32,734,153)	(26,039,786)
Holding	66,241,261	19,854,288	58,701,646	19,911,888
	<b>223,392,423</b>	<b>278,352,102</b>	<b>42,966,750</b>	<b>81,436,632</b>

Segment assets and liabilities:

Details	Assets		Liabilities	
	2014 QR	2013 QR (Restated)	2014 QR	2013 QR (Restated)
Financial leasing	283,064,179	326,022,558	46,629,817	95,816,934
Transportation	42,614,314	34,128,561	5,924,180	8,301,384
Property development	745,464,356	778,546,320	279,843,683	201,103,334
Driving school	8,000,000	8,000,000	--	--
Taxi	95,511,001	71,314,009	13,209,658	4,569,419
Holding	428,087,909	391,603,583	19,230,641	23,399,395
	<b>1,602,741,759</b>	<b>1,609,615,031</b>	<b>364,837,979</b>	<b>333,190,466</b>

Segment contingent liabilities:

Details	Letters of guarantees		Capital commitments	
	2014 QR	2013 QR (Restated)	2014 QR	2013 QR (Restated)
Financial leasing	--	--	--	--
Transportation	19,169,100	6,950,000	--	3,758,625
Property development	--	--	3,147,050	4,398,655
Taxi & un-allocated	10,060,000	8,248,000	1,468,018	10,215,775
<b>Total</b>	<b>29,229,100</b>	<b>15,198,000</b>	<b>4,615,068</b>	<b>18,373,055</b>

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

### 25. CONTINGENT LIABILITIES

	2014	2013
	QR	QR
Letter of guarantees	29,229,100	15,198,000
Capital commitments	4,615,068	18,373,055

### 26. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

	2014	Non-current QR	Current QR	Total QR
<b>ASSETS</b>				
Cash and cash equivalents	--	719,838,609	719,838,609	719,838,609
Installments and dues from customers	145,795,857	250,920,124	396,715,981	396,715,981
Available for sale financial assets	124,302,004	--	124,302,004	124,302,004
Inventories	--	3,210,438	3,210,438	3,210,438
Prepayments and other receivables	2,533,780	76,321,007	78,854,787	78,854,787
Intangible asset	8,000,000	--	8,000,000	8,000,000
Investment property	130,000,000	--	130,000,000	130,000,000
Property and equipment	141,819,940	--	141,819,940	141,819,940
<b>Total assets</b>	<b>552,451,581</b>	<b>1,050,290,178</b>	<b>1,602,741,759</b>	<b>1,602,741,759</b>

#### LIABILITIES

Accounts payables, accruals and other payables	34,824,083	199,981,318	234,805,401
Islamic financing under wakalah arrangements	84,601,065	43,438,330	128,039,395
Amounts due on construction contracts	--	1,993,183	1,993,183
<b>Total liabilities</b>	<b>119,425,148</b>	<b>245,412,831</b>	<b>364,837,979</b>

	2013	Non-current QR	Current QR	Total QR
<b>ASSETS</b>				
Cash and cash equivalents	--	695,936,310	695,936,310	695,936,310
Installments and dues from customers	242,886,285	392,910,439	635,796,724	635,796,724
Available for sale financial assets	81,766,574	--	81,766,574	81,766,574
Inventories	--	2,324,355	2,324,355	2,324,355
Prepayments and other receivables	1,815,380	48,762,726	50,578,106	50,578,106
Intangible asset	8,000,000	--	8,000,000	8,000,000
Property and equipment	135,212,962	--	135,212,962	135,212,962
<b>Total assets</b>	<b>469,681,201</b>	<b>1,139,933,830</b>	<b>1,609,615,031</b>	<b>1,609,615,031</b>

#### LIABILITIES

Accounts payables, accruals and other payables	30,873,190	230,516,758	261,389,948
Islamic financing under wakalah arrangements	20,841,834	48,965,501	69,807,335
Amounts due on construction contracts	--	1,993,183	1,993,183
<b>Total liabilities</b>	<b>51,715,024</b>	<b>281,475,442</b>	<b>333,190,466</b>

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Notes to the Consolidated Financial Statements At 31 December 2014

### 27. RISK MANAGEMENT

The activities of the Group expose it to routine financial risks, including the effects of defaults by customers, profit rates and liquidity. The Group seeks to minimize potential adverse effects on the financial performance of the Group by taking appropriate steps to address specific risk management areas, such as profit rate risk, credit risk and liquidity management.

