

Al Meera

Annual Report 2015



Al Meera  الميرة

Your Favourite Neighbourhood Retailer



HH Sheikh Tamim Bin Hamad Al Thani
Emir of the State of Qatar



HH Sheikh Hamad Bin Khalifa Al Thani
Father Emir

BOARD OF DIRECTORS





H.E. Abdulla Bin Khalid Al Qahtani
Chairman



Dr. Saif Said Al Sowaidi
Vice Chairman



H.E. Dr. Saleh Mohammed Al Nabit
Board Member



Mr. Ahmed Abdullah Al Khulaifi
Board Member



Mr. Mohammad Abdulla
Al Mustafawi Al Hashemi
Board Member

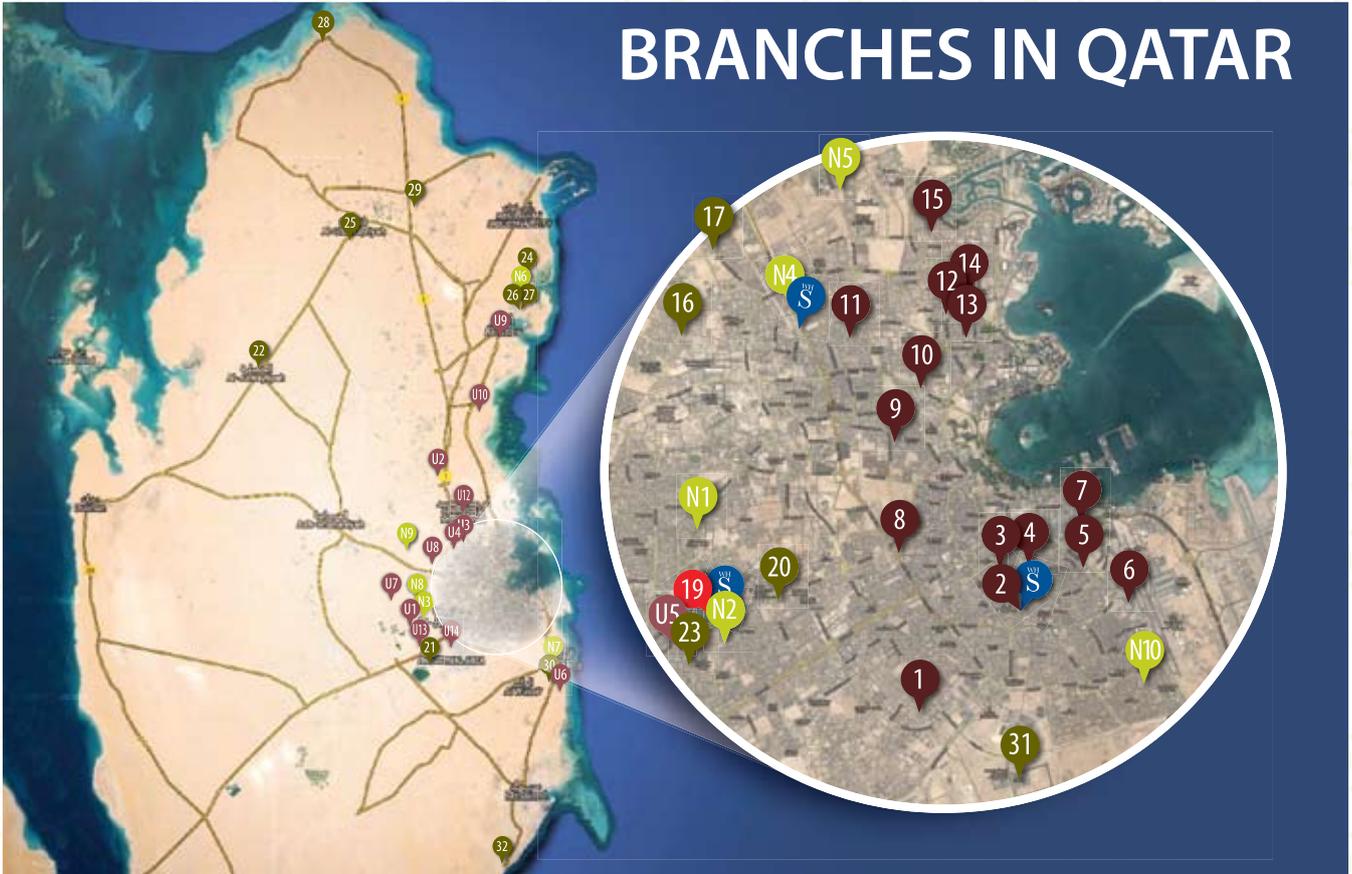


Mr. Mohammed Ibrahim Al Sulaiti
Board Member



Mr. Hassan Abdallah
Hassan Ibrahim Al Asmakh
Board Member

BRANCHES IN QATAR



BRANCHES IN DOHA

BRANCH	GPS COORDINATES	BRANCH	GPS COORDINATES
1 MAMOURA	25° 13' 51.35" N 51° 29' 51.30" E	8 AL MIRQAB	25° 16' 23.90" N 51° 29' 29.35" E
2 WHSmith NUAJJA	25° 15' 31.70" N 51° 31' 36.50" E	9 BIN OMRAN	25° 18' 11.91" N 51° 29' 24.63" E
3 RAWDAT AL-KHAIL	25° 16' 11.62" N 51° 31' 12.30" E	10 KHALIFA SOUTH	25° 19' 06.05" N 51° 28' 57.67" E
4 MANSOURA	25° 16' 15.90" N 51° 31' 44.24" E	11 DAHL AL-HAMAM	25° 19' 52.72" N 51° 28' 38.30" E
5 AIRPORT HYPER	25° 16' 12.57" N 51° 32' 44.88" E	12 HAZM AL MARKHIYA	25° 20' 14.85" N 51° 30' 19.36" E
6 AIRPORT BRANCH	25° 15' 37.49" N 51° 33' 31.35" E	13 ONAIZA 2	25° 19' 52.98" N 51° 30' 40.65" E
7 UMM GHUWAILINA	25° 16' 56.79" N 51° 32' 41.50" E	14 LEGTAIFIYA	25° 21' 34.01" N 51° 30' 04.30" E

COMING SOON BRANCHES

BRANCH	GPS COORDINATES	BRANCH	GPS COORDINATES
U1 Sailya North (Miarad)	25° 13' 51.12" N 51° 22' 50.36" E	U8 Azghawa	25° 21' 50.36" N 51° 25' 09.91" E
U2 Om Selal Ali	25° 28' 28.40" N 51° 23' 26.07" E	U9 Al Khor	25° 40' 31.46" N 51° 29' 41.61" E
U3 Leabaib 1	25° 22' 47.60" N 51° 27' 47.15" E	U10 Om Qaarn	25° 32' 47.03" N 51° 25' 58.37" E
U4 Leabaib 2	25° 22' 24.14" N 51° 26' 57.14" E	U11 Rawdat Al Hamama	25° 19' 33.58" N 51° 32' 07.44" E
U5 Bu Sedra	25° 14' 43.80" N 51° 25' 46.70" E	U12 Jeryan Jenaihat	25° 24' 25.79" N 51° 26' 24.46" E
U6 Al Wakra (West)	25° 8' 39.75" N 51° 36' 13.13" E	U13 Al Sailya	25° 11' 40.08" N 51° 22' 03.54" E
U7 Rawdat Aba El Heran	25° 15' 17.31" N 51° 21' 21.80" E	U14 Ain Khaled	25° 12' 19.66" N 51° 27' 44.89" E

OTHER BRANCHES IN QATAR

BRANCH	GPS COORDINATES	BRANCH	GPS COORDINATES
15 GHARAFAT AL RAYAN	25° 19' 54.05" N 51° 25' 41.60" E	24 GHUWAIIRIYA	25° 49' 45.20" N 51° 14' 54.10" E
16 AZGHAWA	25° 21' 16.74" N 51° 26' 14.07" E	25 RES. COMP. 2 - AL KHOR	25° 42' 52.10" N 51° 31' 48.60" E
17 SAILYA (BARWA)	25° 12' 46.91" N 51° 21' 07.00" E	26 RES. COMP. 1 - AL KHOR	25° 42' 58.35" N 51° 31' 21.45" E
18 Géant ^{HWAIT PLAZA MALL} WHSmith	25° 15' 25.05" N 51° 26' 13.96" E	27 SHAMAL	26° 07' 55.72" N 51° 12' 13.82" E
19 BEVERLY HILLS	25° 15' 39.30" N 51° 27' 23.20" E	28 KAABAN	25° 42' 21.35" N 51° 21' 05.71" E
20 ABU NAKHLA	25° 10' 52.06" N 51° 22' 50.00" E	29 Al Wakra	25° 10' 45.24" N 51° 35' 55.41" E
21 JUMALIYAH	25° 37' 17.37" N 51° 05' 00.93" E	30 MESAMEER (BARWA)	25° 52' 21.35" N 51° 31' 36.40" E
22 MURRA	25° 14' 33.62" N 51° 25' 50.15" E	31 SEALINE	24° 51' 43.10" N 51° 30' 52.80" E
23 SHAHANIYA	25° 22' 04.23" N 51° 13' 41.52" E	32 WHSmith EZDAN MALL	25° 19' 58.00" N 51° 27' 44.70" E

NEW BRANCHES (opened during the year 2015)

BRANCH	GPS COORDINATES	BRANCH	GPS COORDINATES
N1 Muraikh	25° 16' 53.03" N 51° 25' 56.70" E	N6 Al Thakhira	25° 43' 32.30" N 51° 31' 49.90" E
N2 Al Azizia	25° 14' 58.19" N 51° 26' 24.92" E	N7 Al Wakra (South)	25° 09' 02.68" N 51° 35' 37.72" E
N3 Muaither	25° 16' 31.40" N 51° 24' 30.30" E	N8 Al Wajba	25° 16' 36.90" N 51° 24' 17.80" E
N4 Gulf Mall	25° 20' 08.88" N 51° 27' 40.56" E	N9 Rawdat Ekdeem	25° 19' 49.00" N 51° 23' 05.75" E
N5 Jeryan Nejaima	25° 22' 07.69" N 51° 28' 26.79" E	N10 Al Thumama	25° 14' 19.05" N 51° 33' 47.84" E

MANAGEMENT



Mr. Guy Sauvage
CEO



Dr. Mohammed Nasser Al-Qahtani
Deputy CEO



H.E. Abdulla Bin Khalid Al Qahtani
Chairman of the Board

Chairman's Message

In the Name of Allah, the Most Gracious, the Most Merciful

Dear Shareholders,

On behalf of the Board of Directors, I am honored and pleased to present to you, our valued shareholders, Al Meera Group's Annual Report for the year ended December 31, 2015.

The year 2015 has been another year of significant achievements and record performance in both our retail and leasing segments. Sales and net profit from our retail segment increased by QAR 273.1 million (12.5%) and QAR 37.3 million (33.3%), respectively, while shop rental income and net profit from our leasing segment increased by QAR 7.6 million (17.7%) and QAR 7.6 million (20.6%), respectively, compared to 2014.

After careful consideration and prudent assessment of the fair value of our available-for-sale investment as at 31 December 2015, the Board of Directors has decided to recognize impairment losses on available-for-sale investment amounting to QAR 47.6 million in the consolidated income statement. As a result, our investment segment ended the year with a net loss of QAR 31.5 million compared to a net profit of QAR 77.8 million in 2014. Indeed, this seems to be part of a general trend from which most business organizations have suffered.

The year 2015 witnessed the opening of nine (9) new shopping malls located at Muraikh, Al Azizia, Muaither, Jeryan Nejaima, Thakhira, Al Wakra (South), Al Thumama, Al Wajba and Rawdat Ekdeem, in addition to the first Al Meera branch in a mall which is in the Gulf Mall. Each of the new stores offers shoppers a wide variety of food and non-food related items as well as fresh products. Most of new branches also include a butchery, fishery, delicatessen, fruits and vegetables area and bakery to answer to the consumers' various daily needs at very competitive prices. The branches are well equipped with state-of-the-art elements, from high-tech lighting to the latest storage techniques and technologies. The new world-class shelves highly reflect the company's keenness to offer the best product display to its customers, allowing them to shop more conveniently. In addition to a huge parking space, the stores feature a diversity of shops and restaurants. In 2015, these ten (10) new stores contributed QAR 210.9 million to the Group's sales.

