



On Page Inspection for the Future

ANNUAL  
REPORT  
2013

الإجارة  
ALIJARA  
FOR LEASE



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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 Mansur Bin Khalifa Al Thani  
Emir of the State of Qatar*

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## Bord of DIRECTORS



Sheikh Fahd Bin Assim Bin Jalr Al-Hassan  
Chairman and Managing Director



Mr. Saleh Bin Buth Al-Nuaimi  
Deputy Chairman



Sheikh Abdul Rahman Bin Mohammed Al-Thani  
Member



Sheikh Dr. Khalid Bin Thani Al-Thani  
Member



Sheikh Mohammed Bin Fahd Al-Thani  
Member



Sheikh Saoud Bin Abdul Bin Jalr Al-Thani  
Member



Mr. Ahmad Shawal Al-Emari  
Member

## We gratefully ACKNOWLEDGENTS

### Our Bankers

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

### Our External Auditor

EY & Young

### Our Sponsored Organisations

Ministry of Interior - Traffic Department,  
Al Wakra Sports Club.

### and

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





Qatar is blessed with charming coasts where charming coasts civilization where commercial activities & knowlains existed for decades. The generous hands of grandfathers contributed in developing its resources to provide the population the best of life facilities.



## Our Company

### Aljarah Holding

Aljarah Holding (Q.S.C) was established on 27th March 2003 as a Qatari Shareholding Company in accordance with Law No. 131 for 2002 of the Commercial Companies Law and the decision of the Ministry of Economy and Commerce No.351 for 2003, issued on 21st April 2003. The Company's issued and fully paid up share capital as at 2011 was QAR 494,800,000 comprising of fully paid 49,480,000 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 financial services.

To realize this vision, we will in terms of:

#### Financial performance:

be ranked amongst the top 40 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 nation 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 in 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 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 Aljarah 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 Aljarah Holding responsibilities. Employees shall not engage in conduct or activities that may raise questions as to the Aljarah Holding's honesty.

#### Our Code of Ethics

1. Employees of Aljarah 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 of non-compliance or violations.

#### Our Conflict of Interest Policy

Our conflict of interest policy was established to enhance outsiders' confidence in the integrity of Aljarah 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 Aljarah 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

Aljazeera 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 Qatar society and contribute effectively to the development of human resources. Under this sponsorship renewal, Aljazeera 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.

#### Ministry of the Interior Traffic Department, Periodicals

Aljazeera Holding Developed Fund "Leasing for security and traffic safety" with the Department of Traffic and Patrols Department of the Ministry of Interior to maximize the benefit of the objectives of the fund. The fund is in support all the campaigns organized by the Department of Traffic and Patrols in the area of security awareness and traffic safety and activities related thereto, which targets the interest and welfare of the citizens of Qatar. This fund aims to help individuals and society as a whole through awareness campaigns organized by the Traffic Department and Patrols to motivate drivers to driving safely and benefit from programs and initiatives that promote safe driving in Qatar.

#### World Qatar Champion - Mohammad Al Nasir

Within the context of contributions set forth by Aljazeera Holding to support the state's orientations aiming at sport's pioneer in Qatar, Aljazeera Holding initiated its vision to possess a requisite role and sponsored the Qatar world champion Mr. Mohammad Al Nasir 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 facts that Qatar does possess all essential potentials to occupy the forefront position with respect to all countries competing in such water sports.

## Our Subsidiaries

### Aljjarah 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. Aljjarah Leasing maintains to be a provider of high quality professional services to its customers.

#### Our Vision

Aljjarah 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. Aljjarah Leasing shall provide the most flexible leasing services for customers to finance their capital acquisitions, automobiles, equipment, merchandise, real estate and technology development and providing customers complete financing solutions.

### Aljjarah Property



Commenced its business in late 2008. It was in the worst of times that it saw opportunities for the future. Aljjarah 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. Aljjarah Property pursued our aggressive sales of Lusail plots through the entire year of 2010 and all plots have been sold out. Subsequently Aljjarah Property embarked in one of the largest infrastructure development project for developing the LUSAIL plot areas.

#### Our Vision

Aljjarah 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. Aljjarah 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.

### Aljjarah Equipment



was incorporated in the year 2007. Aljjarah Equipment is currently engaged in the business of equipment, fleet management, materials transportation and logistics. Aljjarah 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

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

### Aljjarah Limousine



Aljjarah Limousine is engaged in hospitality industry providing quality personal transportation needs of individuals, corporate houses and government through an effective and efficient car fleet. Aljjarah successfully launched its taxi services based on the franchise agreement with Mawasalat (Karwa). As of December 2013, 650 taxis are on road, with another 150 taxis to be put on road before June 2014.

#### Our Vision

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

### 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 Aljjarah Limousine as well as aspiring drivers in Qatar.

## Our Qatarisation Efforts

It is the objective of Aljarah Holding to be one of the leading employers that attract Qatar talent. In our path to build an effective pool of qualified and experienced Qatars, Aljarah Holding participated in the 2011 Qatar Career Fair which provided the right opportunity to induct a number of young Qatars into the workforce and build their professional capabilities through on-the-job training and career development.

### 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:

Aljarah undertakes to cover all financial needs of programs aimed to provide development and training for Qatars. We also support self-initiatives and small partner enterprises and encourage them to transform their ideas and initiatives 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.

### 4 - Effective communication through the Qatar Career Fair:

Our participation in the Qatar Career Fair 2011 was a sequel and culmination of our efforts. In this manner we offered many jobs for Qatars including the areas of Business Administration with its two branches of financial management and accounting, public relations, marketing, human resources, secretarial, and engineering.