#### 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's exposure to credit risk is limited to the carrying amount of its financial assets which consist primarily of bank balances and financing facilities to customers. Credit risk on bank balance is limited to as deposits are placed with banks having good credit rating.

	<u>2014</u>	<u>2013</u>
	QR	QR
Bank balances	719,614,545	695,850,984
Installments and dues from customers	396,715,981	635,796,724
Other receivables	21,358,221	26,019,100
	<u><b>1,137,688,747</b></u>	<u><b>1,357,666,808</b></u>

#### Equity price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of the developments in the local markets. The Group is subject to equity price risk in relation to its available for sale investments. The Group evaluates the current market and other factors including normal volatility in share price for quoted equities in order to manage its risk.

	<b>Effect on Equity</b>	
	<u>2014</u>	<u>2013</u>
	QR	QR
Change in equity price		
Qatar Exchange +/- 10%	<u><b>12,430,200</b></u>	<u><b>8,176,657</b></u>

#### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity requirements are monitored on a periodic basis and the management ensures that sufficient funds are available to meet any future commitments. The Group also ensures liquidity by diversifying the Group's funding sources and entering into financial arrangements with reputable banks and financial institutions.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to pay or expect to receive.

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

### Financial liabilities

At 31 Dec 2014

	< 1 Year	1-5 Years	Without Maturity	Total
	QR	QR	QR	QR
Accounts payable and accruals	199,981,318	34,824,083	--	234,805,401
Islamic financing under wakalah arrangements	47,768,559	90,747,784	--	138,516,343
Amounts due on construction contracts	--	--	1,993,183	1,993,183
	<u>247,749,877</u>	<u>125,571,867</u>	<u>1,993,183</u>	<u>375,314,927</u>

### Financial liabilities

At 31 Dec 2013 (restated)

	< 1 Year	1-5 Years	Without Maturity	Total
	QR	QR	QR	QR
Accounts payable and accruals	230,516,758	30,873,191	--	261,389,949
Islamic financing under wakalah arrangements	51,055,905	21,087,250	--	72,143,155
Amounts due on construction contracts	--	--	1,993,183	1,993,183
	<u>281,572,663</u>	<u>51,960,441</u>	<u>1,993,183</u>	<u>335,526,287</u>

### Profit Rate Risk

The Group's financing arrangements are solely through Islamic arrangements. Management of the Group believes that these financing arrangements are not sensitive to a change in market profit rates as they are fixed based on the rate applicable at the date of lending.

### Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year end 31 December 2014 and 31 December 2013. Capital comprises share capital and retained earnings of QR 494.8 Million and QR 233.4 Million, respectively (2013: QR 494.8 Million and QR 228.7 Million, respectively).

## 28. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents, installments and dues from customers and AFS and certain other receivables. Financial liabilities consist of Islamic financing under wakalah arrangements, accounts payable, amounts due on construction contracts and certain other accruals. Management believes that the fair values of financial assets and liabilities are not materially different from their carrying values.



## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

### 29. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### Critical accounting estimates and assumptions

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management uses estimates based on historical loss experience for assets with similar credit risks and characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

#### Impairment losses on installments and dues from customers

The Group reviews its financing portfolio to assess impairment at least on a semi-annual basis. In determining whether an impairment loss should be recorded in the consolidated statement of income, the Group makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of installments due from financing activities before the decrease can be identified with an individual financing in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a Group, or national or local economic conditions that correlate with defaults on assets in the Group.

#### Impairment of AFS investments

The Group considers that AFS investments are impaired when there is objective evidence of impairment. Objective evidence for an investment includes information about significant changes with an adverse effect that have taken place in the economic market in which the Group operates and indicates that the investment may have suffered a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates amongst other factors, the volatility in share prices, the financial strength of related companies and the environment in which the Group operates and the industry.

#### Useful lives of property and equipment

The Group determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

#### Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

## The Financial Statements

Notes to the Consolidated Financial Statements At 31 December 2014

### 29. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for similar instruments.

### 30. COMPARATIVE FIGURES

Certain of prior year amounts have been reclassified to conform to current year's presentation. Such reclassification has not resulted in any changes to previously reported net profit or equity.