Al Meera now has a network of 45 branches with 41 in the State of Qatar, and 4 in the Sultanate of Oman. In close communication with the Ministry of Municipality and Urban Planning, Al Meera has requested to open branches in new locations, such as Rawdat Al Hamam North, Al Sheehaniya North, Madkhal al Khuraib, Rawdat Rashed, Umm Al Umd, Al Khuraitiyat and others. The company has also begun construction work on several other stores as part of its expansion strategy to construct 14 new shopping malls across the State, located in Saliya North, Bu Sidra, Al Wakra (West), Umm Salal Ali, Leabaib (2 locations) Rawdat Aba El-Heran, Azghawa, Al Khor, Um Qrn, Rawdat Al Hamama, Jeryan Jenaihat, Al Saliya and Ain Khaled.

This demonstrates Al Meera's great ability to keep up with future development, taking several strides in this direction through the implementation of its strategic plan to increase the number of its branches, in response to the construction boom and population growth in Qatar, in line with the Qatar National Vision 2030 to develop all areas in the State.

The year 2015 also marked the Group's 10 years of achievements after opening its first doors in 2005. In 10 years, Al Meera Consumer Goods Company has become an integral part of Qatar's development program as well as remain committed to societal values and Qatari heritage as a leading national company.

As such, our supermarkets chain brought the concept of family shopping to life by adhering to international standards of shopping to satisfy the various needs of its customers in all areas of the State. During the past 10 years, Al Meera has put a great emphasis and importance on being socially responsible by taking part in several social initiatives that indicate the company's care for its customers. These initiatives didn't stop at any point, and covered all aspects related to ethical consumption and health awareness through partnerships with the most prominent government institutions in this field.

On behalf of the Board of Directors, I would like to express our sincere appreciation and deep gratitude to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir, for his wise vision, leadership, support and guidance aimed at raising the level of the local economy and financial institutions, which supports the development of Qatar. We would also like to thank His Highness the Father Emir Sheikh Hamad bin Khalifa al-Thani, who built the solid foundation upon which the nation is being constructed and developed. The Board would also like to thank His Excellency Sheikh Abdullah Bin Nasser Bin Khalifa Al Thani, Prime Minister and Minister of Interior, for his continuous support and guidance. Our appreciation and thanks also goes to the Companies Control Department at the Ministry of Economy and Commerce for its constant cooperation and help.

We would like to sincerely thank you, our valued shareholders, for your relentless commitment and support that has enabled Al Meera to scale new heights and move steadily towards our goal of becoming the leading retail company for consumer goods in Qatar, in line with our slogan, "Your Favourite Neighbourhood Retailer." Our thanks are also extended to the executive management and employees of Al Meera for their dedication and diligence.

We ask Allah Almighty and Exalted to give us guidance as we strive to achieve all that is good for our beloved country, our stakeholders and our customers.

Thank you,

Abdulla Bin Khalid Al Qahtani

Chairman of the Board



BOARD OF DIRECTORS' REPORT

In the Name of Allah, the Most Gracious, the Most Merciful

Dear Shareholders,

The Board of Directors of Al Meera Consumer Goods Company (Q.S.C.) is pleased to present this Tenth Annual Report on the Company's operations and financial position for the year ended December 31, 2015.

This year, Al Meera Consumer Goods Company (Q.S.C.) celebrated the achievements that have marked its journey since its establishment 10 years ago.

Throughout its history, Al Meera has enjoyed a slew of achievements that have been spearheaded by its executive management under the guidance of the Board of Directors.

In its decade-long history, Al Meera has played an integral role in Qatar's sustainable development projects, with unwavering commitment to social and cultural values in its position as a leading national company. Keeping pace with the future, Al Meera has made strides in the field through a strategic plan that has entailed branch expansion in line with Qatar's urban boom and population growth, aligning with the Qatar National Vision 2030 for sustainable development across all Qatari territories.

Bringing life to family shopping, the company has adhered to world-class shopping standards at the service of consumer needs and satisfaction, as well as at the various communities, nationals and residents in the State of Qatar.

Renovation

Since Al Meera's identity was revamped under the slogan "Your Favourite Neighbourhood Retailer", the company has poured its energy and efforts into living up to its motto, beginning with the overhauling of its stores in Wakra, Khalifa South, Mansoura, Bin Omran, Hazm Al Markhiya, Azghawa, Mamoura and Géant Hypermarket in Hyatt Plaza. The complete internal renovation encompasses refrigeration, shelving and flooring, among others. Also slated for internal renovation in 2016 are the Shamal, Al Mirqab, Gharafat Al Rayyan, Dahl Al Hamam, Rawdat El Khail, Onaiza, Shahaniya, Jumailiya, Ghuwairiya and Kaaban branches. Additionally, Al Meera has undertaken the façade revamp for the Hazm Al Markhiya branch, with tenders currently under process for the Shamal, Wakra, Bin Omran, Mansoura, Jumailiya, Dahl

Al Hamam, Rawda El Khail, Onaiza, Azghawa, Mamoura, Khalifa South and Gharafat Al Rayyan.

Expansion

Our expansion journey began with the execution of our 10 year business plan which encompasses a well-thought through expansion strategy spearheaded by the Board. The expansion strategy included modern redesigning of several flagship branches; the first of which was the Abu Nakhla branch, followed by two modern shopping centers to serve the residents and visitors of Nuaija and Legtaifiya – in line with the company's expansionary policy across the State's various areas. Additionally, the company has leased a branch from the Dasman Group, with a later launch slated for the Al Meera Hypermarket on the airport road.

In the year 2011, Al Meera acquired Qatar Markets Company (Giant Stores) and the Al Oumara Bakeries company. In the same year, Al Meera signed a franchise agreement with WHSmith Travel Limited, a leading provider of magazines, books, stationary and office supplies, to operate WH Smith stores in Qatar.



Through its commitment to be "Your Favourite Neighbourhood Retailer," Al Meera expanded outside the State of Qatar, with the purchase of five "Safeer" stores in the Sultanate of Oman with its Omani partner, Oman National Investments Development Company (ONIDCO).

Our long term expansion strategy continues to drive our retail sales and profit growth, and our commitment to deliver quality, value and service to our customers. The opening of nine (9) community malls in Qatar and the first Al Meera Brand store in mall – The Gulf Mall, during the year is in line with the Qatar National Vision 2030 to develop different areas in the State. Al Meera's continuous growth is driven by our ongoing pursuit of excellence and to remain close to our customers wherever they are.



From 26 stores in the first year of operation, Al Meera now has a network of forty five (45) stores – forty one (41) of which are in the State of Qatar and four (4) of which are in the Sultanate of Oman.

New branches in the years to come

Our expansion plans are stretching to new heights with the setup of 14 new shopping centers spread across the country; a result of strategic research and strategy to keep pace with Qatar’s urban planning, which has extended to new areas and others that have recently witnessed a population boom. In fact, Al Meera is working in close and continual coordination and collaboration with the Ministry of Municipalities and Urban Planning to exchange recommendations and suggestions.

New store to open in Oman in 2016

After the development, refurbishment and conversion of existing stores into community malls, the year 2015 was a year of consolidation for Al Meera Markets (SAOC). Profit and EBITDA increased steadily in 2015 in a challenging competitive market. To further expand and reinforce our market share we are planning to open a new Supermarket of 1,500 m2 in a new upcoming mall in Al Hail location in Muscat suburbs in the second half of 2016

Social responsibility

Since its inception in 2005, Al Meera Consumer Goods Company has always been committed to carrying out its social responsibility, and, as a result, has achieved a lot in social work because of its belief that its success stems from its sense of need for community service. As part of its role in social development, and with emphasis on its societal role in supporting valuable campaigns, Al Meera sponsored and launched several campaigns that further enhance the company’s responsibility towards the society. These include the following: Tarahom Campaign, Cooperation with Qatar Charity, Support to productive families, Action on Diabetes, National Sports Day, Ramadan Campaigns, Support to Qatar Red Crescent, Support to Supreme Council of Health, sponsoring Sports events and Qatar National Day.

Awards and achievements

Al Meera also received a number of awards during 2015, including the leadership award for social responsibility in 2014 from the Qatar University. In addition, Qatar Chamber handed Al Meera an Award of Excellence for Food Safety 2015 during an inauguration ceremony for the “Qatar’s Achievements in Work Safety” book. Furthermore, the company received the ISO 9001:2008 certification for the activities of the commercial department from Bureau Veritas Certification Holding SAS – UK Branch. Not to mention, earlier this year, Qatar Today’s Awards for Business Excellence selected Al Meera among the top ten companies listed on the stock exchange in terms of performance. This came as a result of the company’s adaptability, innovation and vision, which enabled it to overcome many challenges and increase its market value, as well as generate substantial returns for its shareholders.

Within 10 years of its establishment, Al Meera’s steadfast evolution and steps have reflected in a slew of achievements and accomplishments at the service of its customers and shareholders.

We will continue to strive and pour all our efforts to mark even more accomplishments across our journey.



2015 BUSINE SS REVIEW



REVIEW OF PERFORMANCE

Operations highlights

- Opened nine (9) new community malls in Qatar with Al Meera as anchored stores.
- Opened Al Meera Brand Store in the Gulf Mall.
- Started construction of five (5) of the fourteen (14) additional community malls in Qatar.
- Received ISO 9001:2008 certification for the activities of the commercial department from Bureau Veritas Certification Holding SAS – UK Branch.
- Qatar Today's Awards for Business Excellence selected Al Meera among the top ten companies listed on the stock exchange in terms of performance.

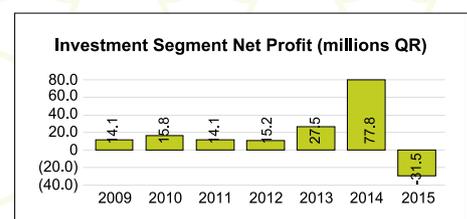
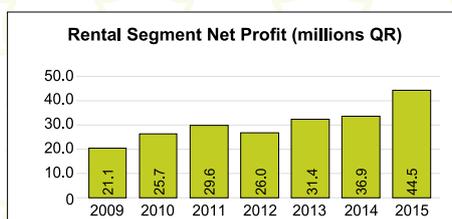
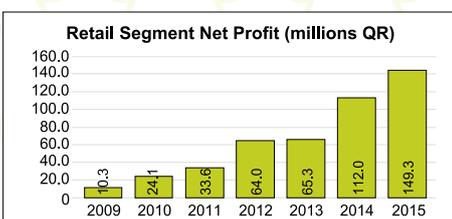
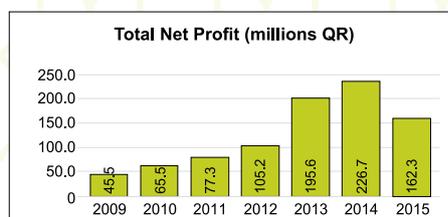
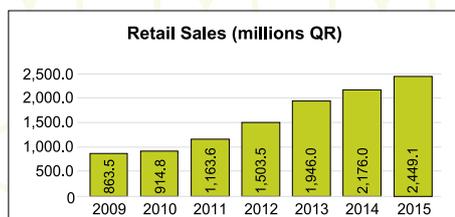
- Finalized the signature of lease to open a new Supermarket (1,500 m2) in the upcoming Al Muzn Mall, in Al Hail, Muscat, the Sultanate of Oman. Store is scheduled to open second half of 2016.

Financial highlights

- Group sales increased 12.5% (QAR 273.1 million), from QAR 2,176.0 million to QAR 2,449.1 million.
- Group gross profit increased 17.7% (QAR 64.2 million), from QAR 362.9 million to QAR 427.2 million.
- Group gross shops rental income increased 17.7% (QAR 7.6 million), from QAR 42.8 million to QAR 50.3 million.
- Group operating income increased 2.4%, to QAR 498.6 million, compared to QAR 486.7 million in 2014.
- Group net profit attributable to owners of the Company after non-controlling interests and provision for impairment losses on sale of available for sale investments (QAR 47.6 million), decreased 28.5% to QAR 162.1 million.