## Our Quality Initiatives



### 2010 Certificates



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: human resources, procurement, contracting, finance, administration and support services. After the necessary certification audit by the world renowned BSI, Aljarah Leasing Holding, and its subsidiaries - Aljarah Leasing, Aljarah Equipment and Aljarah Property achieved its ISO 9001 certified status in 2010.

In 2011 Aljarah 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 & administrative results of Aljjarah Holding & its subsidiaries during the fiscal year ended on December 31, 2013 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%, equivalent to 35 million Qatari Riyals in 2013, compared with QR 20 million in 2012.
- Total equity stood at about 1299 million riyals.
- Earnings per share reached 1.76 Q.R.

### Administrative Performance

Aljjarah Holding is having much pride of the achievements in 2013, being a pillar of national economy. Hence, 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.
- Participate in QLEF 2013 as part of the Qatarization commitment.
- Participate in the Transport and Communications Exhibition (Trans 4) as a pioneer in the field of transportation heavy equipment.
- Reinforce the management of Taxi & Limousine which led to increase the taxi fleet reaching 650 vehicles. Limousine services were also launched for the ladies and families, which is the first of its kind in the State of Qatar.
- Tender for the construction of villas Lusail.

### 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 15% (i.e. QR 1.5 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.

Aljjarah Holding is looking to keep pace with the progress in the State of Qatar through the development and activation plans for the future in contribution 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 Aljjarah Holding wouldn't reach these achievements without the support by H.H. Sheikh, Tamim Bin Hamad Al Thani, the Emir. Also we extend our thanks and appreciations to the members of Shaha 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.



Fahad Bin Jassim Bin Jabr Al Thani  
Chairman and Managing Director

## Message from CEO



Please 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.

In spite of the changes in competitiveness between companies in Qatar's market, Alijarah Holding was able to neutralize such changes due to the capabilities which support the competencies and potential creating investment opportunities.

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 2013 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.
- ◆ Support property development projects through a tender to build roads Lusail
- ◆ Increase the fleet of Alijarah Taxi
- ◆ Expand the business of Alijarah's Equipment
- ◆ Develop the departments of the company
- ◆ Promote means of joint cooperation with national companies.

The executive management strives 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 impel cadre 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 competencies 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 & the goals of Qatar vision 2030. A wide database was prepared & training plans were set aiming to contain & develop the national competencies, escalating them to the highest standards of professionalism with strong belief that they are the future of this beloved homeland.



Humad 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 for the financial period: 1/1/2013 – 31/12/2013

Thank God and may peace, Blessings fall upon our Master, the Messenger of God, Muhammad, 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 31/12/2013.

The board had monitored the works and activities carried out by the company throughout the above referred to duration. It has further given utmost 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 a 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 officer.
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 legislative violation.
6. Examine the Annual Financial Statements as at 31/12/2013 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 2013, as well as the mechanisms and principles operated in plan implementation 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 0.61 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 fulfilling the board's role in performing an internal auditing of the company as per the Islamic legislation.

Doha – Qatar

Date: 22/10/1435 H – 23/01/2014

Abdulqadri Bin Saleh Al-Khulaifi  
Chairman

Dr. Abd A-Daim Alsul Al-Ma'ali  
Member

Dr. Suhail Al-Hazimi  
Member

## Independent Auditors' Report

To the Shareholders of Aljarah Holding (Q.S.C.)

### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Aljarah Holding (Q.S.C.) ("the Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as of 31 December 2013, 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 2013, 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 Qassous  
of Firas & Young  
Auditor's Registration No. 236  
Date: 16 January 2014  
Doha

## The Financial Statements

Consolidated Statement of Financial Position as At 31 December 2013

	Notes	31 Dec 2013 QR	31 Dec 2012 QR
<b>ASSETS</b>			
Cash and Cash Equivalents	3	695,036,310	749,083,423
Installments and Dues from Customers	4	635,296,724	617,329,724
Available for Sale Financial Investments	5	81,766,574	131,125,023
Inventories	6	2,324,355	1,110,168
Prepayments and Other receivables	7	50,578,106	72,313,358
Intangible Asset	8	8,000,000	—
Property and Equipment	9	135,212,962	118,740,930
<b>Total Assets</b>		<b>1,609,615,031</b>	<b>1,862,932,618</b>
<b>LIABILITIES</b>			
Accounts Payables, Accruals and Other Payables	10	740,767,383	322,460,737
Islamic Financing under Wakalah Arrangements	11	69,807,335	149,520,001
Amounts Due on Construction Contracts	12	1,993,185	71,316,062
<b>Total Liabilities</b>		<b>312,567,801</b>	<b>543,296,800</b>
<b>EQUITY</b>			
Share Capital	13	494,802,000	494,802,000
Legal Reserve	14	486,228,609	486,228,609
Proposed Dividend	15	71,210,300	98,960,400
Fair Value Reserve		7,476,656	1,148,142
Retained Earnings		749,372,967	238,496,617
<b>Total Equity</b>		<b>1,297,047,230</b>	<b>1,319,635,818</b>
<b>Total Liabilities and Equity</b>		<b>1,609,615,031</b>	<b>1,862,932,618</b>

These consolidated financial statements were approved by the Board of Directors on 16th January 2014 and signed on its behalf by:

Sh. Fahad Bin Jassim Bin Jabr Al-Fham  
Chairman & Managing Director

Hamad Shareef Al-Emadi  
Chief Executive Officer

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

## The Financial Statements

Consolidated statement of income for the year ended 31 December 2013

	Notes	31 Dec 2013 Q/R	31 Dec 2012 Q/R
Income from Core Business	16	248,228,688	607,996,061
Profit from Investments and Disposals	17	34,538,543	19,927,307
Other Income		1,324,258	96,963
<b>TOTAL INCOME</b>		<b>284,091,491</b>	<b>628,020,331</b>
Operating Expenses	18	(164,872,323)	(134,361,535)
General and Administration Expenses	19	(60,973,644)	(65,152,997)
Finance expenses		(5,549,303)	(9,480,968)
<b>TOTAL EXPENSES</b>		<b>(231,415,470)</b>	<b>(407,995,500)</b>
<b>NET OPERATING INCOME</b>		<b>52,676,021</b>	<b>220,024,832</b>
Recovery of Allowance for Impairment on Installments and Due from Customers	4	34,500,000	(30,100,000)
<b>PROFIT FOR THE YEAR</b>		<b>87,176,021</b>	<b>190,024,832</b>
Basic and diluted Earnings per share	21	1.76	4.21

Consolidated statement of comprehensive income for the year ended 31 December 2013

	Notes	31 Dec 2013 Q/R	31 Dec 2012 Q/R
<b>PROFIT FOR THE YEAR</b>		<b>87,176,021</b>	<b>190,024,832</b>
Other comprehensive income:			
Net (loss) / Gain on revaluation of available for sale financial investments		(8,624,608)	1,205,768
Total other comprehensive (loss) / income		(8,624,608)	1,205,768
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>78,551,413</b>	<b>191,230,600</b>

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

Consolidated statement of income for the year ended 31 December 2013

	Share Capital Q/R	Legal Reserve Q/R	Proposed Dividends Q/R	Fair Value Reserve Q/R	Retained Earnings Q/R	Total Q/R
Balance at 1 January 2012	129,868,000	164,607,309	175,453,800	(57,646)	152,182,856	762,054,319
Dividends paid (Note 15)	-	-	(115,453,800)	-	-	(115,453,800)
Rights Issue (Note 13)	164,934,000	-	-	-	-	164,934,000
Warrant on Rights Issue (Note 14)	-	321,621,300	-	-	-	321,621,300
Profit for the year	-	-	-	-	190,024,802	190,024,802
Other Comprehensive Income for the year	-	-	-	1,205,788	-	1,205,788
<b>Total comprehensive income for the year</b>	-	-	<b>1,205,788</b>	<b>1,205,788</b>	<b>191,230,602</b>	-
Social and sports fund appropriation (Note 10b)	-	-	-	-	(4,750,621)	(4,750,621)
Dividend dividends (Note 15)	-	-	98,923,408	-	(98,923,408)	-
<b>Balance at 31 December 2012</b>	<b>494,802,000</b>	<b>486,228,609</b>	<b>96,960,400</b>	<b>1,148,142</b>	<b>238,496,667</b>	<b>1,319,835,818</b>
Dividends paid (Note 15)	-	-	(98,960,400)	-	-	(98,960,400)
Profit for the year	-	-	-	-	67,176,021	67,176,021
Other Comprehensive (loss)/income for the year	-	-	-	(8,624,800)	-	(8,624,800)
<b>Total comprehensive (loss)/income for the year</b>	-	-	-	<b>(8,624,800)</b>	<b>67,176,021</b>	<b>78,551,211</b>
Special and sports fund appropriation (Note 10b)	-	-	-	-	(2,179,401)	(2,179,401)
Proposed dividends (Note 15)	-	-	74,220,300	-	(74,220,300)	-
<b>Balance at 31 December 2013</b>	<b>494,802,000</b>	<b>481,228,609</b>	<b>74,220,300</b>	<b>(7,476,666)</b>	<b>249,277,967</b>	<b>1,290,047,310</b>

The year commencing from 1 to 28 February 2013 is an integral part of these consolidated financial statements.

## The Financial Statements

Consolidated statement of cash flows for the year ended 31 December 2013

	Notes	31 Dec 2013 QR	31 Dec 2012 QR
<b>Cash flows from Operating Activities</b>			
Profit for the year		87,176,091	190,074,837
Adjustments for: Depreciation	9	24,545,818	19,032,807
Dividend income		(5,102,891)	(5,085,425)
Loss on sale/disposal of property and equipment		67,742	211,855
Recovery from Allowance for Impairment on Installments and Due from Customers	4	(34,500,300)	30,080,000
Gain on sale of available for sale financial investments		(17,295,767)	—
Finance income		(12,824,071)	(10,201,402)
Finance charges		5,540,543	9,480,968
		<b>48,436,365</b>	<b>233,463,736</b>
<b>Changes in operating assets and liabilities</b>			
Installments and due from customers		216,033,000	167,768,875
Payments and other receivables		(1,745,244)	(7,447,749)
Inventories		(984,182)	44,314,524
Amounts due on Construction Contracts		(60,322,879)	(455,770,993)
Accounts payables, accruals and other payables		(83,872,035)	56,166,105
Net cash from operating activities		124,024,608	38,498,578
<b>Cash flows from Investing Activities</b>			
Finance income received		12,074,074	10,201,302
Dividend income received		5,142,881	5,085,425
Purchase of Property and Equipment	9	(41,352,292)	(54,306,917)
Proceeds from the disposal of Property and Equipment		296,700	783,000
Purchase of available-for-sale investments		(71,967,927)	(5,849,156)
Proceeds from disposal of available for sale investments		102,997,035	—
Net movement in Bank Term Deposits		(710,000,000)	(700,000,000)
Net cash from/used in investing activities		<b>707,070,268</b>	<b>(744,086,366)</b>
<b>Cash flow from financing activities</b>			
Proceeds from rights issue	13	—	486,556,300
Dividends paid	15	(98,950,400)	(115,453,800)
Proceeds from financing under Wakalah arrangements		—	81,490,180
Repayment of financing under Wakalah arrangements		(70,712,666)	(81,834,578)
Finance charges paid		(5,568,503)	(9,480,968)
Net cash (used in) from financing activities		<b>(174,242,569)</b>	<b>767,276,140</b>
Net increase (decrease) in cash and cash equivalents		546,852,307	(143,411,648)
Cash and cash equivalents at the beginning of the year		49,081,423	492,395,071
Cash and cash equivalents at the end of the year	1	<b>695,936,310</b>	<b>49,003,423</b>