The Group's sales and segment net profit (2009 - 2015)	In Millions Qatari Riyals						
	2015	2014	2013	2012	2011	2010	2009
Retail Sales	2,449.1	2,176.0	1,946.0	1,503.5	1,163.6	914.8	863.5
Retail EBITDA	185.0	136.5	171.7	94.0	55.0	35.6	20.9
% of retail sales	7.56%	6.27%	8.83%	6.25%	4.73%	3.89%	2.42%
Retail Segment Net Profit	149.3	112.0	65.3	64.0	33.6	24.1	10.3
% of growth	33.3%	71.6%	2.0%	90.4%	39.7%	134.3%	<i>Not Available</i>
Rental Segment Net Profit	44.5	36.9	31.4	26.0	29.6	25.7	21.1
% of growth	20.6%	17.2%	21.1%	-12.2%	15.2%	21.9%	<i>Not Available</i>
Investment Segment Net Profit/(Loss)	(31.5)	77.8	27.5	15.2	14.1	15.8	14.1
% of growth	-140.4%	183.2%	81.1%	7.6%	-10.6%	11.8%	<i>Not Available</i>
Exceptional Incomes			71.4				
Total Net Profit	162.3	226.7	195.6	105.2	77.3	65.5	45.5
% of retail sales	6.63%	10.42%	10.05%	6.99%	6.64%	7.16%	5.26%

The Group's sales and segment net profit (2009 - 2015)



“Qatar Today’s Awards for Business Excellence selected Al Meera among the top ten companies listed on the stock exchange in terms of performance”

Operations

During the year, the Group opened nine (9) new modern community shopping malls located at Muraikh, Al Azizia, Muaither, Jeryan Nejaima, Thakhira, Al Wakra (South), Al Thumama, Al Wajba and Rawdat Ekdeem, with Al Meera stores as anchor stores, plus one new Al Meera store in the Gulf Mall. Of the fourteen (14) new malls planned for the coming years, the construction of five (5) is in progress and these stores are scheduled for completion 2016.

The 10 new stores contributed QAR 210.9 million to the Group’s sales in 2015. Overall, the new stores, with a total selling area of 13,975 SQM, contributed a remarkable 9.7% growth to the sales for 2015. Besides contributing to the sales and profit of the Group, these 10 new stores have increased our footprint in Qatar further.

Al Meera is progressing steadily with the renovation of existing stores to modernize their look and feel and to ensure our customers continue to enjoy a pleasant shopping experience. The refurbished stores continued their sales growth in 2015 with Mamoura at 20% and Azghawa at 13%. Hazm Markhiya whose revamp was completed in June 2015 grew at 8% despite the mall not yet being launched. The revamp of Old Wakra was completed in May 2015.

We have recently awarded contracts for façade renovation of six (6) stores at Jumailiya, Azghawa, Bin Omran, Dahl Al Hamam, Gharafat Al Rayan and Khalifa South.

The Company is also looking into embracing technology to further enhance the shopping experience of our valuable customers through e-commerce and will soon be launching an online shopping platform which was developed during 2015. In addition, we are testing a new retail ERP system in Onaiza which will improve the operations in our stores when it is implemented.

“Al Meera received ISO 9001:2008 certification for the activities of the commercial department from Bureau Veritas Certification Holding SAS – UK Branch”

Commercial

Driven by favorable customers’ response, we will continue to focus and expand on fresh items (butchery, fishery, fruit and vegetable, bakery and delicatessen) as it is Al Meera’s strategy to differentiate itself from other players. We will

concentrate on bringing quality import items at the best prices to meet the challenging price competition in the market.

We are working closely with our local partners to enhance our assortment of products. As it is Al Meera’s mission to be socially responsible, we are working with Qatari organic fruits and vegetable producers and extending our support to the small Qatari entrepreneurs under the supervision of the Department of Productive Families Development.

A notable achievement during the year is being recognized as one of Qatar’s quality retail businesses by receiving ISO 9001:2008 certification for the activities of the commercial department. Securing this prestigious recognition assures that our shelves will constantly be well-stocked with high quality of fresh produce products and our strict adherence to the country’s culture and tradition.

During the year, we entered into an agreement with Qatar Quality Food Company to secure Al Oumara Bakeries’ ability to consistently provide fresh and quality baked goods that can compete with the leading brands in the market.

“Having taken a very transparent and conservative approach, the Group recognized an impairment loss of QAR 47.6 million on its available-for-sale investments with no impact on the proposed dividends distribution to the shareholders compared to last year”

Financial Results

Sales and gross profit

Sales for the year totaled QAR 2,449.1 million, compared to QAR 2,176.0 million in 2014, an increase of QAR 273.1 million. 77.2% of the sales increase in 2015, amounting to QAR 210.9 million, came from the ten new stores. The balance sales increase of 22.8%, QAR 62.2 million, was from existing stores.

Gross profit increased by QAR 64.2 million (17.7%), to QAR 427.2 million in 2015, from QAR 362.9 million in 2014.

Operating income

Operating income increased 2.4%, from QAR 486.7 million to QAR 498.6 million.

Shop rental income from leased shops in Company’s malls increased 17.7%, to QAR 50.3 million in 2015, from QAR 42.8 million in 2014.

Net profit attributable to owners of the Company

GCC stock markets, including Qatar’s stock market, declined sharply at the end of 2015. The steep decline in stock values has negatively impacted the value of our available-for-sale investments as at December 31, 2015.

After careful consideration and prudent assessment of the fair value of our available-for-sale investment as at 31 December 2015, the Board of Directors has decided to recognize impairment losses on available-for-sale investment amounting to QAR 47.6 million in the consolidated income statement.

As a result, net profit attributable to owners of the Company, after provision for investment impairment losses declined (28.5%) to QAR 162.1 million from QAR 226.6 million in 2014.

Earnings per share

Earnings per share in 2015 equated to QAR 8.10 per share, compared to QAR 11.33 in 2014.

Dividends for shareholders – 2005 to 2015

On February 21, 2016, the Board of Directors proposed cash dividend of QR 9 per share amounting to QAR 180 million for the shareholders which is subject for approval of the Annual General Assembly. If approved, the total dividends made to shareholders from 2005 to 2015 will total QAR 890 million.

Total assets

Total assets declined (1.2%), from QAR 1,990.9 million in 2014 to QAR 1,966.4 million as at December 31, 2015.

Total equity

Total equity declined (1.3%) from QAR 1,444.7 million in 2014 to QAR 1,425.2 million as at December 31, 2015.

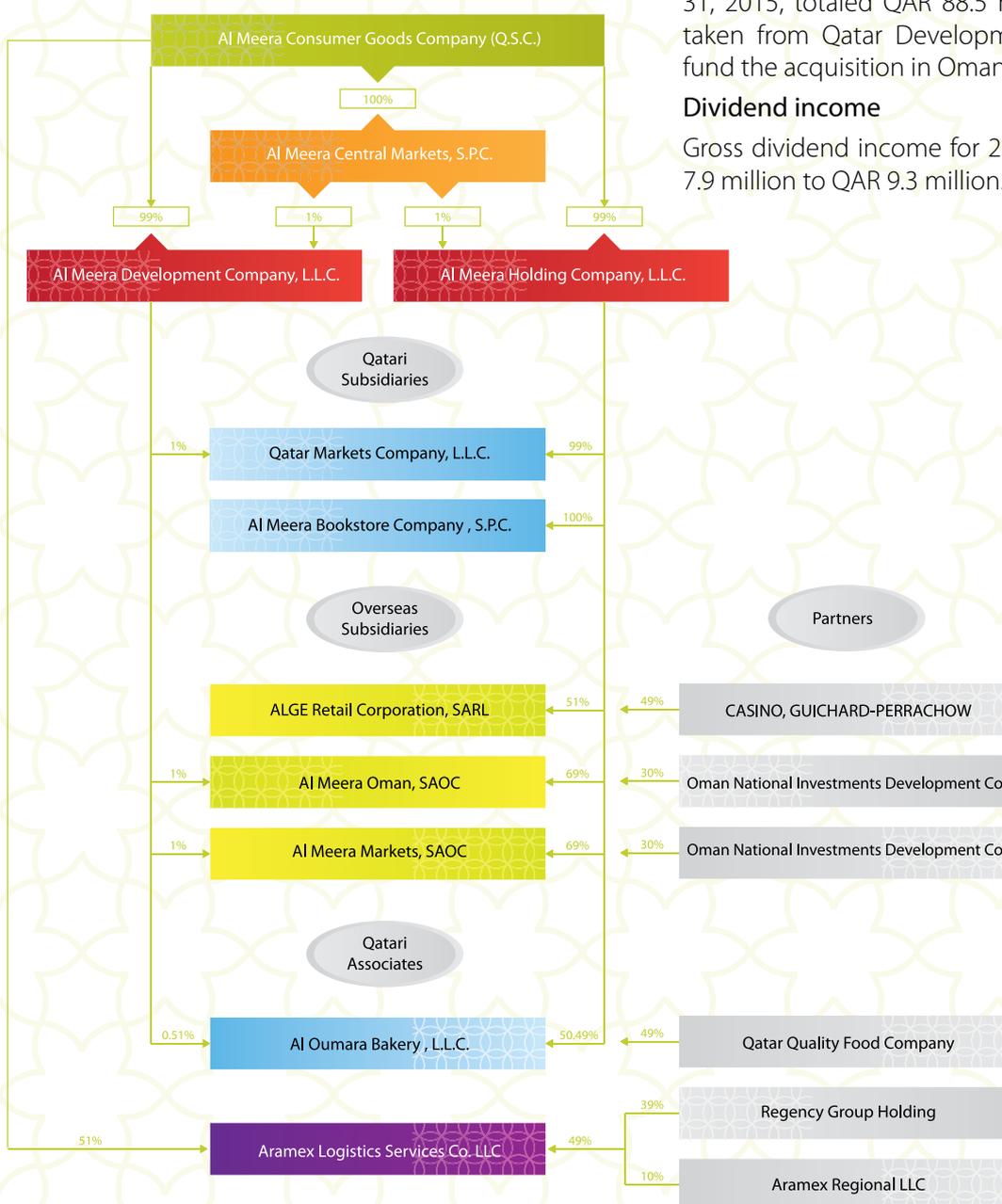
Bank debt

Bank borrowings – current and non-current as at December 31, 2015, totaled QAR 88.5 million. This relates to a loan taken from Qatar Development Bank (QDB) to partially fund the acquisition in Oman.

Dividend income

Gross dividend income for 2015 was up 16.7%, from QAR 7.9 million to QAR 9.3 million.