### Notes:

\*\*Cash and Cash Equivalents as at 31st December 2012, shown above is exclusive of the Bank Term Deposits having maturity period of more than 90 days amounting to 700,000,000 QR (2013: Nil).

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



## The Financial Statements Notes To The Consolidated Financial Statements at 31 December 2013

Consolidated statement of cash flows for the year ended 31 December 2013

### 1. CORPORATE INFORMATION

Aljash 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, Qippa, Emirat Al Ukhayriya, 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 Shariah.

### 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 investments that have been measured at fair value. The consolidated financial statements are presented in Qatar Riyals (QR).

#### 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 biennially on the basis of liquidity. An analysis regarding recovery or settlement within 12 months after the end of the reporting period ("current") and more than 12 months at the end of the reporting period ("non-current") is presented in Note 24.

#### 2.3 Basis of consolidation

The consolidated financial statement is composed the financial statements of the Group and its subsidiaries as at 31 December 2013. 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.

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 when 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 accompanying notes to p. 1 to 28 form an integral part of these consolidated financial statements.

## The Financial Statements Notes to the Consolidated Financial Statements of 31 December 2013

### 2.3 Basis of consolidation (continued)

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
Aljannah Leasing Company	Qatar	Islamic Leasing
Aljannah Equipment Company	Qatar	Transportation
Aljannah Limousine Company	Qatar	Taxi & Limousine services
Aljannah Property Development Company	Qatar	Property Development
Al-Nasa School for Modern 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 2013.

### 2.4 Changes in accounting policies and disclosures (continued)

The following standards and amendments became effective in 2013.:

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1	(Amendment) Financial Statement Presentation Presentation of Items of Other Comprehensive Income
IAS 19R	Employee Benefits
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 but resulted in additional disclosures in the consolidated financial statements.

The Group is currently considering the implications of the new IFRSs and interpretations which are effective for future accounting periods and has not early adopted any of these new standards or interpretations as listed below:

IFRS 9	Financial Instruments: Classification & Measurement (Part 1)
IFRS 10, IFRS 12 and IAS 27	(Amendment) Investment Entities (Effective 1 January 2014)
IAS 1	(Amendment) Financial Statement Presentation Presentation of Items of Other Comprehensive Income
IAS 19R	Employee Benefits
IAS 32	(Amendment) Offsetting Financial Assets and Financial Liabilities
IAS 36	(Amendment) Impairment of Assets Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	(Amendment) Financial Instruments novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Leases

### 2.4 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 designated 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.

The accompanying notes from 1 to 24 form an integral part of these Consolidated Financial Statements.

## The Financial Statements Note 10: The Consolidated Financial Statement of 31 December 2013

### 2.5 Summary of significant accounting policies (continued)

#### Foreign currency translation

##### (a) Functional and presentation currency

The consolidated financial statements are presented in Qatar Riyals (QR), which is the Group's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

##### (b) Transactions and balances

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 and other-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.

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 Murabahah 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 Investments ("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.

#### 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 expires.

The accompanying notes from 1 to 18 form an integral part of these consolidated financial statements.

## The Financial Statements Note to the Consolidated Financial Statements as of December 31, 2013

### 2.5 Summary of significant accounting policies (continued)

#### 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.

#### 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

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Group establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

#### Offsetting financial instruments

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.

#### Impairment of financial assets

##### (a) 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 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 assets 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 remaining notes from 1 to 25 form an integral part of these consolidated financial statements.

## The Financial Statements Notes To The Consolidated Financial Statements as at December 2011

### 2.5 Summary of significant accounting policies (continued)

#### Impairment of financial assets

##### (a) Financial assets carried at amortized cost (continued)

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. These 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 loaning 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 as impairment charge.

##### (b) Financial assets classified as Available for Sale

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 available-for-sale, 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 available-for-sale 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.

#### 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 derecognition 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 statement of profit or loss 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

## The Financial Statements Notes to The Consolidated Financial Statements at 31 December 2013

### 2.5 Summary of significant accounting policies (continued)

#### Property and Equipment (continued)

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.

#### Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

#### Contract Work in Progress and Amounts Due on Construction Contracts

Contract work in progress is valued at cost plus attributable profit less foreseeable losses. Attributable profit is recognized on a percentage completion basis when the outcome of a contract can be assessed with reasonable certainty.

#### Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

#### 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 Jordanian 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.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of financing and other costs that an entity incurs in connection with the borrowing of funds.

#### 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.

The accompanying notes from 1 to 16 form an integral part of these consolidated financial statements.

## The Financial Statements Note 10 to the Consolidated Financial Statements (31 December 2013)

### 2.5 Summary of significant accounting policies (continued)

#### Leasing Income

Income from Islamic Financing and investment contracts under Islamic Shariah's 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.

#### Sale of completed property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally an unconditional exchange of contracts. For conditional exchanges, sales are recognized only when all the significant conditions are satisfied.

#### 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.

#### Taxi Income

Taxi income represents revenue generated from performing public taxi services in Qatar under the franchise agreement with Karwa (Mowasalat), the income is recognized when earned based on actual collections from customers.

#### Limousine Income

Limousine income represents revenue generated from performing public and Private Limousine services in Qatar, the income is recognized when earned based on actual collections from customers.

#### Income from Deposits

Profit from Term 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

	31 Dec 2013	31 Dec 2012
	QAR	QAR
Cash on hand	88,326	34,789
Current Accounts with Islamic Banks	149,858,184	49,048,134
Term Deposits with Islamic Banks	550,000,000	700,000,000
	<b>698,936,110</b>	<b>749,083,423</b>

## The Financial Statements Refer To The Consolidated Financial Statements As At December 2013

### 4. INSTALLMENTS AND DUES FROM CUSTOMERS

	31 Dec 2013		31 Dec 2012	
	QR		QR	
<b>Gross Installments due from Leasing</b>	<b>185,383,519</b>		<b>169,131,413</b>	
	2013	2012		
Minatoba	160,893,007	152,722,821		
Ijarah	24,490,512	11,408,592		
<b>Less: Deferred Profits of finance installments</b>	<b>(15,858,449)</b>		<b>(11,097,479)</b>	
	2013	2012		
Minatoba	11,923,751	14,822,162		
Ijarah	3,934,698	865,317		
<b>Net Installments due from Leasing</b>	<b>169,525,150</b>		<b>153,438,984</b>	
<b>Gross Installments due from Property Sales</b>	<b>506,123,741</b>		<b>612,876,198</b>	
<b>Less: Deferred Finance Income</b>	<b>(41,897,547)</b>		<b>(72,824,415)</b>	
<b>Net Installments due from Property Sales</b>	<b>472,228,194</b>		<b>740,051,785</b>	
<b>Other trade-related receivables</b>	<b>41,824,419</b>		<b>8,272,979</b>	
<b>Allowance for Impairment</b>	<b>(49,831,839)</b>		<b>(84,434,024)</b>	
<b>Total Installments and dues from customers</b>	<b>635,796,724</b>		<b>817,329,724</b>	
<b>Maturity profile of installments and dues from customers</b>				
Less than one year	352,311,439		157,671,872	
> 1 year and <= 5 years	230,584,815		436,443,861	
> 5 years	12,348,470		13,013,989	
<b>Total</b>	<b>635,296,724</b>		<b>617,129,724</b>	
<b>Analysis of past dues but not impaired</b>				
1-30 days	1,096,318		1,080,241	
31-90 days	3,745,048		1,979,116	
91-180 days	5,747,123		3,984,198	
Over 180 days	25,027,189		28,024,505	
<b>Total</b>	<b>37,005,678</b>		<b>35,968,060</b>	
<b>Total amount of impaired receivables</b>	<b>49,831,839</b>		<b>84,434,024</b>	
<b>Movement in Allowance for Impairment</b>				
Balance at 1 January	84,434,024		54,434,024	
(Recovery) / Charge for the year	(34,500,000)		30,000,000	
Write off	(102,185)		-	
<b>Balance at 31 December</b>	<b>49,831,839</b>		<b>84,434,024</b>	



## The Financial Statements

Notes To the Consolidated Financial Statements as at 31 December 2013

### 5. AVAILABLE FOR SALE FINANCIAL INVESTMENTS

	31 Dec 2013	31 Dec 2012
	QR	QR
Quoted Equity Investments	81,760,574	104,125,081

#### Note:

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

### 6. INVENTORIES

	31 Dec 2013	31 Dec 2012
	QR	QR
Spares and consumables	2,124,355	1,340,168

### 7. PREPAYMENTS AND OTHER RECEIVABLES

	31 Dec 2013	31 Dec 2012
	QR	QR
Security Deposit	1,815,380	1,816,580
Advance Payments to Suppliers	14,492,841	51,334,064
Prepayments	3,266,165	2,787,574
Other Receivables (Note 8)	10,877,290	0,226,950
Profits Accrued on Bank Deposits	4,125,927	0,100,178
<b>Total</b>	<b>50,578,106</b>	<b>72,313,350</b>

#### Note:

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

### 8. INTANGIBLE ASSET

On 2 September 2013, the group acquired 100% shares of Al Nahr 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 3 September 2013.

At the date of acquisition, the acquiree's asset consists only of the license to operate a driving school amounting to QR 2 Million. The license granted to the acquiree has an indefinite useful life.