Al Meera Legal Structure



KEY PERFORMANCE INDICATORS



Key Performance Indicators (2006 – 2015)

	In Millions Qatari Riyals									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
NET SALES	2,449.1	2,176.0	1,946.0	1,503.5	1,163.7	914.8	863.5	748.7	577.2	507.9
TOTAL ASSETS	1,966.4	1,990.9	1,795.3	1,046.2	764.9	434.5	393.1	411.5	379.6	351.9
AVERAGE TOTAL ASSETS	1,978.6	1,893.1	1,420.7	905.5	599.7	413.8	402.3	395.5	365.7	333.8
TOTAL SHAREHOLDERS' EQUITY	1,425.2	1,444.7	1,404.0	305.2	271.5	249.2	220.9	220.4	228.5	221.9
AVERAGE TOTAL SHAREHOLDERS' EQUITY	1,434.9	1,424.3	854.6	288.3	260.4	235.1	220.7	224.5	225.2	212.7
TOTAL LIABILITIES	541.2	546.2	391.4	740.9	493.4	185.3	172.1	191.1	151.0	130.0
TOTAL BANK DEBTS	88.5	88.3	0.0	408.5	246.6	0.0	0.0	0.0	0.0	0.0
TOTAL CURRENT ASSETS	711.7	837.7	1,006.3	450.3	243.7	215.7	215.9	260.6	209.1	195.8
TOTAL CURRENT LIABILITIES	430.4	434.6	370.3	314.5	230.3	172.6	161.3	183.5	144.6	124.1
FINANCE COSTS	2.9	1.4	3.7	12.1	6.5	0.0	0.0	0.0	0.0	0.0
EBIT	165.3	228.2	198.8	117.3	83.8	65.5	45.5	63.8	36.0	34.5
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	162.1	226.6	196.1	105.8	77.3	65.5	45.5	63.8	36.0	34.5
EBIDA	200.9	252.7	233.6	141.4	99.3	77.8	56.1	74.1	46.6	45.4
NUMBER OF SHARES	20,000	20,000	19,101	11,757	10,000	10,000	10,000	10,000	10,000	10,000

GROSS PROFIT PERCENTAGE	17.4%	16.7%	16.4%	17.0%	15.1%	13.4%	12.0%	13.3%	12.4%	10.0%
NET PROFIT PERCENTAGE	6.6%	10.4%	10.1%	7.0%	6.6%	7.2%	5.3%	8.5%	6.2%	6.8%
RETURN ON AVERAGE TOTAL ASSETS	8.2%	12.0%	13.8%	11.7%	12.9%	15.8%	11.3%	16.1%	9.9%	10.3%
RETURN ON AVERAGE TOTAL SHAREHOLDERS' EQUITY	11.3%	15.9%	22.9%	36.7%	29.7%	27.9%	20.6%	28.4%	16.0%	16.2%
TOTAL LIABILITIES TO EQUITY RATIO	38.0%	37.8%	27.9%	242.7%	181.8%	74.3%	77.9%	86.7%	66.1%	58.6%
BANK DEBTS TO EQUITY RATIO	6.2%	6.1%	0.0%	133.8%	90.8%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT RATIO	1.7	1.9	2.7	1.4	1.1	1.2	1.3	1.4	1.4	1.6
TIMES FINANCE COST EARNED	57.7	160.4	53.9	9.7	12.9	0.0	0.0	0.0	0.0	0.0
EARNINGS PER SHARE	8.10	11.33	10.27	9.00	7.73	6.55	4.55	6.38	3.60	3.45
NOMINAL VALUE PER SHARE	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
BOOK VALUE PER SHARE	71.26	72.23	73.50	25.96	27.15	24.92	22.09	22.04	22.85	22.19

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT FOR THE YEAR ENDED
DECEMBER 31, 2015**



Independent AUDITOR'S REPORT

THE SHAREHOLDERS

AL MEERA CONSUMER GOODS COMPANY Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Al Meera Consumer Goods Company Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the applicable Qatar Commercial Companies Law provisions, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group'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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of Al Meera Consumer Goods Company Q.S.C. and its subsidiaries as at December 31, 2015 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other legal and regulatory requirements

We are also of the opinion that proper books of account were maintained by the Company, physical inventory verification has been duly carried out and the contents of the directors' report are in agreement with the Group's consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's by-laws were committed during the year which would materially affect the Company's activities or its financial position. As explained in note 3 to the consolidated financial statements, a new Qatar Commercial Law was issued on July 7, 2015. The Group is in the process of assessing the impact of the new Qatar Commercial Companies' Law on the Company and its subsidiaries.

Doha – Qatar
February 21, 2016

For Deloitte & Touche
Qatar Branch


Midhat Salha
Partner

License No. 257

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2015

	Notes	2015 QR	2014 QR
ASSETS			
Non-current assets			
Property and equipment	5	691,190,809	588,020,015
Intangible assets	6	8,730,961	10,240,782
Available-for-sale investments	7	210,262,821	210,304,302
Investment in associates	8	98,497	98,497
Deferred tax assets	19	298,937	421,429
Goodwill	9	344,097,998	344,097,998
Total non-current assets		1,254,680,023	1,153,183,023
Current assets			
Inventories	10	183,419,260	171,829,639
Accounts receivable and prepayments	11	51,084,395	41,925,435
Due from related parties	28	5,660,379	6,869
Cash and bank balances	12	471,522,458	623,972,031
Total current assets		711,686,492	837,733,974
Total assets		1,966,366,515	1,990,916,997
EQUITY AND LIABILITIES			
Equity			
Share capital	13	200,000,000	200,000,000
Legal reserve	14	901,289,603	901,289,603
Optional reserve	14	21,750,835	21,750,835
Fair value reserve		(11,943,444)	(13,918,815)
Retained earnings		273,927,930	295,654,041
Equity attributable to the owners of the Company		1,385,024,924	1,404,775,664
Non-controlling interests	29	40,169,089	39,920,960
Total equity		1,425,194,013	1,444,696,624
Non-current liabilities			
Loans and borrowings	16	84,963,255	88,279,923
Employees' end of service benefits	17	25,799,696	23,384,170
Total non-current liabilities		110,762,951	111,664,093
Current liabilities			
Accounts payable and accruals	18	426,844,718	434,556,280
Loans and borrowings	16	3,564,833	--
Total current liabilities		430,409,551	434,556,280
Total liabilities		541,172,502	546,220,373
Total equity and liabilities		1,966,366,515	1,990,916,997



H.E. Abdulla Bin Khalid Al Qahtani
Chairman



Dr. Saif Saeed Al Sowaidi
Vice Chairman

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2015

	Notes	2015 QR	2014 QR
Sales		2,449,080,123	2,176,005,386
Cost of sales		(2,021,922,739)	(1,813,085,592)
Gross profit		427,157,384	362,919,794
Shops rental income		50,333,872	42,761,250
Other income	22	21,088,129	81,067,092
Operating income		498,579,385	486,748,136
General and administrative expenses	23	(252,786,100)	(231,195,193)
Depreciation	5	(34,135,363)	(23,022,563)
Impairment losses on available-for-sale investments	7	(47,550,889)	(450,000)
Amortisation of intangible assets	6	(1,515,821)	(1,514,990)
Share in net loss of associates	8 & 15	(692,902)	(3,503)
Finance costs		(2,863,370)	(1,422,733)
Profit before income tax		159,034,940	229,139,154
Income tax expense	19	(122,492)	(68,733)
Profit for the year from continuing operations		158,912,448	229,070,421
Discontinued operations			
Profit/(loss) for the year from discontinued operations	15	3,430,004	(2,350,140)
Profit for the year		162,342,452	226,720,281
Attributable to:			
Owners of the Company		162,094,323	226,584,439
Non-controlling interests	29	248,129	135,842
		162,342,452	226,720,281
Basic earnings per share (EPS)	24		
Attributable to equity holders of the Company from continuing and discontinued operations		8.10	11.33
Attributable to equity holders of the Company from continuing operations		7.93	11.45

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2015

	Note	2015 QR	2014 QR
Profit for the year		162,342,452	226,720,281
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net movement in cumulative changes in fair value	25	1,975,371	(20,528,555)
Total comprehensive income for the year		164,317,823	206,191,726
Attributable to:			
Owners of the Company		164,069,694	206,055,884
Non-controlling interests		248,129	135,842
		164,317,823	206,191,726

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2015

	Share capital	Legal reserve	Optional reserve	Fair value reserve	Retained earnings	Total equity attributable to the owners of the Company	Non-controlling interests	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Balance at December 31, 2013	200,000,000	901,289,603	21,750,835	6,609,740	234,535,493	1,364,185,671	39,785,118	1,403,970,789
Total comprehensive income for the year	--	--	--	(20,528,555)	226,584,439	206,055,884	135,842	206,191,726
Appropriation for contribution to social fund (Note 21)	--	--	--	--	(5,465,891)	(5,465,891)	--	(5,465,891)
Dividends declared	--	--	--	--	(160,000,000)	(160,000,000)	--	(160,000,000)
Balance at December 31, 2014	200,000,000	901,289,603	21,750,835	(13,918,815)	295,654,041	1,404,775,664	39,920,960	1,444,696,624
Total comprehensive income for the year	--	--	--	1,975,371	162,094,323	164,069,694	248,129	164,317,823
Appropriation for contribution to social fund (Note 21)	--	--	--	--	(3,820,434)	(3,820,434)	--	(3,820,434)
Dividends declared (Note 20)	--	--	--	--	(180,000,000)	(180,000,000)	--	(180,000,000)
Balance at December 31, 2015	200,000,000	901,289,603	21,750,835	(11,943,444)	273,927,930	1,385,024,924	40,169,089	1,425,194,013

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2015

	Note	2015 QR	2014 QR
OPERATING ACTIVITIES			
Profit before income tax from continuing and discontinued operations		162,464,944	226,789,014
Adjustments for:			
Depreciation		34,233,046	23,285,351
Amortisation of intangibles		1,515,821	1,514,990
Interest income		(6,459,861)	(9,284,896)
Gain on sale of available for sale of investments, net		(1,051,844)	(61,051,635)
Provision for doubtful debts, net		325,760	181,777
Provision employees' end of service benefits		4,564,955	4,865,612
Impairment losses on available-for-sale investment		47,550,889	450,000
Provision for shrinkage and slow moving inventories		742,722	490,241
Share in net loss of associates		692,902	3,503
Gain on sale of investment in a subsidiary		(4,641,573)	--
Gain on disposal of property and equipment		(884,412)	(199,005)
Dividend income		(9,276,948)	(7,948,796)
Finance cost		2,863,370	1,422,733
		<u>232,639,771</u>	<u>180,518,889</u>
Working capital changes:			
Accounts receivable and prepayments		(12,360,892)	6,962,548
Inventories		(12,753,916)	(23,770,985)
Due from related parties		(1,192,235)	(6,869)
Accounts payable and accruals		(21,006,463)	53,333,806
Cash generated by operations		<u>185,326,265</u>	<u>217,037,389</u>
Payment of employees' end of service benefits		(1,989,107)	(2,576,476)
Payment of contribution to social fund		(5,465,891)	(4,769,615)
Net cash generated by operating activities		<u>177,871,267</u>	<u>209,691,298</u>
INVESTING ACTIVITIES			
Net proceeds on disposal of partial interest in a subsidiary that involves loss of control		2,878,353	--
Acquisition of investment in associates		--	(102,000)
Purchase of available-for-sale investments		(195,494,585)	(688,022,139)
Proceeds from sale of available-for-sale investments		151,012,391	666,067,578
Purchase of property and equipment		(138,348,380)	(327,162,060)
Proceeds from disposal of property and equipment		980,907	429,267
Net movement in deposits maturing after 90 days		295,316,000	173,017,699
Dividends received		9,276,948	7,948,796
Interest received		9,243,339	8,144,977
Net cash generated by/(used in) investing activities		<u>134,864,973</u>	<u>(159,677,882)</u>
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		--	88,279,923
Dividends paid		(167,254,608)	(149,744,677)
Interest paid		(2,615,205)	(1,422,733)
Net cash used in financing activities		<u>(169,869,813)</u>	<u>(62,887,487)</u>
Increase/(decrease) in cash and cash equivalents		<u>142,866,427</u>	<u>(12,874,071)</u>
Cash and cash equivalents at the beginning of the year		195,656,031	208,530,102
Cash and cash equivalents at the end of the year	12	<u>338,522,458</u>	<u>195,656,031</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

STATEMENTS

For the year ended December 31, 2015

1. INCORPORATION AND ACTIVITIES

On July 13, 2004, the Law No. (24) for 2004 was issued in order to transfer the former Consumers Cooperative Societies to Qatari Shareholding Company with a capital of QR 100,000,000, Al-Meera Consumer Goods Company (the "Company"), which is governed by the Qatar Commercial Companies Law No. 5 of 2002. The Company was registered under Article 68 of Commercial Companies Law with commercial registration number 29969 on March 2, 2005. The Company's registered office address is at P.O. Box 3371 Doha, State of Qatar.

On October 8, 2012, the shareholders approved the increase in share capital to 20,000,000 shares with nominal value of QR. 10 per share. The 10,000,000 shares were issued at QR. 95 per share and subscription was closed on February 10, 2013.

The Company and its subsidiaries (together "the Group") are mainly involved in wholesale and retail trading of various types of consumer goods commodities, owning and managing consumer outlets, and trading in foodstuff and consumer goods.

The Company is listed on the Qatar Exchange. The Government of the State of Qatar owns 26% of the Company's shares.

The Group's subsidiaries and associates are as follows:

Entity Name	Country of incorporation	Relationship	Ultimate ownership interest	
			2015	2014
Al Meera Holding Company L.L.C.	Qatar	Subsidiary	100%	100%
Al Meera Supermarkets Company S.P.C.	Qatar	Subsidiary	100%	100%
Al Meera Development Company L.L.C.	Qatar	Subsidiary	100%	100%
Qatar Markets Company W.L.L.	Qatar	Subsidiary	100%	100%
Alge Retail Corporation Sarl	Switzerland	Subsidiary	51%	51%
Al Meera Oman S.A.O.C	Oman	Subsidiary	70%	70%
Al Meera Markets S.A.O.C	Oman	Subsidiary	70%	70%
Al Meera Bookstore S.P.C	Qatar	Subsidiary	100%	100%
Al Oumara Bakeries Company W.L.L.	Qatar	Associate /Subsidiary	51%	100%
Aramex Logistics Services Company L.L.C.	Qatar	Associate	51%	51%

Al Meera Holding Company L.L.C. ("Al Meera Holding") is a limited liability company, incorporated in the State of Qatar. The Company is a holding company for holding the Group's investments and managing its subsidiaries, owning patents, trademarks and real estate needed to carry out its activities.

Al Meera Supermarkets Company S.P.C ("Al Meera Supermarkets") is a single person company incorporated in the State of Qatar. The Company is engaged in the establishment and management of business enterprise and investing therein, owning shares, moveable and immovable properties necessary to carry out its activities.

Al Meera Development Company L.L.C. ("Al Meera Development") is a limited liability company, incorporated in the State of Qatar. The Company is engaged in establishment and management of business enterprise and investing therein, owning patents, trade-works and real estate needed to carry out its activities.

Qatar Markets Company W.L.L. ("Qatar Markets") is a limited liability company, incorporated in the State of Qatar. The Company is engaged in the sale of food stuff, household items and garments.

Al Oumara Bakeries Company W.L.L. ("Al Oumara Bakeries") is a limited liability company, incorporated in the State of Qatar. The Company is engaged in manufacture and sale of bakery products (Note 15).

Alge Retail Corporation Sarl ("Alge Corporation") is a limited liability company incorporated in Switzerland. The Company is engaged in development of retail business in Tunisia, Libya, Egypt and Jordan. As at the reporting date, this company has not commenced its operations.

Al Meera Oman S.A.O.C ("Al Meera Oman") is a limited liability company incorporated in Sultanate of Oman. The Company is engaged in the construction and management

of shopping centers and related facilities. As at the reporting date, this company has not commenced its operations. The financial information of the subsidiary is disclosed in Note 29.

Al Meera Markets S.A.O.C (“Al Meera Market”) is a limited liability company incorporated in Sultanate of Oman. The Company is engaged in the establishment and operation of shopping centers, supermarkets, and hypermarkets. The financial information of the subsidiary is disclosed in Note 29.

Al Meera Bookstore S.P.C (“Al Meera Bookstore”) is a single person company incorporated in the State of Qatar. The Company is engaged in the sale of stationery, computer accessories, books and toys.

Aramex Logistics Services Company L.L.C. is a limited liability company incorporated in State of Qatar. The Company is engaged in the warehousing and delivery truck services.

These consolidated financial statements of the Group for the year ended December 31, 2015 were authorized for issue by the Chairman and Vice Chairman on February 21, 2016.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs affecting amounts reported in the financial statements

The following are the revised IFRSs that were effective in the current year and have been applied in the preparation of these consolidated financial statements:

(i) Revised Standards:

Effective for annual periods beginning on or after July 1, 2014	
• IAS 19 (Revised)	Amendments to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.
• Annual improvements to IFRSs 2010-2012 cycle	Amendments to issue clarifications on IFRSs- IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
• Annual Improvements 2011-2013 Cycle	Amendments to issue clarifications on IFRSs- IFRS 1, IFRS 3, IFRS 13 and IAS 40.

The adoption of these new and revised standards had no significant effect on the consolidated financial statements of the Group for the year ended December 31, 2015, other than certain presentation and disclosure changes.

2.2 New and revised IFRSs in issue but not yet effective (Early adoption allowed)

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

(i) New Standards:

Effective for annual periods beginning on or after January 1, 2016	
• IFRS 14	Regulatory Deferral Accounts.
Effective for annual periods beginning on or after January 1, 2018	
• IFRS 15	Revenue from Contracts with Customers.
• IFRS 9	Financial Instruments.
Effective for annual periods beginning on or after January 1, 2019	
• IFRS 16	Leases

(ii) Revised Standards:

Effective for annual periods beginning on or after January 1, 2016	
• IFRS 10 & IAS 28 (Revised)	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture.
• IFRS 11 (Revised)	Amendments regarding the accounting for acquisitions of an interest in a joint operation.
• IFRS 12 (Revised)	Amendments regarding the application of the consolidation exception.
Effective for annual periods beginning on or after January 1, 2016	
• IAS 1 (Revised)	Amendments resulting from the disclosure initiative.
• IAS 16 (Revised)	Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16.
• IAS 27 (Revised)	Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
• IAS 38 (Revised)	Amendments regarding the clarification of acceptable methods of depreciation and amortization.
• IAS 41 (Revised)	Amendments bringing bearer plants into the scope of IAS 16.
• Annual Improvements 2012-2014 Cycle	Amendments to issue clarifications and add additional/specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34.
Effective for annual periods beginning on or after January 1, 2018 (or on early application of IFRS 9)	
• IFRS 7 (Revised)	Financial Instruments Disclosures - Amendments requiring disclosures about the initial application of IFRS 9
• IAS 39 (Revised)	Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception.

The management anticipates that IFRS 15, IFRS 9 and IFRS 16 will be adopted in the Group's consolidated financial statements on the required effective dates. The application of these standards may have significant impact on amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements. However, the management have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

Management anticipates that the adoption of other Standards and Interpretations in future periods will have no material financial impact on the consolidated financial statements of the Group in the period of initial application, other than certain presentation and disclosure changes.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable provisions of Qatar Commercial Companies Law. A new Qatar Commercial Law issued on July 7, 2015 is extended to be adopted by August 7, 2016. The Group is in the process of assessing its compliance with the new Qatar Commercial Companies Law.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for available-for-investments that are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of the acquisition and up to the effective date of disposal.

Wherever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All inter group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated profit or loss, consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position separately from the equity attributable to the owners of the Company.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

Sales of goods – retail

The Group operates a chain of retail outlets. Sales of goods are recognized when the Group sells a product to the customer. Retail sales are usually in cash or by credit card.

Shop rental income

Rental income is recognized in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

Dividend and interest income

Dividend income from investments is recognised when the Group's right to receive payment has been established. Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The consolidated financial statements are presented in 'Qatari Riyals' ('QR'), which is the Group's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the consolidated statement of profit or loss.

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 that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The remaining borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

Property and equipment

Property and equipment is stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's 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. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	3%
Refrigerators and equipment	10%
Motor vehicles	20%
Furniture and fixtures	20%
Computer equipment	20% - 33%
Leasehold improvements	10% - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other income' in the consolidated statement of profit or loss.

Lands donated by Government are recorded at nominal amounts estimated by management.

Properties in the course of construction for rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

Intangible assets

Intangible assets other than goodwill are recognized at cost and carried at cost less accumulated amortization. The amortization is calculated using the straight-line method to allocate the cost over the estimated useful life of 5 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Business combination and goodwill

Business combinations are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of asset given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions

for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Impairment of goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in consolidated statement of profit or loss.

An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of tangible and intangible assets other than goodwill

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale investments, held to maturity investments and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or is designated as at FVTPL.

A financial asset is classified as held for trading if:

- (i) it has been acquired principally for the purpose of selling in the near future;
- (ii) on initial recognition it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- (iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- (ii) the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- (iii) it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available for sale (AFS) investments

AFS investments are non-derivative financial assets that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Listed securities held by the Group that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. The Group also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at cost because the management considers that fair value cannot be reliably measured. Gains and losses arising from changes in fair value are recognised directly in equity in the fair value reserve, with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in the consolidated statement of profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is taken to the consolidated statement of profit or loss.

Dividends on AFS equity instruments are recognised in the consolidated statement of profit or loss when the Group's right to receive the dividends is established.

Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. After initial measurement, loans and advances are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. The amortisation is included in 'interest income' in the consolidated statement of profit or loss. The losses arising from impairment are recognised in the consolidated statement of profit or loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short term deposits with an original maturity of three months or less.

Trade receivables

Accounts receivable are stated at original invoice amount, less any impairment for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For other financial assets, objective evidence of impairment could include:

- (i) significant financial difficulty of the issuer or counterparty; or
- (ii) default or delinquency in interest or principal payments; or
- (iii) it is becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- (iv) the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written

off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the consolidated statement of profit or loss.

When an AFS financial asset is considered to be impaired, cumulative losses previously recognised in other comprehensive income are reclassified to consolidated statement of profit or loss in the period.

For financial assets measured at amortised cost, 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 recognised, the previously recognised impairment loss is reversed through the consolidated statement of profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised through the consolidated statement of profit or loss are not reversed through the consolidated statement of profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of fair value reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through consolidated statement of profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated statement of profit or loss.

Financial liabilities and equity instruments issued by the Group

Equity instruments

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

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Employee benefits

Annual leave and air-fare ticket entitlements

A provision is made for the estimated liability for employees' entitlement to annual leave and air-fare ticket as a result of services rendered by the employees up to the reporting date. This provision is included under 'trade and other payables' in the consolidated statement of financial position.

Employees' end-of-service benefits

A provision is made for employees end of service benefits which are payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salary and accumulated period of service as at the reporting date.

Employees' retirement contribution

The Group makes contribution to the General Pension Fund Authority calculated as a percentage of employees' salaries in accordance with the requirements of Law No. 24 of 2002 pertain to Retirement and Pensions. The Group's obligations are limited to these contributions which are

expensed when due. This provision is included under 'trade and other payables' in the consolidated statement of financial position.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Income tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax assets/liabilities are calculated using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset as there is a legally enforceable right to offset these in applicable tax jurisdiction.

Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of receivables

An estimate of the collectible amount of receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical realisable value. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss.

Useful lives of property and equipment

The Group's management 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 and physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate the present value. The recoverable amount of the cash generating unit is determined by management based on value in use calculation which uses cash flow projections based on forecast revenue and profit margin which have been projected for five years discrete period. The forecast EBITDA has been adjusted for changes in working capital and capital expenditure requirements to arrive at free cash flows forecast. The management used discount rate of 7% (2014: 7%) and terminal growth rate of 5% (2014: 5%).

Impairment of available for sale investments

The Group follows the guidance of IAS 39 "Financial Instruments: Recognition and measurement" to determine when an available-for-sale investment is impaired. This determination requires significant judgment. In making this judgement, the Group assesses, among other factors, whether objective evidence of impairment exists.

The Group treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The Group treats "significant" generally as 20% or more and 'prolonged' greater than nine (9) months. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

During the year, the Group recognized an impairment of QR. 47.55 million (2014: QR 450 thousand) on its available-for-sale financial assets.

Loss of control over a subsidiary

During the year, the Group disposed of 49% of a wholly-owned subsidiary (Note 15). Based on the terms of the transaction, the Group has concluded that control of the subsidiary has been lost and that the remaining interest in the investee gives the Group the power to exercise significant influence.