## The Financial Statements Notes To The Consolidated Financial Statements of 31 December 2013

### 4. PROPERTY AND EQUIPMENT

	Office equipment		Land		Building		Furniture and fixtures		Heavy equipment trucks and other vehicles		Work in progress		Total	
	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR
<b>Cost:</b>														
At 1 January 2012	4,231,207	29,951,800	24,482,106		6,019,502	60,399,325	720,076						134,320,596	
Additional transfer	791,407	-	214,270		618,845	233,908	52,400,622						54,306,937	
Disposal	-	-	-		-	(2,540,500)	-						(2,540,500)	
Reclassification	34,994	-	90,000		287,001	25,741,042	(26,133,037)						-	
<b>At 31 December 2012</b>	<b>5,057,603</b>	<b>29,951,800</b>	<b>24,791,376</b>		<b>6,936,348</b>	<b>84,873,865</b>	<b>26,975,661</b>						<b>166,096,033</b>	
Additional transfer	1,379,152	-	240,211		1,060,182	9,455,121	29,079,416						41,302,192	
Disposal	-	-	-		-	(85,362)	-						(85,362)	
Reclassification	-	-	-		-	14,246,952	44,246,962						-	
<b>At 31 December 2013</b>	<b>7,126,965</b>	<b>29,951,800</b>	<b>25,039,587</b>		<b>7,996,710</b>	<b>144,570,366</b>	<b>11,768,115</b>						<b>226,492,763</b>	
<b>Depreciation:</b>														
At 1 January 2012	1,581,703	-	1,010,014		1,404,864	45,440,360	-						49,016,941	
Charge for the year	1,141,169	-	3,500,888		1,513,764	14,074,164	-						19,037,907	
Disposal	-	-	-		-	(1,543,615)	-						(1,543,615)	
At 31 December 2012	2,722,872	-	4,331,702		2,918,628	57,969,907	-						67,353,103	
Charge for the year	1,335,472	-	2,490,020		6,750,480	18,079,010	-						24,545,818	
Disposal	-	-	-		-	(121,120)	-						(121,120)	
<b>At 31 December 2013</b>	<b>4,048,344</b>	<b>-</b>	<b>6,821,720</b>		<b>4,081,116</b>	<b>76,328,611</b>	<b>-</b>						<b>91,229,801</b>	
<b>Net Carrying amounts:</b>														
31 December 2013	3,078,621	29,991,000	18,217,867		3,915,594	68,241,755	11,768,115						135,212,962	
31 December 2012	2,824,731	29,991,000	20,459,674		4,005,000	33,883,964	26,975,661						118,710,910	

## The Financial Statements Notes To The Consolidated Financial Statements at 31 December 2013

### 9. PROPERTY AND EQUIPMENT (continued)

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

	2013	2012
	QR	QR
Depreciation attributable to General and Administration (Note 19)	4,603,622	4,816,847
Direct costs forming part of Operating expenses (Transportation & Tax division (Note 18))	19,742,196	14,215,960
	<b>24,545,818</b>	<b>19,032,807</b>

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

	31 Dec. 2013	31 Dec. 2012
	QR	QR
Accounts Payable and advances from customers	43,930,285	39,262,594
Unclaimed dividends	2,248,535	7,315,015
Provision for Employee Benefits (a)	5,410,647	5,611,642
Provision for social contribution (b)	2,179,401	4,750,621
Accrued Expenses	183,998,417	251,500,865
<b>Total</b>	<b>240,767,285</b>	<b>322,460,737</b>

#### Notes:

(a) Provision for employees' end of service benefits:

	31 Dec. 2013	31 Dec. 2012
	QR	QR
At 1 January	3,631,642	2,054,516
Charge for the year	2,243,237	1,257,456
Payments during the year	(2,464,232)	(480,130)
At 31 December	<b>3,410,647</b>	<b>3,631,642</b>

#### (b) Contribution to Social and Sports Development Fund

Pursuant to Law No. 11 of 2001 and further clarification of the law issued in 2010, the Group made an appropriation of QR 2.18 million for the year 2011 (QR 4.75 million for the year 2012) to the Social and Sports Development Fund of Qatar. This amount represents 2.5% of the net profit for the year ended 31 December 2013.

## The Financial Statements Notes to the Un-audited Financial Statements at 31 December 2012

### 11. ISLAMIC FINANCING UNDER WAKALAH ARRANGEMENTS

	31 Dec 2013 Q#	31 Dec 2012 Q#
Islamic Financing under Wakalah Arrangements (a)	69,807,335	145,136,129
Other Borrowings (b)	-	3,080,678
<b>Total</b>	<b>69,807,335</b>	<b>149,520,001</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 facilities) and carry financing charges at commercial rates.

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

### 12. AMOUNTS DUE ON CONSTRUCTION CONTRACTS

During 2010, the Group entered into an arrangement with Qatari Diar Real Estate Co. for undertaking the infrastructure development of the plot areas in the Northern and West Water Front of 'useful 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.

	31 Dec 2012 Q#	31 Dec 2011 Q#
Opening balance	71,316,062	517,067,055
Release during the year	(69,327,829)	(455,770,993)
Closing balance	<u>1,988,233</u>	<u>71,296,062</u>

### 13. SHARE CAPITAL

	31 Dec 2013 Q#	31 Dec 2012 Q#
Authorized, Issued and Fully paid-up		
Balance at the beginning of the year		
44,480,200 (2012: 32,986,800)		
ordinary shares of Q# 10 each	494,802,000	319,068,000
Add: Shares issued during the year:		
Nil (2012: 16,193,400) ordinary		
shares of Q# 10 each		164,934,000
Balance at the end of the year:		
43,480,200 Ordinary shares of Q# 10 each	<u>494,802,000</u>	<u>494,802,000</u>

At the Extra Ordinary General Assembly meeting held on 29th February 2012, the Shareholders have approved an increase in authorized capital from 32,986,800 shares to 43,480,200 shares and the increase in share capital represents proceeds from the rights issue which was completed during April 2012.

## The Financial Statements Notes to The Consolidated Financial Statement as of 31 December 2013

### 14. LEGAL RESERVE

In accordance with the Qatar Commercial Companies' Law No 3 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.