5. PROPERTY AND EQUIPMENT

	Land QR	Buildings		Refrigerators and equipment		Motor vehicles	Furniture and fixtures		Computer equipment	Leasehold and other improvements		Capital work- in-progress	Total QR
		QR	QR	QR	QR		QR	QR		QR	QR		
Cost													
At January 1, 2015	5,452,860	212,084,253	132,226,032	8,938,032	10,257,298	16,485,178	30,138,417	320,252,446	735,834,516				
Additions	109,583	677,698	5,152,298	2,876,511	12,242,041	1,146,503	3,373,671	112,770,075	138,348,380				
Disposals	--	--	(49,391)	(1,416,697)	(58,289)	--	(37,938)	--	(1,562,315)				
Transfers	310,030	311,566,088	51,015,249	6,346,000	1,131,257	(2,424,243)	25,375,399	(393,319,780)	--				
Derecognition from disposal of a subsidiary (Note 15)	--	--	(4,938,741)	(182,950)	(674,103)	--	--	--	(5,795,794)				
At December 31, 2015	5,872,473	524,328,039	183,405,447	16,560,896	22,898,204	15,207,438	58,849,549	39,702,741	866,824,787				
Accumulated depreciation													
At January 1, 2015	--	61,677,848	53,283,591	6,495,835	5,192,054	9,569,023	11,596,150	--	147,814,501				
Provided during the year	--	7,742,638	13,736,996	2,386,973	2,032,073	2,519,717	5,814,649	--	34,233,046				
Relating to disposals	--	--	(40,221)	(1,410,950)	(3,004)	--	(5,645)	--	(1,459,820)				
Derecognition from disposal of a subsidiary (Note 15)	--	--	(4,218,338)	(128,555)	(606,856)	--	--	--	(4,953,749)				
At December 31, 2015	--	69,420,486	62,762,028	7,343,303	6,614,267	12,088,740	17,405,154	--	175,633,978				
Net book value													
At December 31, 2015	5,872,473	454,907,553	120,643,419	9,217,593	16,283,937	3,118,698	41,444,395	39,702,741	691,190,809				

5. PROPERTY AND EQUIPMENT (CONTINUED)

	Land	Buildings	Refrigerators and equipment	Motor vehicles	Furniture and fixtures	Computer equipment	Leasehold and other improvements	Capital work-in-progress	Total
	QR	QR	QR	QR	QR	QR	QR	QR	QR
Cost									
At January 1, 2014	5,452,860	208,167,924	92,695,924	9,126,185	30,300,682	10,356,841	20,993,417	33,295,750	410,389,583
Additions	--	4,433,411	18,078,360	114,950	2,195,841	1,122,697	3,314,722	297,902,079	327,162,060
Disposals	--	(517,082)	(199,840)	(373,657)	(8,436)	(112,385)	(505,727)	--	(1,717,127)
Transfers	--	--	21,651,588	70,554	(22,230,789)	5,118,025	6,336,005	(10,945,383)	--
At December 31, 2014	5,452,860	212,084,253	132,226,032	8,938,032	10,257,298	16,485,178	30,138,417	320,252,446	735,834,516
Accumulated depreciation									
At January 1, 2014	--	58,001,623	38,413,022	5,779,625	15,106,948	3,275,587	5,487,835	--	126,064,640
Provided during the year	--	4,193,307	9,898,950	1,019,294	1,263,578	2,095,273	4,814,949	--	23,285,351
Relating to disposals	--	(517,082)	(55,636)	(373,638)	(7,592)	(75,826)	(505,716)	--	(1,535,490)
Transfers	--	--	5,027,255	70,554	(11,170,880)	4,273,989	1,799,082	--	--
At December 31, 2014	--	61,677,848	53,283,591	6,495,835	5,192,054	9,569,023	11,596,150	--	147,814,501
Net book value									
At December 31, 2014	5,452,860	150,406,405	78,942,441	2,442,197	5,065,244	6,916,155	18,542,267	320,252,446	588,020,015

5. PROPERTY AND EQUIPMENT (CONTINUED)

Change in estimated useful life of property and equipment

The Group reviews the estimated useful lives of property and equipment at the end of each reporting period. In 2014, the Group determined that the actual lives of certain asset categories were generally longer than the useful lives used for depreciation purposes. Therefore, after taking the necessary approval, the Group extended the estimated useful lives of certain categories of property and equipment, effective January 1, 2014. The following are the new and old depreciation rates:

	<u>New rates</u>	<u>Old rates</u>
Buildings	3%	5%
Refrigerators and equipment	10%	20%
Motor vehicles	20%	20%
Furniture and fixtures	20%	20%
Computer equipments	20% - 33%	20% - 33%
Leasehold improvements	10% - 33%	10% - 33%

Assuming there were no changes in the estimated useful life of the assets, the depreciation expense in 2015 would have been higher by QR 13.11 million (2014: QR 17.47 million).

The depreciation charged has been allocated in the consolidated statement of profit or loss as follows:

	<u>2015</u> QR	<u>2014</u> QR
Cost of sales	97,683	262,788
Depreciation	<u>34,135,363</u>	<u>23,022,563</u>
	<u>34,233,046</u>	<u>23,285,351</u>

6. INTANGIBLE ASSETS

	<u>2015</u> QR	<u>2014</u> QR
Cost		
At the beginning of the year	17,714,027	17,762,653
Transfers	6,000	--
Disposals	--	(48,626)
At the end of the year	<u>17,720,027</u>	<u>17,714,027</u>
Accumulated amortisation		
At the beginning of the year	7,473,245	5,958,255
Charge for the year	<u>1,515,821</u>	<u>1,514,990</u>
At the end of the year	<u>8,989,066</u>	<u>7,473,245</u>
Net book value at the end of the year	<u>8,730,961</u>	<u>10,240,782</u>

7. AVAILABLE-FOR-SALE INVESTMENTS

	<u>2015</u> QR	<u>2014</u> QR
Quoted equity investments	196,562,702	196,160,238
Unquoted equity investments	13,700,119	14,144,064
	<u>210,262,821</u>	<u>210,304,302</u>
	<u>2015</u> QR	<u>2014</u> QR
Carrying value of available-for-sale investments		
At January 1,	210,304,302	148,276,661
Additions	195,494,585	688,022,139
Disposals	(149,960,548)	(605,015,943)
Changes in fair value of investment	1,975,371	(20,528,555)
Impairment loss	(47,550,889)	(450,000)
	<u>210,262,821</u>	<u>210,304,302</u>

The above quoted equity investments are managed by reputable fund managers who take investment decisions on behalf of the Group.

8. INVESTMENT IN ASSOCIATES

	<u>2015</u> QR	<u>2014</u> QR
At January 1,	98,497	--
Additions during the year	--	102,000
Provision recorded upon recognition of Al Oumara (Note 15)	(1,708,576)	--
Share in net loss for the year	(692,902)	(3,503)
Presented separately as a provision for deficit in an associate (Note 18)	2,401,478	--
	<u>98,497</u>	<u>98,497</u>

8. INVESTMENT IN ASSOCIATES (CONTINUED)

Details of the Group's associate at December 31, is as follows:

Name of an associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest	
			2015 %	2014 %
Aramex Logistics Services Company L.L.C (i)	Warehousing, value added services and delivery truck services	Qatar	51%	51%
Al Oumara Bakeries Company Company W.L.L. (ii)	Manufacture and sale of bakery products	Qatar	51%	(2014: Subsidiary)

(i) This investment in an associate is accounted for using equity method in these financial statements. This associate has not commenced operations and the summarized financial information in respect of the Group's associate is set out below:

	2015	2014
	QR	QR
Total assets	200,000	200,000
Total liabilities	(6,869)	(6,869)
Net assets	<u>193,131</u>	<u>193,131</u>
Group's share in associate's net assets	<u>98,497</u>	<u>98,497</u>
Net loss for the year	--	(6,869)
Group's share in associate's net losses	<u>--</u>	<u>(3,503)</u>

One of the partner in Aramex Logistics Services Company L.L.C. is a related party of the Group.

(ii) The share in the net assets of this associate was brought to nil due to a deficit in equity of the investee at year end. The Group has recognized the share in net deficit amounting to QR 2.4 million as at December 31, 2015 as provision for deficit in an associate (Notes 15 and 18).

9. GOODWILL

The carrying amount of goodwill has been allocated to the following cash generating units:

	2015	2014
	QR	QR
Qatar Markets Company W.L.L.	227,028,986	227,028,986
Al Meera Market (Al Saferen Oman) – five supermarkets	<u>117,069,012</u>	<u>117,069,012</u>
	<u>344,097,998</u>	<u>344,097,998</u>

The recoverable amounts of these cash generating units have been determined based on value in use calculations. The calculation uses cash flow projections based on forecast revenues and profit margins approved by management covering a 5 year period and a discount rate of 7% (2014: 7%). The forecast EBITDA has been adjusted for changes in working capital and capital expenditure requirements to arrive at free cash flows forecast. The cash flows beyond the five-year period are extrapolated using a steady growth rate of 5% (2014: 5%) which is the projected long term growth rate of the Group.

Other assumptions used in calculation of value in use includes expected revenue growth rate, fixed average EBITDA margin and capital expenditure forecast. Current and historical transactions have been used as indicators of future transactions.

Management believes that any reasonably possible change in the above key assumptions on which the recoverable amount is based would not cause the carrying value of the goodwill to materially exceed its recoverable amount, accordingly, no impairment loss was recognized in years 2015 and 2014. No impairment has been recognized on Goodwill since initial recognition.

10. INVENTORIES

	2015	2014
	QR	QR
Finished goods	184,684,471	172,966,300
Inventories consumable and spare parts	<u>1,152,824</u>	<u>538,652</u>
	185,837,295	173,504,952
Less: Allowance for shrinkage and slow moving inventories	<u>(2,418,035)</u>	<u>(1,675,313)</u>
	<u>183,419,260</u>	<u>171,829,639</u>

The movement in the allowance for shrinkage and slow moving inventories is as follows:

	2015 QR	2014 QR
At January 1,	1,675,313	1,185,072
Increase in allowance recognized during the year	742,722	490,241
	<u>2,418,035</u>	<u>1,675,313</u>

At December 31, 2015, trade receivables at nominal value of QR 2,320,046 (2014: QR 1,994,286) were impaired.

Movements in the allowance for impairment of trade receivables were as follows:

	2015 QR	2014 QR
At January 1,	1,994,286	1,812,509
Charge for the year	325,760	181,777
	<u>2,320,046</u>	<u>1,994,286</u>

11. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2015 QR	2014 QR
Trade receivables	13,832,546	12,094,867
Credit card receivables	6,911,351	5,490,036
Prepayments	5,856,599	4,137,858
Deposits	7,511,302	2,814,348
Staff receivables	3,817,246	2,420,459
Accrued interest income	1,353,033	4,136,511
Rent receivables	1,789,356	192,487
Advances to supplier	12,017,419	12,126,966
Other receivables	315,589	506,189
	<u>53,404,441</u>	<u>43,919,721</u>
Less: Allowance for impairment of trade receivables	<u>(2,320,046)</u>	<u>(1,994,286)</u>
	<u>51,084,395</u>	<u>41,925,435</u>

At December 31, the ageing of unimpaired trade receivables is as follows:

	Total QR	Past due but not impaired				
		<30 days QR	30-60 days QR	61-90 days QR	91-120 days QR	>120 days QR
2015	<u>11,512,500</u>	<u>4,757,019</u>	<u>2,803,443</u>	<u>1,130,850</u>	<u>1,940,328</u>	<u>880,860</u>
2014	<u>10,100,581</u>	<u>2,226,271</u>	<u>3,120,348</u>	<u>1,770,163</u>	<u>1,562,360</u>	<u>1,421,439</u>

Unimpaired trade receivables are expected to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2015 QR	2014 QR
Cash at banks	271,131,342	193,450,791
Fixed deposits	198,366,000	428,316,000
Cash on hands	2,025,116	2,205,240
	<u>471,522,458</u>	<u>623,972,031</u>
Time deposits maturing over 90 days	<u>(133,000,000)</u>	<u>(428,316,000)</u>
	<u>338,522,458</u>	<u>195,656,031</u>

Fixed deposits have different maturities and carry profit margin ranging from 1% to 2% (2014: 1% to 2%) per annum.

13. SHARE CAPITAL

	2015	2014
	QR	QR
Authorised, issued and fully paid 20,000,000 ordinary shares of QR 10 each (2014: 20,000,000 ordinary shares)	<u>200,000,000</u>	<u>200,000,000</u>

14. RESERVES

Legal reserve

In accordance with Qatar Commercial Companies Law, 10% of the profit for the year is transferred to a legal reserve. Transfers to this reserve are required to be made until such time as it equals at least 50% of the issued share capital of the Group. This reserve is not available for distribution except in the circumstances stipulated in Qatar Commercial Companies Law.

Optional reserve

In accordance with the Group's Articles of Association, upon suggestion of the Board of Directors, the General Assembly may decide to deduct a portion of the net profit for the optional reserve. This optional reserve shall be used in the forms and ways that will be decided by the General Assembly.

15. DISPOSAL OF A SUBSIDIARY

During the year, the Group disposed of 49% of its interest in Al Oumara Bakeries Company W.L.L., a subsidiary, to Qatar Quality Food Company L.L.C., reducing its continuing interest to 51%. The proceeds on disposal amounting to QR 3 million were received in cash. The disposal was completed on July 29, 2015, on which the control of Al Oumara was transferred to the acquirer. The retained ownership interest in Al Oumara is recognized as investment in associate and accounted for using equity method.

a. Analysis of net assets derecognised

The Group derecognised the assets, liabilities and equity as at date of the loss of control as follows:

	2015
	QR
Property and equipment	842,045
Inventories	421,573
Accounts receivable and prepayments	92,695
Due from a related party	729,595
Cash and bank balances	121,647
Employees' end of service benefits	(160,322)
Accounts payable and accruals	(206,512)
Due to a related party	(5,190,870)
	<u>(3,350,149)</u>

The realised gain on disposal of subsidiary is as follows:

	2015
	QR
Proceeds received	3,000,000
Less: Carrying amount of the 49% interest disposed (deficit)	(1,641,573)
Gain on disposal of a subsidiary	<u>4,641,573</u>

Net cash inflows on disposal of partial interest in a subsidiary:

	2015
	QR
Consideration received in cash and cash equivalents	3,000,000
Less: cash and bank balances disposed of	(121,647)
	<u>2,878,353</u>

b. Discontinued operations

The results of discontinued operations included in the consolidated statement of profit or loss arising from the above transaction. The comparative profit from discontinued operations have been re-presented to include those operations as discontinued in the current year.

	Up to the date of disposal in 2015 QR	December 31, 2014 QR
Sales	1,570	222
Cost of sales	<u>(1,118,206)</u>	<u>(1,842,644)</u>
Gross loss	(1,116,636)	(1,842,422)
General and administrative expenses	(70,225)	(380,206)
Depreciation	<u>(24,708)</u>	<u>(127,512)</u>
Loss for the period up to the date of derecognition	(1,211,569)	(2,350,140)
Gain on disposal of a subsidiary	<u>4,641,573</u>	--
Profit/(loss) for the year from discontinued operations attributable to owners of the Company	<u>3,430,004</u>	<u>(2,350,140)</u>

Net cash flows from discontinued operations are set out below:

	2015 QR	2014 QR
Net cash (used in)/ generated by operating activities	(6,414)	65,447
Net cash used in financing activities	<u>(60,304)</u>	<u>(190,036)</u>
Net decrease in cash and cash equivalents	<u>(66,718)</u>	<u>(124,589)</u>

c. Provision for deficit in an associate

The 51% retained interest in Al Oumara is accounted for using the equity method in these consolidated financial statements. Provisions are recognised to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The summarized financial information below represents amounts shown in the associate's financial statements for the period from recognition of the associate to December 31, 2015. These financial statements were prepared in accordance with International Financial Reporting Standards:

	2015 QR
Total revenue	<u>1,071,668</u>
Total loss for the period	<u>(1,358,631)</u>
Group's proportionate interest in associate's net loss	<u>(692,902)</u>
Total assets	<u>1,893,715</u>
Total liabilities	<u>(6,602,495)</u>
Net deficit	<u>(4,708,780)</u>
Group's proportionate interest (provision) in associate's net deficit	<u>(2,401,478)</u>

16. LOANS AND BORROWINGS

	2015 QR	2014 QR
Long term Murabaha facility	88,900,000	88,900,000
Deferred financing arrangement cost	(371,912)	(620,077)
	<u>88,528,088</u>	<u>88,279,923</u>
Less: Current portion	<u>3,564,833</u>	--
	<u>84,963,255</u>	<u>88,279,923</u>

This loan represents clean Murabaha facility obtained from Qatar Development Bank on June 30, 2014. The facility carries a profit rate of 3% per annum and is payable over 40 quarterly instalments starting September 30, 2016. The loan is presented net of unamortised financing arrangement cost.

The loan was obtained to partially fund an acquisition of a subsidiary in Oman in prior years. The facility agreement contains certain covenants related to the capital structure of the operation of the business of Al Meera Markets S.A.O.C., the Group subsidiary in Oman.

17. EMPLOYEES' END OF SERVICE BENEFITS

	2015 QR	2014 QR
At January 1,	23,384,170	21,095,034
Provision for the year	4,564,955	4,865,612
Payments during the year	(1,989,107)	(2,576,476)
Derecognition from disposal of a subsidiary (Note 15)	<u>(160,322)</u>	--
	<u>25,799,696</u>	<u>23,384,170</u>

18. ACCOUNTS PAYABLE AND ACCRUALS

	2015	2014
	QR	QR
Trade payables	290,451,283	292,833,648
Dividends payable	70,573,020	57,827,628
Payable to contractors	18,496,861	34,484,115
Accrued expenses	12,680,143	10,917,282
Staff bonus	10,131,935	10,170,361
Provision for Board remuneration	5,740,000	7,500,000
Provision for air tickets and leave pay	4,041,086	4,156,538
Provision for social and sports activities contribution	3,820,434	5,465,891
Provision for deficit in an associate (Note 15 (c))	2,401,478	--
Deferred rent income	1,736,389	1,705,867
Other payables	6,772,089	9,494,950
	<u>426,844,718</u>	<u>434,556,280</u>

19. TAXATION

	2015	2014
	QR	QR
Deferred tax	<u>122,492</u>	<u>68,733</u>

a) Current tax

The Group is subject to income tax at the rate of 12% of taxable profits in excess of QR 285,000 (RO 30,000) on its operation in the Sultanate of Oman. Due to tax losses incurred on operations in Sultanate of Oman, no current tax expenses were recognised during the year.

b) Deferred tax asset

The net deferred tax asset amounting to QR 298,937 (2014: QR 421,429) is based on timing differences between the tax and accounting basis of various assets and liabilities of the Group.

20. DIVIDENDS

On February 21, 2016, the Board of Directors proposed cash dividend of QR. 9 per share amounting to QR. 180 million for the shareholders which is subject for approval of the Annual General Assembly (2015: QR 9 per share amounting to QR 180 million which has been approved in the Annual General Assembly on March 1, 2015).

21. CONTRIBUTION TO SOCIAL FUND

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit of QR 3.82 million in 2015 (2014: QR 5.46 million) equivalent to 2.5% of the adjusted net profit of the Group and that of its subsidiaries for the year for the support of sports, cultural, social and charitable activities.

22. OTHER INCOME

	2015	2014
	QR	QR
Dividend income	9,276,948	7,948,796
Gain on sale of available for sale of investments, net	1,051,844	61,051,635
Interest income	6,459,861	9,284,896
Gain on sale of property and equipment	884,412	199,005
Other income	3,415,064	2,582,760
	<u>21,088,129</u>	<u>81,067,092</u>

23. GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
	QR	QR
Staff costs	141,231,298	132,216,992
Rent	39,825,039	33,246,514
Water and electricity	13,098,586	10,892,962
Contract labour charges	18,123,419	14,931,399
Consulting and professional fees	1,293,208	3,623,586
Board of Directors' remuneration	5,381,575	7,576,000
Bank charges, commission and credit card charges	6,871,741	5,575,863
Repairs and maintenance	6,405,425	5,369,205
Advertisement	4,925,585	3,702,461
Vehicles and insurance expenses	2,779,243	2,757,039
Telephone and post	2,170,229	1,894,851
Printing and stationary	1,386,051	1,121,870
Travelling expenses	2,266,639	2,300,331
Franchise fee	3,327,991	3,743,982
Donations	106,285	83,000
Others	3,593,786	2,159,138
	<u>252,786,100</u>	<u>231,195,193</u>

24. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to the equity holders for the period by the number of shares outstanding during the year as follows:

	2015	2014
Profit attributable to the equity holders for the year from continuing and discontinued operations (QR)	<u>162,094,323</u>	<u>226,584,439</u>
Profit/(loss) attributable to the equity holders for the year from discontinued operations (QR)	<u>3,430,004</u>	<u>(2,350,140)</u>
Number of shares outstanding (no. of shares)	<u>20,000,000</u>	<u>20,000,000</u>
Basic earnings per share		
Attributable to equity holders of the Company from continuing operations	7.93	11.45
Attributable to equity holders of the Company from discontinued operations	<u>0.17</u>	<u>(0.12)</u>
Total basic earnings per share	<u>8.10</u>	<u>11.33</u>

25. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2015 QR	2014 QR
Available-for-sale investments		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net fair value (loss)/ gain on available for sale investments	(44,035,128)	40,523,080
Cumulative gain reclassified to profit or loss on sale of available-for-sale financial assets	(1,540,390)	(61,051,635)
Cumulative loss reclassified to profit or loss on impairment of available-for-sale financial asset	47,550,889	--
	<u>1,975,371</u>	<u>(20,528,555)</u>

26. CONTINGENCIES AND COMMITMENTS

	2015 QR	2014 QR
Letter of credits	232,250	1,813,242
Letter of guarantees	4,780,502	4,490,441
	<u>5,012,752</u>	<u>6,303,683</u>

The Group's contingent liabilities consist of letters of credit and guarantee relating to purchases of goods associated with the Group's existing contracts with certain suppliers. It is not anticipated that any material liabilities will arise from the letters of credit and guarantees which were issued in the normal course of the business.

Capital commitment

The Group's capital commitment contracted but not provided for in the consolidated financial statements as at December 31, 2015 amounted to QR 195 million (2014: QR 98 million).

27. COMMITMENTS UNDER OPERATING LEASES

The Group leases various staff accommodations and premises under annual cancellable operating lease agreements with terms ranging from 2 to 25 years. For non-cancellable operating leases, future minimum lease commitments are as follows:

	2015 QR	2014 QR
Not later than one year	32,122,548	29,290,229
Later than one year and not later than five years	104,586,596	103,980,945
Later than five years	55,786,608	44,175,067
	<u>192,495,752</u>	<u>177,446,241</u>

28. RELATED PARTY DISCLOSURES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

(i) Related party transactions**a) Related party balances**

Due from related parties included in the consolidated statement of financial position is as follows:

	2015 QR	2014 QR
Associates		
Al Oumara Bakeries Company W.L.L.	5,653,460	--
Aramex Logistics Services Company L.L.C.	6,919	6,869
	<u>5,660,379</u>	<u>6,869</u>

b) Transaction with government

The Government of Qatar holds 26% of the Company's capital. In the normal course of business, the Group supplies its commodities to various Government and semi-Government agencies in the State of Qatar. The Group also avails various services from these parties in the State of Qatar.

c) Transactions with key management personnel

The remuneration of directors and other members of key management during the year as follows:

	2015 QR	2014 QR
Key management remuneration	5,872,890	5,297,853
Board of Directors' remuneration	5,797,000	7,576,000
	<u>11,669,890</u>	<u>12,873,853</u>

d) Transactions with related parties

	2015 QR	2014 QR
Purchases		
Al Oumara Bakeries Company W.L.L.	4,912,717	--
Sales		
Al Oumara Bakeries Company W.L.L.	2,101,069	--
Sales Commission		
Al Oumara Bakeries Company W.L.L.	525,267	--

29. NON-CONTROLLING INTERESTS

Name of subsidiary	Place of incorporation	Proportionate interest and voting rights held by non- controlling interest		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interest	
		2015	2014	2015	2014	2015	2014
Al Meera Markets S.A.O.C. (i)	Oman	30%	30%	264,632	149,364	38,760,644	38,496,012
Al Meera Oman S.A.O.C. (i)	Oman	30%	30%	(7,062)	(7,350)	1,400,217	1,407,279
Alge Retail Corporation Sarl	Switzerland	49%	49%	(9,441)	(6,172)	8,228	17,669
				248,129	135,842	40,169,089	39,920,960

The Group owns 70% equity shares of Al Meera Markets S.A.O.C. and Al Meera Oman S.A.O.C. and based on the contractual arrangements between the Group and other investors, the Group has the power to appoint and remove the majority of the Board of Directors of these subsidiaries. The relevant activities of these subsidiaries are determined by the Board of Directors based on simple majority votes. Therefore, the directors of the Group concluded that the Group has control over Al Meera Markets S.A.O.C. and Al Meera Markets Oman and these entities are consolidated in these financial statements.