### 15. DIVIDENDS PAID AND PROPOSED

During 2013, the company paid a Dividend of QJR 2 per share totaling in QR 90,960,900 in respect of 2012 profits (2012: QJR 3.5 per share totaling in QR 115,453,900 in respect of 2011 profits).

The Board of Directors resolved in its meeting to propose to the forthcoming General Assembly Meeting of the shareholders the payment of 15% cash dividend (QJR 1.5 per share) amounting to QR 74,270,300.

### 16. INCOME FROM CORE BUSINESS

			31 Dec 2013	31 Dec 2012
			QR	QR
<b>Income from Leasing Operations</b>			<b>14,206,252</b>	<b>20,441,861</b>
	2013	2012		
	QR	QR		
Musqatah	13,018,060	19,331,579		
Iqath	1,188,192	1,118,284		
Income from Transportation			50,539,790	74,700,660
Income from Taxi Operators			36,767,901	1,659,228
Profit on sale of Inventory Property (a)			—	1,865,871
Income from Real Estate property development			147,159,249	589,318,442
			<b>248,228,668</b>	<b>607,996,064</b>
(a) Profit on sale of inventory property				
			31 Dec 2013	31 Dec 2012
			QR	QR
Revenue from sale of inventory property			—	46,053,421
Cost of sales – inventory property			—	(44,187,550)
			—	1,865,871

## The Financial Statements Notes To The Consolidated Financial Statements at 31 December 2013

### 17. PROFIT FROM INVESTMENTS AND DEPOSITS

	31 Dec 2013	31 Dec 2012
	Qtr	Qtr
Profit from AFS investments	22,514,474	5,089,275
Profit from Bank Deposits	12,624,071	14,838,032
	<b>34,530,545</b>	<b>19,927,307</b>

### 18. OPERATING EXPENSES

	31 Dec 2013	31 Dec 2012
	Qtr	Qtr
Property Development Costs	62,122,013	260,499,357
Cost of Transport or Operations	48,543,536	47,385,250
Cost of Taxi Operations	34,412,576	11,140,968
Directly attributable depreciation (Note 3)	19,742,196	14,215,960
	<b>164,872,321</b>	<b>333,361,535</b>

### 19. GENERAL AND ADMINISTRATION EXPENSES

	31 Dec 2013	31 Dec 2012
	Qtr	Qtr
Staff Costs	26,872,134	34,758,582
Repairs & Maintenance Expenses	5,927,671	1,915,208
Depreciation (Note 4)	4,803,622	4,816,847
Board of Directors remuneration	4,000,000	4,000,000
Business promotion	3,544,808	6,470,977
Insurance	2,986,515	1,350,533
Advertising Expenses	2,883,135	2,317,649
Professional and Legal Fees	2,354,253	2,046,604
Consumable Expenses	1,561,075	298,622
Rents, Licensing and Testing	928,406	929,853
General Mailing, telephone, recruitment Expenses	861,172	670,850
Postage Printing and Stationery	744,047	628,240
Travel Expenses	445,351	1,356,977
Donation and Charity	270,000	250,000
Bank charges & Commissions	180,793	565,521
Miscellaneous and site Expenses	2,610,270	2,539,536
	<b>60,973,644</b>	<b>65,152,899</b>

### 20. RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the company 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

	2013	2012
	Qtr	Qtr
Directors' remuneration	4,000,000	4,000,000
Key management personnel remuneration	6,611,544	16,700,000
	<b>10,611,544</b>	<b>20,700,000</b>

## The Financial Statements Notes to the Consolidated Financial Statements of 31 December 2013

### 21. 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.

	31 Dec 2013	31 Dec 2012
Net profit for the year (QRI)	87,176,021	190,024,832
Weighted average number of shares outstanding	49,480,200	45,178,962
<b>Basic and diluted earnings per share</b>	<b>1.76</b>	<b>4.21</b>

Basic earnings per share for the prior year is stated after adjusting the weighted average number of shares for the effect of rights issue during the year 2012.

The weighted average numbers of shares have been calculated as follows:

	31 Dec 2013	31 Dec 2012
Qualifying shares at the beginning of the year	49,480,200	32,086,800
Effect of rights issue	--	17,192,162
Balance at end of the year	49,480,200	45,178,962

### 22. 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	
	2013	2012	2013	2012
	QRI	QRI	QRI	QRI
Financial leasing	75,925,417	96,530,416	59,034,646	53,427,354
Transportation	51,219,555	75,410,660	114,634,524	3,500,492
Property Development	150,614,235	510,296,320	9,005,202	151,146,871
Taxi & Un-allocated	56,143,824	2,091,645	(6,299,303)	(16,052,868)
Inter Company	(49,891,393)	(55,306,747)	--	--
<b>Total</b>	<b>284,091,491</b>	<b>678,020,334</b>	<b>177,175,021</b>	<b>190,024,832</b>

Segment assets and liabilities:

Details	Revenue		Result	
	2013	2012	2013	2012
	QRI	QRI	QRI	QRI
Financial leasing	635,416,754	636,587,909	75,194,269	150,527,732
Transportation	34,128,561	26,699,653	5,301,784	6,201,569
Property Development	778,546,320	997,547,806	428,730,956	649,708,679
Driving School	0,000,000	--	--	--
Taxi & Un-allocated	181,151,013	502,112,509	27,968,209	16,874,159
Inter company	(227,627,617)	(100,015,339)	(227,627,617)	(100,015,339)
<b>Total</b>	<b>1,607,615,031</b>	<b>1,862,923,614</b>	<b>312,167,801</b>	<b>543,296,800</b>