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

29. NON-CONTROLLING INTERESTS (CONTINUED)

(i) Al Meera Markets S.A.O.C. and Al Meera Oman S.A.O.C.

	2015	2014
	QR	QR
Current assets	<u>44,732,709</u>	<u>42,823,487</u>
Non-current assets	<u>145,734,571</u>	<u>147,899,958</u>
Current liabilities	<u>55,758,693</u>	<u>57,170,367</u>
Non-current liabilities	<u>839,050</u>	<u>542,112</u>
Equity attributable to owners of the Company	<u>93,708,676</u>	<u>93,107,675</u>
Non-controlling interests	<u>40,160,861</u>	<u>39,903,291</u>
	2015	2014
	QR	QR
Revenue	147,236,189	151,904,519
Other income	8,643,752	6,906,587
Expenses	<u>(155,021,373)</u>	<u>(158,337,731)</u>
Profit for the year	<u>858,568</u>	<u>473,375</u>
Profit attributable to owners of the Company	600,998	331,361
Profit attributable to non-controlling interests	<u>257,570</u>	<u>142,014</u>
Profit for the year	<u>858,568</u>	<u>473,375</u>
Net cash (used in)/generated by operating activities	(1,487,292)	5,813,563
Net cash used in investing activities	(2,953,341)	(14,128,163)
Net cash generated by/(used in) financing activities	<u>7,842,963</u>	<u>(799,995)</u>
Net increase/(decrease) in cash and cash equivalents	<u>3,402,330</u>	<u>(9,114,595)</u>

30. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- The retail segment, which comprises the buying and selling of consumer good.
- The investment segment, which comprises equity and funds held as available-for-sale investments, and fixed

deposits.

- The leasing segment, which comprise mainly of renting shops in various malls owned by the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured the same as the operating profit or loss in

the consolidated financial statements.

30. SEGMENT INFORMATION (CONTINUED)

	Retail QR	Investment QR	Leasing QR	Total QR
Year ended December 31, 2015				
Sales	2,449,080,123	--	--	2,449,080,123
Cost of sales	<u>(2,021,922,739)</u>	--	--	<u>(2,021,922,739)</u>
Gross profit	427,157,384	--	--	427,157,384
Shops rental income	--	--	50,333,872	50,333,872
Dividend income	--	9,276,948	--	9,276,948
Gain on available for sale investments, net	--	1,051,844	--	1,051,844
Interest income	--	6,459,861	--	6,459,861
Other income	<u>4,299,476</u>	--	--	<u>4,299,476</u>
Operating income	431,456,860	16,788,653	50,333,872	498,579,385
General and administrative expenses	<u>(249,854,030)</u>	--	<u>(2,932,070)</u>	<u>(252,786,100)</u>
Impairment loss	--	(47,550,889)	--	(47,550,889)
Share in net loss of an associate	--	(692,902)	--	(692,902)
Finance costs	<u>(2,863,370)</u>	--	--	<u>(2,863,370)</u>
Depreciation and amortisation	<u>(32,720,641)</u>	--	<u>(2,930,543)</u>	<u>(35,651,184)</u>
Profit before income tax	146,018,819	(31,455,138)	44,471,259	159,034,940
Income tax expense	<u>(122,492)</u>	--	--	<u>(122,492)</u>
Profit from continuing operations	145,896,327	(31,455,138)	44,471,259	158,912,448
Profit for the year from discontinued operations	<u>3,430,004</u>	--	--	<u>3,430,004</u>
Profit for the year	<u>149,326,331</u>	<u>(31,455,138)</u>	<u>44,471,259</u>	<u>162,342,452</u>
Year ended December 31, 2014				
Sales	2,176,005,386	--	--	2,176,005,386
Cost of sales	<u>(1,813,085,592)</u>	--	--	<u>(1,813,085,592)</u>
Gross profit	362,919,794	--	--	362,919,794
Shops rental income	--	--	42,761,250	42,761,250
Dividend income	--	7,948,796	--	7,948,796
Gain on available for sale investments, net	--	61,051,635	--	61,051,635
Interest income	--	9,284,896	--	9,284,896
Other income	<u>2,781,765</u>	--	--	<u>2,781,765</u>
Operating income	365,701,559	78,285,327	42,761,250	486,748,136
General and administrative expenses	<u>(226,834,868)</u>	--	<u>(4,360,325)</u>	<u>(231,195,193)</u>
Impairment loss	--	(450,000)	--	(450,000)
Share in net loss of an associate	--	(3,503)	--	(3,503)
Finance costs	<u>(1,422,733)</u>	--	--	<u>(1,422,733)</u>
Depreciation and amortisation	<u>(23,004,703)</u>	--	<u>(1,532,850)</u>	<u>(24,537,553)</u>
Profit before income tax	114,439,255	77,831,824	36,868,075	229,139,154
Income tax expense	<u>(68,733)</u>	--	--	<u>(68,733)</u>
Profit from continuing operations	114,370,522	77,831,824	36,868,075	229,070,421
Loss for the year from discontinued operations	<u>(2,350,140)</u>	--	--	<u>(2,350,140)</u>
Profit for the year	<u>112,020,382</u>	<u>77,831,824</u>	<u>36,868,075</u>	<u>226,720,281</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2014: Nil). The accounting policies of the reportable segment are the same as the Group accounting policies described in Note 3.

The following table presents segmental assets regarding the Group's business segments for the year ended December 31, 2015 and December 31, 2014 respectively:

	<u>Retail</u>	<u>Investment</u>	<u>Leasing</u>	<u>Total</u>
	QR	QR	QR	QR
Segment assets				
At December 31, 2015	<u>1,565,832,359</u>	<u>343,361,317</u>	<u>57,172,839</u>	<u>1,966,366,515</u>
At December 31, 2014	<u>1,296,634,785</u>	<u>638,718,798</u>	<u>55,563,414</u>	<u>1,990,916,997</u>

Geographically, the Group operates in the State of Qatar and the Sultanate of Oman. Following is a summary of key balances related to each geography:

	<u>Qatar</u>		<u>Oman</u>		<u>Total</u>	<u>Total</u>
	2015	2014	2015	2014	2015	2014
	QR	QR	QR	QR	QR	QR
Total assets	<u>1,780,535,474</u>	<u>1,804,854,292</u>	<u>185,831,041</u>	<u>186,062,705</u>	<u>1,966,366,515</u>	<u>1,990,916,997</u>
Total liabilities	<u>520,914,780</u>	<u>514,527,863</u>	<u>20,252,722</u>	<u>31,692,510</u>	<u>541,172,502</u>	<u>546,220,373</u>
	<u>Qatar</u>		<u>Oman</u>		<u>Total</u>	<u>Total</u>
	2015	2014	2015	2014	2015	2014
	QR	QR	QR	QR	QR	QR
Total revenue	<u>2,301,843,934</u>	<u>2,024,101,089</u>	<u>147,236,189</u>	<u>151,904,297</u>	<u>2,449,080,123</u>	<u>2,176,005,386</u>
Net income	<u>160,326,843</u>	<u>225,204,780</u>	<u>2,015,609</u>	<u>1,515,501</u>	<u>162,342,452</u>	<u>226,720,281</u>

31. FINANCIAL RISK MANAGEMENT

Objective and policies

The Group's principal financial liabilities comprise accounts payable and loans and borrowings. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade and other receivables, due from related parties, available for sale investments and cash and bank balances, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks, which arise directly from its operations.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Group's income or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

Interest rate risk

The Group is exposed to interest rate risk on its floating rate interest-bearing assets (bank deposits). The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the Group's profit for the year based on the floating rate financial instruments held at December 31, 2015 and 2014. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increase shown.

	<u>Increase in basis points</u>	<u>Effect on profit</u>
2015	+25	332,500
2014	+25	1,070,790

Equity price risk

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

	<u>Changes in equity prices</u>	<u>Effect on equity</u>
2015 Available-for-sale investments – quoted	+5%	9,828,135
2014 Available-for-sale investments – quoted	+5%	9,808,012

The Group also has unquoted investments carried at cost where the impact of changes in equity prices will only be reflected when the investment is sold or deemed to be impaired, when the consolidated statement of profit or loss and other comprehensive income will be impacted.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk. The Group is not exposed to significant currency risk, in light of minimal balances in foreign currencies other than US Dollars.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge on obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances and certain assets as reflected in the consolidated statement of financial position.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits and monitoring outstanding receivables.

With respect to credit risk arising from the financial assets of the Group, including receivables and bank balance, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets in the consolidated statement of financial position.

The table below shows the maximum gross exposure to credit risk for the components of the consolidated statement of financial position.

	2015 QR	2014 QR
Bank balances	469,497,342	621,766,791
Trade and other receivables	45,227,796	37,787,577
	<u>514,725,138</u>	<u>659,554,368</u>

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the its reputation.

The table below summarises the maturities of the Group's financial liabilities at December 31, based on contractual payment dates and current market interest rate.

	On demand QR	Less than 1 year QR	More than 1 year and less than 2 years QR	More than 2 years and less than 5 years QR	More than 5 years QR	Total QR
2015						
Trade payables	--	290,451,283	--	--	--	290,451,283
Dividends payable	70,573,020	--	--	--	--	70,573,020
Other payables	--	27,005,339	--	--	--	27,005,339
Loans and borrowings	--	3,564,833	7,700,087	16,377,652	60,885,516	88,528,088
Total	<u>70,573,020</u>	<u>321,021,455</u>	<u>7,700,087</u>	<u>16,377,652</u>	<u>60,885,516</u>	<u>476,557,730</u>

	On Demand QR	Less than 1 year QR	More than 1 year and less than 2 years QR	More than 2 years and less than 5 years QR	More than 5 years QR	Total QR
2014						
Trade payables	--	292,833,648	--	--	--	292,833,648
Dividends payable	57,827,628	--	--	--	--	57,827,628
Other payables	--	45,684,932	--	--	--	45,684,932
Loans and borrowings	--	--	3,606,082	23,788,325	60,885,516	88,279,923
Total	<u>57,827,628</u>	<u>338,518,580</u>	<u>3,606,082</u>	<u>23,788,325</u>	<u>60,885,516</u>	<u>484,626,131</u>

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes loans and borrowings disclosed in Note 16, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings as disclosed in notes 12, 13 and 14, respectively.

Gearing ratio

The gearing ratio at year end was as follows:

	2015	2014
	QR	QR
Debt (i)	88,279,923	88,279,923
Cash and bank balances	<u>(471,522,458)</u>	<u>(623,972,031)</u>
Net cash	<u>(383,242,535)</u>	<u>(535,692,108)</u>
Equity (ii)	<u>1,425,194,013</u>	<u>1,444,696,624</u>
Net debt to equity ratio	<u>(27%)</u>	<u>(37%)</u>

(i) Debt is defined as long-term debt, as detailed in note 16

(ii) Equity includes all capital and reserves of the Group that are managed as capital

The fair values of the financial assets and liabilities, with the exception of certain unquoted available-for-sale investments carried at cost, are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents, available-for-sale investments, and trade and other receivables. Financial liabilities consist of loans and borrowings and trade and other payables.

As at December 31, the Group held the following financial instruments measure at fair value:

	2015	Level 1	Level 2	Level 3
	QR	QR	QR	QR
Available-for-sale investments				
- Quoted shares	<u>196,562,702</u>	<u>196,562,702</u>	<u>--</u>	<u>--</u>
	2014	Level 1	Level 2	Level 3
	QR	QR	QR	QR
Available-for-sale investments				
- Quoted shares	<u>196,160,238</u>	<u>196,160,238</u>	<u>--</u>	<u>--</u>

Available-for-sale investments amounting to QR 13,700,119 (2014: QR 14,144,064) are carried at cost since the fair value cannot be reliably determined by the management.

During the year ended December 31, 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.