## The Financial Statements (Subject To The Consolidated Financial Statements As At 31 December 2013)

### 22. SEGMENT REPORTING (continued)

#### Segment contingent liabilities

Details	Letters of guarantees		Capital Commitments	
	2013	2012	2013	2012
	QR	QR	QR	QR
Financial leasing	--	--	--	--
Transportation	6,150,100	8,240,000	1,758,625	--
Property Development	--	--	4,396,655	64,075,610
Tax & Un-allocated	8,248,000	5,530,600	10,215,775	2,904,559
<b>Total</b>	<b>15,198,000</b>	<b>13,770,600</b>	<b>18,373,055</b>	<b>66,980,169</b>

### 23. CONTINGENT LIABILITIES

	31 Dec 2013	31 Dec 2012
	QR	QR
Letter of guarantees	15,198,000	13,740,000
Capital commitments	18.4 Million	67 Million

### 24. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

#### 31 DECEMBER 2013

	Non-current QR	Current QR	Total QR
<b>ASSETS</b>			
Cash and Cash Equivalents	--	185,836,310	185,836,310
Installments and Dues from Customers	242,886,285	192,918,451	435,804,736
Available for Sale Financial Investments	81,766,574	--	81,766,574
Inventories	--	2,124,355	2,124,355
Prepayments and Other receivables	1,015,300	45,762,726	46,778,026
Intangible Asset	8,000,000	--	8,000,000
Property and Equipment	135,212,962	--	135,212,962
<b>Total Assets</b>	<b>469,681,201</b>	<b>1,129,933,832</b>	<b>1,609,615,033</b>
<b>LIABILITIES</b>			
Accounts Payables, Accruals and Other Payables	30,673,190	200,894,093	231,567,283
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>251,852,777</b>	<b>312,567,801</b>
<b>Assets</b>			
Cash and Cash Equivalents	--	749,083,423	749,083,423
Installments and Dues from Customers	149,157,852	267,871,872	417,029,724
Available for Sale Financial Investments	104,125,023	--	104,125,023
Inventories	--	1,340,168	1,340,168
Prepayments and Other receivables	1,816,580	70,486,770	72,303,350
Intangible Asset	--	--	--
Property and Equipment	118,740,930	--	118,740,930
<b>Total Assets</b>	<b>674,140,185</b>	<b>1,188,792,233</b>	<b>1,862,932,418</b>



## The Financial Statements (Notes to the Consolidated Financial Statements at 31 December 2013)

### 14. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

#### LIABILITIES

31 DECEMBER 2013

	Non-current QR	Current QR	Total QR
Accounts Payables, Accruals and Other Payables	46,527,454	276,933,283	323,460,737
Islamic Financing under Wakalah Arrangements	69,917,264	79,602,747	149,520,011
Amounts Due on Construction Contracts	--	71,316,062	71,316,062
<b>Total Liabilities</b>	<b>116,444,718</b>	<b>426,852,092</b>	<b>543,296,810</b>

#### 15. 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 Company 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.

	31 Dec. 2013 QR	31 Dec 2012 QR
Bank balances	695,450,964	749,648,634
Installments and dues from customers	635,796,724	817,329,724
Other receivables	26,619,110	18,181,716
<b>Total</b>	<b>1,357,866,808</b>	<b>1,584,570,074</b>

##### 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 in during normal volatility in share price for quoted equities in order to manage its risk.

##### Effect on Equity

	Change in Equity price	31 Dec 2013 QR	31 Dec 2012 QR
Qatar Exchange	+/- 10%	+176,557	+0,412,502

## The Financial Statements (Notes to the Consolidated Financial Statements at 31 December 2013)

### 15. RISK MANAGEMENT (CONTINUED)

#### 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.

#### Financial Liabilities

At 31 Dec 2013

	< 1 Year	1-5 Years	Without maturity	Total
	QR	QR	QR	QR
Accounts payable and accruals	209,894,083	30,973,190	—	240,867,273
Islamic financing under Wakalah arrangements	51,077,701	21,370,605	—	72,448,306
Amounts due on Construction Contracts	—	—	1,993,183	1,993,183
<b>Total</b>	<b>260,971,784</b>	<b>51,943,795</b>	<b>1,993,183</b>	<b>314,853,772</b>

#### Financial Liabilities

At 31 Dec 2012

	< 1 Year	1-5 Years	Without maturity	Total
	QR	QR	QR	QR
Accounts payable and accruals	275,933,283	46,527,454	—	322,460,737
Islamic financing under Wakalah arrangements	85,270,199	72,143,155	—	157,413,354
Amounts due on Construction Contracts	—	—	71,316,062	71,316,062
<b>Total</b>	<b>361,203,482</b>	<b>118,670,609</b>	<b>71,316,062</b>	<b>551,190,153</b>

#### 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 Company 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 Company 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 2013 and 31 December 2012. Capital comprises share capital of QR 494.8 Million (2012: QR 494.8 Million).

## The Financial Statements Notes To The Consolidated Financial Statements As At December 2013

### 26. 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 payables.

Management believes that the fair values of financial assets and liabilities are not materially different from their carrying values.

### 27. 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 other financing assets

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 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 available-for-sale investments

The Group considers that available-for-sale 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 Company 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 Company 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.

## The Financial Statements (As set in the Consolidated Financial Statement as of December 2013)

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

#### 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.

#### Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the 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.

### 28. COMPARATIVE FIGURES

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